Expatriate training effectiveness in Chinese MNCs
Four case studies

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Abstract

The purpose of this study is to gain understanding of Chinese multinational companies in respect of expatriate training. To achieve this purpose, pre-departure training, problems met during the international assignment and on-site support are studied in a qualitative, multiple-case study based on interviews and corporate documents in four Chinese multinational companies. Findings indicate that language training and appropriate on-site support are provided by most of them. However, some training such as cross-cultural training and job-related training are still largely missing, both of which are proved significant in adapting to a new environment and in improving job performance according to previous literature. We explore how training or lack of training affects real cases and suggest propositions for relevant training in the context of Chinese expatriates overseas.
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Chapter 1

Introduction

1.1 Background

The pace of International Business has been increasing rapidly in the recent decades. “Business has to scale-up to meet the demand of this global market. The scaling-up process is unavoidable” says Richard Parsons, the formal CEO and chairman of Time Warner. Many companies choose to expand internationally to keep competitive competency. “In today’s global economy, having a workforce that is fluent in the ways of world isn’t a luxury. It’s a competitive necessity.” (Black and Gregersen, 1999).

The business of Chinese multinational companies has increased a lot in the recent decades. In the last century, most of the overseas investment is in the form of joint ventures and were located in developing countries. Since year 1985, the Chinese government has recognized the significance of the international operation in this global era. So the government issued policies and directives in favor of Chinese companies going abroad. Since then, the number of Chinese international companies has risen up rapidly. At the end of year 2014, the amount of China’s investment abroad reached $ 870 billion (Pozzebon, 2015) and China got major investments in North America, Europe, Australia and Africa. The major motivation for Chinese enterprises to go abroad is to expand in new markets, locate closer to the export market and to build and expand international business (Shen et al., 2006).

The benefit of expanding internationally is enormous. However, international business has also become increasingly challenging. With the development of multinational companies, there is a growing demand of transnational deployment of employees for international assignment. One of the primary causes of international business failure is
CHAPTER 1. INTRODUCTION

the inability of the company and their employees to adjust to the international business environment. A term is raised, *expatriate failure*, when the expatriate fails to achieve the expected performance and that results in a premature return (Johnson et al., 2006).

*Expatriate* is defined as “an employee who is sent to live abroad for a defined time period. An expatriate is expected to relocate abroad, with or without family for as short a period as six months to a year. However a typical expatriate assignment can last from two to five years long” (FTL, 2015). The reasons of international assignments are various: to transfer technologies, to transmit corporate culture, mission and vision and to develop international skills and knowledge within the workforce (Bennett et al., 2000). For most of international assignments, multinational companies prefer to send employees from the home country, who know better the company culture, technique and working process, to transfer organizational knowledge and cooperate the global business line. Sending expatriates to subsidiaries overseas can be seen as the most effective way for a multinational company (abbreviated as MNC) to implement its global human resource strategy. The expatriate is expected to transfer the various tasks, introduce the technology, build the effective communication with the headquarters, supervise the implementation of operations, transfer and build organizational culture and establish the operations for new markets (Bennett et al., 2000).

1.1.1 Expatriate management

The expatriation process includes selection, preparation, liaison with the home country company, performance evaluation, repatriation and career planning. Family issues also need to be considered when it comes to the expatriation process (Suutari and Brewster, 2001).

Companies are sending people out usually for filling an immediate business need, such as for assisting to launch a project, to coach the local employee new technology or open a new factory. But it is also needed to have a long term view on managing the expatriates on these foreign assignments. Black and Gregersen (1999) pointed out that the two principle goals of international assignment is the generation of knowledge and the development of global leaders. They write “The reasons for sending a person overseas should be beyond an immediate business problem.” And the expatriate themselves have to realize that they are not just there for solving temporary problems, but also to ensure the organization can live healthy in the long term.

Black and Gregersen also mentioned sending right people is critical for the overseas
1.2. PROBLEM DISCUSSION

International assignments are very expensive. On average, expatriates cost two or three times as the equivalent position in the home country. The cost could be between $300,000 to $1 billion per year, as the fully loaded expatriate package includes benefits and costs of living adjustments (Black and Gregersen, 1999). However, a large portion of expatriate assignments have turned out to be a failure.

Early studies have found that on average between 20% to 40% of expatriates finish their expatriation earlier than expected because of the poor performance or bad adjustment to the foreign country. And among those who did not return early, nearly half of them did not achieve the performance which is expected. The expatriate failure can cost a fortune to the company. Taking the example of U.S based companies, studies have found out that the failed expatriate adjustment can cost the company up to $150,000 per employee in direct cost and costs the company alone up to $2 billion per year (Deshpande and Viswesvaran, 1992). The expatriate failure not only results in substantial lost but also constitutes the waste of human resource management, since most of the expatriates have a good performance record before the overseas assignment and the failure also harms the expatriate’s self-esteem and ego (Webb, 1996).

Many studies have pointed out that effective expatriate training is one of the key elements to solve the expatriate failure problem, especially cross-cultural training (Black and Mendenhall, 1990). It is often problematic for the spouse and the expatriate to adjust to the local culture and interact with local people. Cross-cultural training is
essential to provide the expatriate the necessary information and prepare them with the skills needed to work and live in another culture. However, expatriate training varies a lot by companies. Some can provide full training programs but many others offer only inadequate briefing or even no training at all.

1.3 Research purpose

This dissertation discusses and proposes solutions to the problems the expatriates could meet during their assignment overseas by giving appropriate training. In order to help expatriates to adjust better to the foreign culture and achieve the expected work performance in the new environment, varied training needs to be given to the employees who will be sent out. This dissertation finds out to what extent expatriate training is given, how effective this training is and what kind of training is missing or needs improvements. Combined with research theories, a recommendation will be given to enhance the effectiveness of expatriate training. As a Chinese student in Belgium, this study focuses on Chinese expatriates outside of China, owing to feasibility and accessibility. China is an interesting subject as an emerging country with growing business in Western Europe and Belgium has a strongly globalized economy thanks to its geographical location and its highly industrialized economic structure.

There are many existing expatriate studies. However, most of them are focusing mainly on expatriates from developed western countries (e.g. U.S., West Europe) who have been sent to developing countries (e.g. Asia, Middle-East). Few studies have investigated how skills influence expatriates who are from emerging countries such as China, to see how they adjust and perform in developed countries.

This dissertation discusses and gives ideas to solve problems that Chinese expatriates encounter and are concerned about, what kind of training should be given at pre-departure and on site, and what resources or training the Chinese expatriates need in order to adapt to this new living and working environment.

1.4 Research questions

In order to reach the above purpose, the first research question aims at investigating the current situation and problems that Chinese expatriates are facing during the international assignment.
1.5. **THESIS STRUCTURE**

What problems do Chinese expatriates face during their international assignment?

To find out the training program offered by Chinese companies, the next question is formulated:

*How can Chinese MNCs employ the training to enhance the expatriates’ performance during their international assignment?*

Further, to find out how do they cope with the problems they have met, it would be interesting to study what resources the company can offer to help them.

*What resources or training do expatriates need to adjust their life in the host country, adapt to the host culture and support their professional development?*

### 1.5 Thesis structure

The following gives an overview of the structure of the dissertation.

Chapter 2 – Literature review: This chapter gives an overview of previous research in this field. First, expatriate failure is discussed. Then, the culture dimension will be presented briefly according to Hofstede. Finally, this chapter presents cross-cultural training.

Chapter 3 – Methodology: The methodology used is discussed in this chapter. It presents the research approach and the research strategy. The deductive approach is used in this dissertation.

Chapter 4 – Case presentation: This chapter presents four case companies on the issue of expatriate training. The primary data is collected by interviews, which are conducted among Chinese expatriates who are working in an international assignment for at least six months.

Chapter 5 – Case analysis: This chapter mainly focuses on the analysis of the data presented in the previous chapter. Analysis of the gap between practice and theory will be conducted on subjects such as the expatriate’s language ability and training, pre-departure training, post-arrival support and how the training is perceived by expatriates.
Chapter 6 – Conclusion and implications: Reflections concerning the theories are shown in this chapter. Finally, limitations and implications for future research are discussed in the conclusion.
Chapter 2

Literature review

2.1 Expatriate problems

2.1.1 Expatriate failure

As explained in the background, an expatriate is relocated abroad for a period of time. Since the expatriate has to leave his or her own country and start a new life in another country, he or she may meet many problems such as difficulty with adjusting to local life, integrating to the new community and adapting to the new managerial style. These could incur premature return, lost opportunities, delayed productivity, or damaged relations (Bennett et al., 2000), which may cause a big loss for companies. Some early studies have attributed that premature return as the only measure of failure, which is too simple and misleading (Ashamalla, 1998). The definition of “expatriate failure is only premature return” implies that as long as expatriates keep staying in the host country then the international assignment is successful, which is obviously not correct. There are other measurements which also contribute to expatriate failure, such as failing to adapt, failing to learn new concepts or not meeting the expected performance standards (Lee, 2007).

The main reasons for expatriate failure are various, such as international cultural intransigence, family stress, poignant immaturity, responsibility overload and physical breakdown (LawTeacherUK, 2013). International cultural intransigence is the cultural distance between countries according to Hofstede cultural dimensions. Family stress is about work-life balance and spouse adaptation. Poignant immaturity is the combination of bigger responsibility and new social life that can be difficult to adapt for people who lack emotional maturity. Responsibility overload is stating whether the enormous increase in responsibility may be difficult for expatriates to handle. Physical breakdown is
about physical stress and exhaustion of working long hours combined with overwhelming cultural difference, which may result to reduced effectiveness and even illness.

Tung (1987) has listed various reasons of expatriate failure in U.S companies. Giving by descending order of importance, they are: inability of the manager’s spouse to adjust to the different culture environment, the manager’s inability to adjust the new environment, other family related issues, the manager’s personality or emotional immaturity, the manager’s inability to cope with the work overseas, the manager’s lack of technical competency and the manager’s lack of motivation to work overseas. The findings concluded that the family and relationship factors are the most responsible for the expatriate failure, which is consistent with other studies. Other studies also usually agree it is the partner’s failure to adjust to the new environment which causes the employee’s early termination of expatriation. (Selmer, 1995)

Tung (1987) has also discovered that European and Japanese multinationals have a lower expatriate failure rate than U.S multinationals. She concluded the reasons are: their companies pay more attention on the long-term orientation and use of more comprehensive training and supporting system. Besides, for European multinationals, most of the employees have relatively strong language capability and the companies have a longer history of international operation. For Japanese companies, the successful rate is higher due to the thorough selection and Japanese wives are more “obedient and dependent” compared to American wives.

2.1.2 China facts

Some characteristics of the Chinese society make the expatriate process different from U.S. or European companies. In China, most expatriates cherish and value the opportunity of working abroad, and usually they work hard during the international assignments. So in general, the average expatriate failure rate is lower compared to U.S. and European multinational enterprises. The reasons behind this are financial benefits and future promotion opportunities. The main reasons of Chinese expatriate failure are family-related and personal reasons. Some other reasons include difficulty to adapt to the new environment due to psychologically immaturity. In general, Chinese spouses are being less considered during the selection process. In reality, only a few spouses (usually female) actually accompany their husbands to the foreign country. Usually in these cases the expatriate is working as the executive of the company. However, in general, family-related issues are considered as the candidates’ own problem, such as dual career (the spouse is also working) and the children’s education. Chinese companies don’t encourage work-
ing spouses to give up his/her career to accompany the expatriates since they see it as unnecessary (Shen et al., 2006).

2.2 Expatriate training

2.2.1 The need of training

Many MNCs doubt about the value of training. However, the literature suggests that training is perceived valuable by expatriates. The training is the chance for expatriates to absorb the practical information. It is also a moral gesture from the organization which shows how they care and how they are willing to help. This does not only apply to the expatriates themselves but also to their partners by showing the positive attitude towards training because they believe training can help them to adjust their work and life in another country. Selmer (1995) shows training is needed and it does not depend on some factors such as previous experience, the age at which training is received and the type of the organization.

According to Selmer (1995), the previous experience can be seen as a lesson of importance for the proper preparation to a new destination. It is perceived necessary for both people with or without previous experience to prepare for a new assignment. And since the age relates to the previous experience, the age is not a significant factor either. However, about the length of assignment, it is arguable that the expatriates have more demand for training for longer assignments. What can be certain is that the organization can get benefits from investing in training especially if the assignment is longer. In addition, the destination can affect the type of the training. It has been noticed that the transfer to similar cultures creates job problems since the major growth of expatriation is between developed countries in the recent years. Training is easily being ignored for the when the cultural distance is “close”. For example, an European would pay less attention to cultural difference when working in North America rather than working in Asia.

In conclusion, it is a fact that many expatriates are sent out to an international assignment without specific training or proper preparation and have met tough circumstances, which also reflect the difficulty of the organization to provide appropriate training. And the companies who have previous experience with expatriates are quicker to understand the value of adequate preparation (Shen and Darby, 2006).
2.2.2 The type of training and the skills needed

Many European MNCs provide various preparation for expatriates: informal briefing, look-see visits, language training, practical and business knowledge (Brewster and Pickard, 1994). Informal briefing is widely used by many international companies. It can be conducted from casual conversation with someone who had some contacts with a foreign company, to structured discussion with an employee who comes back from expatriation or an expert. The advantage of the informal briefing is being seen as informative and valuable, and of course cheap. The disadvantage of such briefing is that the influence could be big on the individual, such as when telling a pessimistic story.

Several types of training have been mentioned in the literature, such as language training, pre-departure cross-culture training, job-related training, look-see visits and informal briefing and training regarding families. Training should be customized to the assignment. The extend of training should be tailored to the task, the environment, the individual, the length of stay, the extent of integration into host culture, and the culture difference between home country and host country (Brewster and Pickard, 1994).

In later literature, Suutari and Burch (2001) state there are two kinds of assignments which differ by the contents of training: assignments involving mass interaction with locals and assignments which are almost entirely based on technology and demand less training.

Various studies have showed cross-cultural training can improve the candidate’s competency in interactive skills. Black and Mendenhall (1990) have generalized three kinds of skills needed to be successful in a new culture: self-maintenance, which is psychological well-being and improves self-confidence; the interpersonal skills with host nationals; and cognitive skill which help understanding better the host social system and values. Kealey and Protheroe (1996) argued that three critical skills are considered important for expatriates: adaptation, which focuses on how the individual and his family adapt and cope with the stress of moving to the new environment; cross-cultural communication, which is the ability to understand and communicate between the people from different cultures; and finally “partnership”, which raises the communication skill to professional level. So training should be designed to foster the related skills mentioned in the literature.
2.3 Cultural distance between China and Belgium

From Hofstede’s cultural dimension theory, there are six dimensions: power distance, individualism, masculinity, uncertainty avoidance, pragmatism and indulgence. Hofstede added the sixth dimension, indulgence, versus self-restraint in his book “Culture and Organization: Software of Mind” (Hofstede, 2010). The figure above shows there is big difference between Belgium and China in individualism, uncertainty avoidance and indulgence.

Individualism is whether a person sees himself or herself in terms of “I” or “We”. In an individualized society, people are presumed to only look after themselves and their direct family. In contrast, in a collectivist society people belong to “groups” that take care of them in exchange for loyalty. Belgium has a high score for this index, meaning Belgian culture favors individualism. In the working environment, the relationship is contract-based, which focuses on the task. On the contrary, China is a highly collectivist society, in which people act in the interest of the group rather than for themselves only. The Chinese “guanxi” (Guanxi, 2015) (refers to the benefits gained through social connections) plays a big role in the working environment. In some cases, personal relationships prevail over task and company.
The dimension of uncertainty avoidance is the attitude towards the future that cannot be known. The ambiguity of trying to control the future or just let it happen creates anxiety. The score reflects the extent to which the society feels threatened to unknown situations. Different cultures deal with this in different ways. Belgium has a very high uncertainty avoidance. In management structure, planning and rules are preferred. In contrast, in the Chinese culture, the uncertainty avoidance is very low, which means the Chinese culture is comfortable with ambiguity and Chinese people are more adaptable.

Indulgence is defined as “the extent to which people try to control their desires and impulses”. Belgium has a high score in this dimension, which suggests the Belgian society is indulgent. And people generally have a positive life attitude and are optimistic. People are likely to express the willingness to fulfill their desires and have fun. They value more on leisure time and spend money as they wish. On the opposite, China has low score in this dimension as a restrained country. People do not put much emphasis on leisure time or fulfilling their desires, and feel that indulging themselves is somewhat wrong. People in this kind of society also have the tendency to be pessimistic and cynical.

As a Chinese who has lived in Belgium for three years and has done an internship in a Chinese company in Belgium, the differences on Hofstede’s cultural dimension are also reflected in my own experience. Chinese people like to have their own “group” and build a “guanxi” (relationship). The hierarchy is more emphasized in a Chinese working environment. For example, it’s very impolite to address the boss or even colleagues by name. Instead, it is very common to hear people address each other with their title. In the Chinese organization, it is usual that nobody leaves work until the boss leaves, even if it is already very late. About indulgence, most Chinese people hardly express their feeling about what they want or their desires.

2.4 Expatriate support

2.4.1 Pre-departure cross-cultural training

Cross-cultural training (CCT) is defined as “the educative processes used to improve intercultural learning via the development of the cognitive, affective, and behavioral competencies needed for successful interactions in diverse cultures” (Littrell et al., 2006). A typical CCT includes attribution training, cultural awareness training, cognitive-behavior modification training, interaction training and language training (Littrell and Salas, 2005). Attribution training is about developing skills so the expatriate can be able to explain host national behaviors from the host-culture point of view (Befus, 1988). Cul-
ture awareness training is educating the individual about his or her own culture so the individual can be aware of the difference between his or her own culture and the host country culture (Befus, 1988). Cognitive-behavior training is to assist the expatriate to develop habitual behaviors favored in the host culture (Bhawuk and Brislin, 2000). Interactive training is performed by the incumbent expatriates to coach the newcomers (Brewster, 1995). CCT is delivered through a didactic training that is information giving and the most common strategy, and experiential which is the individual “learn by doing” (Littrell and Salas, 2005).

Cross-cultural training is needed even though MNCs often doubt about the value. It has been suggested that the training has to vary with the task, the environment, the expatriate himself, the culture distance between the host country and home country and the length of stay. Even if companies are not certain about the value of training, it is highly valued by expatriates themselves, which is understandable that they will be sent to a foreign place and complete the task with high expectation of performance.

Waxin (2004) has shown that the country of origin has a significant effect on the expatriates’ adjustment. The larger the cultural distance between the origin country and the host country, the more effective the cross-cultural training is. The research also shows that the effectiveness of cross-cultural training is influenced by the degree of the expatriate’s prior international experience. If the expatriate has had many years of international experience, then it could be expected that he or she would be less dependent on cross-cultural training. If the expatriate has no or little prior international experience, then cross-cultural training will be more effective (Brewster et al., 2005). However, Selmer (1995) has a different point of view. He states it is clear that the previous experience can increase the likelihood of the success to adjust to the next new environment. And his research shows that the training for the new assignment is felt as necessary from both kinds of respondents, those who have previous international experience and those who do not.

It is also argued that the factors of the length of assignment, types of organization and destination also have an impact on the content of cross-cultural training. Firstly, The training program should be differentiated by the various lengths of assignment. For a short time period of stay, the training should be focusing more on troubleshooting, which involves less interaction with the host country. From the literature, it is certain that the longer the assignment, the clearer the organization can get benefit from investing in training. Secondly, the type of organizations impacts the training program. Besides the commercial organization, there are also governmental agencies and NGOs. Their aims,
values, missions and visions are different which cause the need for different training programs. Thirdly, it has been noticed that the transfer to similar cultures creates job problems since the major growth of expatriation is between developed countries in recent years. And it is easily being ignored in case of a “close” cultural distance. For example, an European would pay less attention to cultural difference when working in North America rather than in Asia.

2.4.2 Training guidelines for organizations

Littrell and Salas (2005) have suggested several guidelines for organizations to adopt more effective cross-cultural training from the different aspect of design, delivery and evaluation. In the facet of design, first, training has to be customized to meet the individual needs. Second, CCT alone is not sufficient to improve the expatriate’s performance and other measures such as destination service and competitive compensation should also be considered. Third, the skill-based approach should be adopted in the design of CCT, rather than only building the culture awareness for the home and host cultures. Fourth, the scenario based training should be adopted because it can present better how the theory is and how to adopt it in the real situation. In the aspect of delivery, it is recommended that multiple media should be used to deliver the CCT since different approaches can suit better the certain types of CCT. To evaluate if the training is truly effective, the organization should establish an evaluation criteria besides the early return, such as adjustment to the difficulties, delayed productivity and damaged relations. It is also suggested to evaluate if the learning from CCT has transferred to the job and if the investment in CCT has yield positive outcome for the organization.

2.4.3 Sequential training

To improve the applicability of cross-cultural training and meet the individual’s capability of efficient learning, the training should be sequential from pre-departure until the post-arrival phase (Selmer et al., 1998). This is based on human’s psychological receptivity so the crucial cognitive structures can be developed (Grove and Torbiörn, 1985). This framework proposes that the effective training occurs when the cross-cultural training content matches in time with psychological stage during the different phase of the adjustment process. Based on this framework, the training should be tailored to the different phase of adjustment.

Four different phases of adjustments have been mentioned in the literature: ethnocentric phase, culture-shocked phase, conformist phase and adjusted phase. Accordingly,
four steps of sequential training are suggested to give: pre-departure training, training at ethnocentric phase, training at culture-shocked phase and training at conformist phase (Selmer et al., 1998).

Pre-departure training is considered important. Mostly it includes practical and essential information about host country, so the new coming expatriates can get informed of local conditions. However, it is difficult to change the habitual pattern of activity at this stage (Grove and Torbiörn, 1985). After arrival in the host country, learning becomes more effective when the expatriate depends less on the home-culture view and increases its openness to the new culture. Selmer et al. (1998)’s research believes the cross-cultural training would be most effective during the culture-shock phase. At this stage the training should include tools to categorize the impressions and experiences of host-culture, and explain the reason behind the actual behaviors. So one can really learn “how to learn”.

2.4.4 Effectiveness of Cross-cultural training

Several researches have highly valued the positive effects of cross-cultural training on the expatriate’s working performance, the adjustment to the new working environment, and the personal skills development when they are working in a new country or cultural environment (Black and Mendenhall, 1990). Further, Deshpande and Viswesvaran (1992) state, “Cross-cultural training has a strong and positive impact on cross-cultural skills development, cross-cultural adjustability and job performance of individuals.”

Many MNCs have held the doubt “Does cross-cultural training really work?” even though most of the literatures highly valued the effects of training. According to Kealey and Protheroe (1996), training is just one of the variables towards effectiveness overseas. “It should not be expected that training would bring about dramatic changes”. In the function of effective overseas assignment, there are three variables which are critical: the aptitudes and motivation of the expatriate (including spouses and family), the aptitudes and motivation of the local partners and the overall organization of the project, such as funding and the host organization’s commitment. They also stated that by looking at the expatriate alone, except the training, one should also look at the trainee’s personality, motivation, trainable skill and qualities. And it is clear that a short time training cannot turn an highly unqualified individual to an excellent negotiator or overcome highly untoward situations. So the question turns to. Given the local conditions, to what extend training should be given to make a difference and enhance the ability of individual to perform efficiently in an unfamiliar culture by improving its skills and
knowledge. They also suggested two features which should be included for a proper
research study: first measure the employee’s actual performance overseas instead of just
asking what they have learned in the training session and second the measurement of
the specific contribution of the training towards overseas performance.

To make the cross-cultural training more successful, the training needs to be well de-
dsigned and customized to the company’s needs and goals and to the relocating employee
as well. Besides, the company’s strategy, the company culture and the experience of the
relocating employee should also influence the training (Bennett et al., 2000).

2.4.5 On-site training and support

There are many literatures focusing on pre-departure training but not so many about
on-site training and support. According to Suutari and Burch (2001)’s research which
was conducted on expatriates who were working in Finland, there is a clear gap between
perceived necessary and actual availability in the part of training regarding to local
law/rules, the health care system and public authorities. Their work also concludes that
existing research may be too pessimistic about the support from the host company for
expatriates in their adjustment process. In reality, it becomes more common that host
companies provide training and support for expatriates.

In the dissertation I will conduct the research on the case companies to see if they
have provided sufficient on-site support.

2.4.6 Chinese characteristics

Some Chinese multinational companies have adopted pre-departure training to ensure
the candidates have competency to work effectively abroad. However, other Chinese
companies only offer very limited or ad-hoc training, like only irregular briefing or no
training at all. According to Shen and Darby (2006)’s investigation in several large size
Chinese multinational companies in 2005 among various industries, more than half of
case companies only provided irregular briefing or did not provide training at all. And
the training duration is relatively short due to the limited training program. Their
research also found out that the expatriate training programs did not link to the nature
of the assignment and the function of the position.

Their study finds out, consistently with the literature, that the reason why Chinese
MNCs do not provide sufficient training is the presumption that training is useless. The
study also revealed the difference between Chinese MNCs and most Western MNCs,
where Chinese MNCs paid less attention to the employee development, and have a lack of commitment to nurture and retain the right person. It is concluded that Chinese MNCs have failed to adopt the advanced human resource management detailed in the western literature.
Chapter 3

Methodology

3.1 Design of the study

A qualitative research is used in this dissertation. According to Merriam (2014), the purpose of a qualitative research is to understand how people aware the sense of the world and how they interpret it by their own experiences. The key is to understand the participants’ concern and interest instead of the researchers. The underlining philosophy is the basic qualitative research.

After comparing the characteristics of qualitative and quantitative research, I believe qualitative research is more suitable for studying the effectiveness of expatriates training for the following reasons: First, the focus of this research is studying the nature and essence of expatriate training, which is more qualitative than quantitative; Second, the goal of this investigation is to discover what kind of training has been conducted on Chinese expatriates, and to find out if those training are effective and useful in the fieldwork; Third, for feasibility reasons, the sample of this research is small, nonrandom and purposeful. The interviewees are from different Chinese multinational companies who are currently doing their assignments. In contrast, the quantitative research requires the sample to be large, random and representative, which is very difficult to conduct for accessibility reasons. Finally, the research phases are related to fieldwork and ethnography, as this study is investigating the actual training on Chinese expatriates.

To conduct this study, I started to interview some Chinese expatriates. However, during my interview, I found training is adopted differently in different companies, which makes it difficult to compare and summarize. In order to investigate how training is adopted differently, I decided to use case study as my research method. Merriam (2014,
p. 266) mentions “If you are doing an in-depth study of a bounded system, case study is appropriate”. Here, each company is a bounded system, and in each company I would like to analyze how this company adopts training to its expatriates.

According to Yin (2013), a case study can be categorized as a single case study or multiple case studies. Both of them can be written in a narrative form or as a combination of questions and answers. A single case study is holistic, investigating one unit in depth and usually considered when doing a critical or typical case, while a multiple-cases can study various units. After carefully examining the strengths and limitations, I decided to adopt multiple-case studies as my qualitative research method because a case study can provide a holistic and rich description of a phenomenon, and can better answer the research questions.

Four case studies are conducted in this paper, namely ZTE Belgium, Huawei in Belgium, Bank of China in Belgium and a Chinese electronic technology company in Algeria. So a comparison of the training adopted can be made on Chinese expatriates between a developed country and a developing country. The reason I want to use case studies is each company is specific in its expatriate training, and the effectiveness of the training also depends on the nature of the job position and the extent of immersion in the local culture.

The deductive process accompanied with qualitative research method is applied in this study, in order to better analyze how effective of training. The approach adopted in this study is building the theoretical framework by starting the review of literature, then comparing it with the empirical findings. According to Merriam (2014), the design of a qualitative research should be flexible, evolving and emergent, and data are collected by interviews, observations and documents. The descriptive nature of qualitative research can contribute better to analysis the effectiveness of training. The deductive process accompanied with a qualitative research method can better understand how expatriates interpret their experience of working abroad and to analyze how effective is their training. The descriptive nature of qualitative research can contribute to a better analysis of the effectiveness of expatriate training.

3.2 Sample selection

Purposeful sampling is used in this dissertation. According to Merriam (2014), the types of purposeful sampling can be categorized as typical sampling, unique sampling, maximum variation sampling, convenience sampling, snowball, network sampling and
ongoing sampling. In this study the typical sampling and convenience sampling are used due to the need of this study and feasibility. In typical sampling, the sample is selected because it reflects the average person of the phenomenon. And convenience sampling is selecting the sample based on the availability of respondents. The criteria of the sample I chose for this study is: *Chinese expatriates whose expected duration on an international assignment is more than six months.*

The criteria for selecting the case company is: “Large Chinese companies doing business overseas”. At the beginning I set my criteria as “Chinese companies in Belgium”. However, during my interview, I found out all the interviewed Chinese companies in Belgium had more or less adopted some training. In addition, within these companies, the expatriates are mainly working with Chinese colleagues. The problems exist but are not very obvious. At the same time, I have a Chinese friend who has been sent to Algeria by his company in China. He complained a lot about the problems he has met during the expatriation. His job requires him to work closely with host nationals which are not cooperative. He was thinking about quitting his job and going back to China, and some of his colleagues were having the same willing. So I add this case as a contrasted view with the three Belgian case companies.

The four case companies are all big Chinese companies and have branches worldwide: ZTE has 18 R&D institutions globally and is in the top 10 largest smartphone manufacturers worldwide. Huawei is ZTE’s main competitor, after taking over Ericsson in 2012 it has become the largest telecommunication equipment maker in the world. Bank of China has been awarded as the 5th largest bank worldwide by its market capitalization (Glo, 2009), and is the most international Chinese bank with branches in every inhabited continent (Bank of China, 2012). Lastly, CETC is a military enterprise which is directly leaded by the central government, helping undeveloped countries with infrastructure construction.

As mentioned in the previous paragraph, convenience sampling is used for selecting respondents and documents associated with the case. The respondent must have an expected expatriation duration of more than six months. And of course, all the respondents must be Chinese. To contact the respondents, I sent out emails to the HR representatives of several Chinese companies doing business in Belgium. However, I did not get any reply. So I had to use personal relationships to get a reply. I interviewed 2 persons I know from my internship in ZTE. For Huawei, I contacted a friend currently working there and asked if he knows an expatriate who is sent from China. Luckily I got one respondent. For Bank of China I did the same and reached one respondent.
3.3 Data collection

This thesis includes several types of sources such as interviews, observations, documents and online data. Five interviews have been conducted, in which all the respondents are Chinese employees who are currently working on an international assignment for an expected duration of at least six months. Among the five interviews, 1 is conducted in person, 3 are conducted by phone interview and 1 by email contact.

One pilot interview was done with a Chinese friend currently working at ZTE telecommunications in Belgium. At the beginning, the pilot test was designed as a structured interview, which is a written form of an oral survey and the scale is used to measure how he is satisfied with the training he received. However, after the pilot testing, I felt I should focus more on what training the expatriates have received and how they interpret the expatriate experience instead of trying to measure quantitatively since this is a qualitative study.

In my two months internship at ZTE telecommunication in Brussels, I have worked with many Chinese expatriates (my position was documentary assistant). Through the casual talk I have gained knowledge of how they feel about working abroad. I also built friendship with the HR manager, who has provided much valuable information. Besides observations, online documents are also used in this study, such as documents regarding expatriates in Chinese newspapers and articles.

My interview questions follow the suggestion of Patton (1990). In his book he suggests six types of questions. The first part of my interview question is composed of background and demographic questions: questions about the respondent’s position in the company, how long has he/she been on the current international assignment and what is the expected duration for the expatriation, how long before departure the expatriate was notified, the respondent’s age, marital status and if some family members accompanied. The second part of my questions are experience and behavior questions, such as “Tell me about the training you have received prior this international assignment” or “What problems have you met during the expatriation?”. The third part is about opinion and values questions, such as “What do you think about the training you have received? Is that useful to your field work?”, “What is missing in the training you have received but you think is useful for expatriates?”. The last part is about feeling questions, like “What do you feel about this expatriation?”. In this part, I am looking for the adjective response such as happy, disappointed or wanting to go back to home country.
In order to make good interview questions, most of the questions are made open-ended. I also tried to avoid the multiple questions, leading questions, and yes-or-no questions. In order to explore more about expatriate training, I also used probes, to follow up the questions I already asked and which seem interesting to explore to seek more information. For example, after an interviewee told me the main training he received is language training, I followed this question to ask him more about the language training he has received and what did he learn from this language training. Since my interview is semi-structured, in my interview guide, I wrote a few topical areas followed by the demographic questions which I asked to everyone. Some open-ended questions such as what training was received and what problem were met are followed with probes.

When asked about the training they have received, all the respondents are happy to answer and can give me detailed information. However, when asked about their opinion of the training and feelings of expatriation, some of the respondents gave me a short answer and avoided to elaborate it, especially for a negative answer. As a Chinese myself, I understand this is due to the restrained Chinese culture and hierarchic corporate system. So I had to “push” them to answer my questions during the interview by using more probes. For the interview with ZTE and Huawei, since they are very fierce competitors, I had to avoid to mention each other’s name because mentioning during the interview with the other company would just ruin the interview.

3.3.1 Data analysis

Since the design of my study is multiple case analysis, a within-case analysis and cross-case analysis are conducted as suggested by Merriam (2014). She suggests each case should be treated as a whole, so the data can be analyzed as much as possible. Then the cross-case analysis is performed when the individual case analysis has been completed. A general explanation can then be built to fit the individual cases. To adopt this in the dissertation, each within-case analysis is conducted individually and they are followed by the cross-case analysis.

Merriam (2014) has suggested the step-by-step process of analysis, which is sorting raw data into categories. After reading my transcripts and documents for the first case, I started to construct the categories. As guided by Merriam, categories should be sensitive to the data, exhaustive to cover all the information, mutually exclusive and conceptually congruent. The purpose of data analysis is to answer the research questions. To better address the different kinds of training, I set categories as “pre-departure training” and “upon-arrival on-site training and support”. Under “pre-departure training”,

there is also “language training” and “other training”. For the category “problem”, I set the sub-categories as “problem of communicating with host nationals” (language, not only English but also the host languages) and “problem with adjusting to the new environment” (work-related and cultural aspect), which are analyzed within the training section.

To move it to a more theoretical level, I conclude with factors to avoid expatriate failure, which are classified as personal factors and training factors. Personal factors include mental maturity, tolerance of cultural diversity and willingness to learn. For training factors I divided them into language training, cultural training and other training, which includes informal briefing, job-related training and on-site training and support.

### 3.3.2 Validity and reliability

Merriam (2014) states validity and reliability can be approached by a careful attention to the way of how the data is collected, analyzed, interpreted and how the findings are presented. Firestone (1987) has explored that qualitative study have to convince the reader that the research has been conducted faithfully and that it is needed to show that the conclusion “makes sense” by giving the reader enough details. Further, Merriam mentioned the three specific concerns of qualitative study, which are internal validity, reliability and external validity.

For internal validity, multiple methods and multiple sources of data have been adopted in this study. Data is obtained from interviews, corporate websites and documents. In order to ensure the respondents have given accurate information, the data collected during the interview has been checked with the documents obtained on corporate websites. In the case of ZTE, the data obtained by interviews also matches what I observed during my internship in the company. The interview data adopted in this study has been collected from different job positions, such as from sourcing manager, technical support, sales and service, front desk supervisor and interpreter, which require different extent of communication with host nationals. Some data is also collected from the follow-up interview with the same person. Finally, I found that the data collected from different methods and sources form a match and complement each other.

The reliability in human science is problematic since human behavior is never static. It is impractical to get the same results through repeating the study since human behavior is always changing. Merriam (2014) suggests the important for qualitative research is “whether the results are consistent with the data collected” (p.221). The multiple meth-
ods used to collect data in this study have contributed to make sure the data is consistent and dependable. The data collected are consistent from various collecting methods.

For external validity, Merriam (2014) suggests *general lies in particular*, and what we have learned in a specific situation can be generalized to a similar situation which may be encountered in succeeding occasions. In this study, the case companies are all selected large Chinese companies in different industries (telecommunication, banking and construction). They can represent the industry at certain extent among the Chinese multinational companies.
Chapter 4

Case presentation

4.1 Case presentation of ZTE

4.1.1 Introduction of the company

ZTE Corporation is a Chinese multinational telecommunication company with its headquarters in Shenzhen, China. It has three business units: carrier network, terminals and telecommunication. ZTE is also one of the top 10 largest smartphone manufacturers worldwide and one of the top 5 in China. It has several international subsidiaries, the Belgian branch is one of them. In the past year, ZTE has contributed to the launch of the 4G network for the BASE company in Belgium (ZTE, 2014).

During my internship in this company, I have observed that the composition of the employees is non-Chinese engineers, Chinese employees who are sent from China and Chinese employees hired locally. Among them, the employees who are sent from China count for around 30% and the duration varies from 3 months to 2 years or even longer. Most of them have been sent to Belgium for technical support.

4.1.2 Language training

In the interview with expatriates of the ZTE company, several questions have been asked, such as: “Did you receive any training before your departure?” “What training have you received?” The answers reveal ZTE has its own online university which offers many training courses, such as language training, practice training and management training.

Before their departure for international assignments, English training is mandatory. According to ZTE online university, there are three kinds of English training: survival
English, business English and in-depth customized working English. Survival English is designed for basic living scenarios, such as the ones happening at customs, hotels and restaurants. The goal is to achieve proficient utilization in those typical situations by practicing. Business English is designed for the situations related to the market, business, administrative, legal issues or HR-related issues to meet the demand of business expansion overseas. The goal is to achieve the operational support by learning the course-ware and scene simulation. In addition, in-depth customized working English is designed for the customer and technical support managers to meet the customers’ specific requirements during assignment.

The English training duration is from one to three months. There are three formats for the training: studying online with the provided software; attending lectures given by local and foreign teachers and practicing the real case scenarios; or attending the online course by themselves and consulting a lecturer. The employee must pass the English examination before going abroad. According to the interview, almost all the employees being interviewed are satisfied by the language training. They mentioned that the English training is very practical and the specific design suits the actual needs when it comes to the overseas working environment. By interacting with foreign teachers who come from different countries, employees can be familiar with various accents of English. Besides, the study period is relatively short — 1 to 3 months — which allows candidates to improve their English quickly to meet the overseas job requirements (ZTE, 2013).

4.1.3 Lack of cross-cultural training

According to the ZTE official website, the permanent staff in Europe is currently composed of more than 1500 members. Among them, the local employees count for 62%. For expatriates who have to do an international assignment abroad, there is a potential problem of cultural difference between the Eastern and Western cultures.

For example, according to the published interview with Mr. Malti (ZTE, 2011), who has worked for five years at ZTE Germany as customer manager, he mentioned that a meeting in Germany is organized to solve a technical problem and there should be a solution at the end of the meeting. However, meetings in Chinese companies play a different role. There are many meetings and a lot of time is spent on discussion. He feels that it is a waste of time, and makes so that the daily work cannot be completed in normal working hours so employees have to work overtime. Besides, he mentioned that his Chinese colleague does not like to admit the front problem when there is one. He says: “In Germany, the priority is to solve the problem. However, in China, people...
4.1. CASE PRESENTATION OF ZTE

think first how to save their faces.” An example about this is, when he refers to his Chinese colleagues for technical problems, most of the time he got an answer like “no problem, but I need to ask other colleagues”. A Chinese manager explains that this is due to the expatriate selection. In the past few years, the selection of technical employees is more emphasized on language, rather than on in-depth knowledge of the technique which results in relying on a domestic core technical team to solve technical problems. However, in recent years ZTE has realized this issue and is emphasizing more on the technical aspect when it comes to expatriate selection.

In this published interview, Mr. Bul, the customer manager at ZTE Netherlands, mentioned there is a big difference in the decision making process between Chinese and European companies. In European companies, when it comes to decision making, employees participate and give the opinion to the executive. However, in ZTE, the decision is made by executive and employees follow the instructions without doubt.

When it comes to communication, there is also an issue of understanding. As quoted from that Chinese manager “Even though many Chinese employees have learned English, it is still difficult to make in-depth conversations since most of the time they only understand the meaning of the sentence itself and not the meaning behind it.”

In ZTE Britain, cross-cultural training is one of the big strategies. All Chinese expatriates receive the training about local culture. It is even introduced a 1 + 1 twinning of cultural transmission and communication initiatives. However, from my interview with several expatriates at ZTE Belgium, none of them have received cross-cultural training. From the interview with the HR manager at ZTE Belgium, the reason of this is the Belgian branch is small and the fact that Belgium has two main cultures: French and Flemish, which make it difficult to conduct cross-cultural training.

The perspective of the employees about cross-cultural training is different according to their role in the company. A technical employee interpret his working experience in Belgium as “pleasant” and with “friendly working partners”. From the observation during my internship, his job is mostly about giving technical support, and all his working partners are Chinese. His living and working life is actually in a Chinese community in Belgium. The only thing he complained about is the prices in Belgium are high so he has to cook himself.

However, when this question came to the Sourcing manager, the answer is quite different. Because of his position, he has to be on business trips quite often and communicates a lot with non-Chinese partners. He mentioned the difficulty also includes dealing
with the Belgian government. He complained that there are too many regulations to comply with and that he never get trained about how to deal with it.

4.1.4 Work life in Belgium and on-site support

The Chinese technical employees are working very hard. In that published interview, Mr. Geller, the sourcing manager of E-Plus, who has the partnership with ZTE Germany for more than 10 years, says he feels Chinese people are working at anytime. The Chinese manager explained the reasons that Western partner companies have this perspective are: expatriates are alone in the foreign country without families around and they don’t have many external activities, so there is a lot of time left for work. During my internship, I have seen most of time they work more than 12 hours a day. Through interview, I got to know that is the usual life for them. They spend most of the evenings in the office and even have dinner there. In contrast, the local engineer employees finish working at 5:30pm sharp. They divide working and private life very clearly.

ZTE Belgium branch has offered various supports for their expatriates. They also provide accommodation, which is the shared apartment and located very close to the office. The logistic support also helped with transportation, health insurance and spouse visa assistance. A Chinese HR employee who is hired locally is also in charge of the logistic support, with the assistance of a French speaking employee.

4.1.5 Dissatisfaction of employees and potential problems

According to “China employment watch” (Su and Li, 2010), the rate of employee leave at the workplaces of ZTE overseas is between 10% and 15%, which is relatively low compared to other industries. Most expatriates who left the company went back to China before finishing the assignment and the rest left the workplace to switch for another job or even to competitors.

During my interview, a few employees complained that the working and payment system is different between the local engineers and them. “We have to work overtime, until late evening everyday, we even have to work on weekends when there is due days for projects. But the local engineers finish working at 5:30 pm, and their payment is much higher then ours”. Several employees also complained about the prices in Belgium.

The payment system adopted by ZTE overseas is “low fixed and high variable”, which means the most part of their income depends on the performance and only those with good performance can get high bonus. However, it is criticized to determine expatriates’
payment by performance because most overseas assignments require the cooperation between the expatriates and local employees. “Sometimes the project has to be postponed because the engineers take vacation” complained a Chinese manager in the technical team. “For the projects we have to do together with local partners, no matter how hard we work on our side, it’s not possible to finish everything. And if we are evaluated by this project, it’s not fair for us especially to connect the performance with the bonus.”

4.1.6 Conclusion

The Chinese manager says cultural difference exists in overseas assignment, but respecting each other’s culture is an important basis for mutual understanding. On the other hand, Chinese expatriates also need to understand the local culture. For doing business overseas, one not only needs to learn the local language, legal rules and taxation laws, but also to understand the local market conditions as well as the customs and hobbies of the locals.

In the process of going international, the enterprise may face various aspects of challenges. For the cultural aspect, the company needs to face various cultural issues, such as communication and negotiation with the local suppliers and local employees. As to what comes for the expatriate’s personal development, all the respondents believe that they have improved their language skills, their way of thinking and working experience and learned how to deal with people from different background. However, what they have lost is the time with families, domestic relationships and development opportunities, especially for those who has a longer expatriation duration.

4.2 Case presentation of Huawei

Huawei technology Corporation is a Chinese multinational telecommunication equipment and networking company headquartered in Shenzhen, China. It is the world’s leading information and communication solution provider. Today, its telecommunication network equipment, IT equipment, solutions and intelligent terminals have been deployed in more than 170 countries and regions worldwide. In 2012, Huawei has taken over Ericsson and became the largest telecommunication equipment maker. Huawei is the main competitor of ZTE (Huawei, 2012).
Selection and pre-departure training

From a research document of Huawei (MPALib, 2012), the selection of expatriates depends on 3 aspects: the willingness of the candidate himself of working abroad, the expertise competency required on the job and an individual meeting about family issues. By understanding the candidate’s expectation to work abroad, the HR can decide if the candidate has the ability to adapt to the life abroad. By checking the candidate’s education and professional background, the HR can learn if the candidate has adequate capability and skill. Finally, the HR manager holds a meeting with the pre-selected candidates and their families, in order to decide if they have the ability to handle the potential problem overseas.

Huawei believes the prospective expatriates should have at first the willingness to go abroad and the professional experience and expertise. It is also ideal if there is no interference due to family issues. The interviewee mentioned he has been informed of his duty and the benefits for the international assignment, since it is believed that the duration of the assignment and the career planning strongly influence the willingness of the candidates to go overseas. In all, the selection criteria are professional competence, language ability, prior expatriate experience, willingness of working abroad and the ability to adapt to the local environment, for the expatriate himself and his family. The priority is given to the person who meets the mentioned criteria and has no family burden.

Huawei provides three phases of training which covers pre-departure training, on-site training and support and repatriation development. These include language training, cross-cultural training, management of the expatriates themselves and their families, and consulting of the career development. Like ZTE, Huawei has its own university since 2005, “Huawei University”, to provide various training courses to its employees and clients, including the corporate cultural training to new employees, the job training and training for its clients. Through the educational training, the employee can improve its job performance and working skills.

The interviewed expatriate has received several training sessions which lasted 3 months before working abroad. Training include language training, expatriate job-related training and cross-cultural training. The language training is similar to the one at ZTE. Instead of self-studying by online resources, the trainee had to take a live course. During the course, there is a lot of interactions with the teacher, with the main focus of improving the English communication skills with the host nationals. They be-
lieve in “learning by doing”. A HR in Huawei says: “During the selection, your English capabilities do not matter too much, what we want is people who dare to speak English with foreigners.” (Rong, 2012) Besides, most of the instructors have the experience of living abroad and therefore during the training they transfer a part of this knowledge to the trainees.

Huawei also pays attention to the cross-cultural training, such as offering courses about the local culture, customs and lifestyle in order to make expatriates understand the cultural difference. The interviewee mentioned he has attended a course “Cross-cultural communication”. The course gave him a big impression as the lecture was given by an instructor who has lived in the United States for around 6 years.

**On-site training and support**

Huawei provides much support for its expatriates, such as accommodation, health insurance and transportation. Besides this, Huawei also has a mentoring system. In Huawei domestic in China, the company appoints a mentor to every new employee, to give guidance on living and working, so to help them overcome the difficulties they may encounter. Huawei also adopted this to its overseas expatriates. In the Huawei Belgian branch, new expatriates have a mentor to guide them, get them familiar with the new living environment and help them with the job related issues. The duration of the mentoring lasts from 1 to 3 months depending on the specific situation.

The interviewee is satisfied with Huawei’s training and support: “The training I have received in China prepared me well for this expatriation. I mentally prepared to the culture shock I could meet here. But to be honest, I didn’t meet any, or not much. With my mentor’s help, I adjusted quite well to this new environment, both in work and life. I feel it’s like a family here.” But he also expressed the personal motivation and willingness to learn is also important. “The company cannot do everything for you. You have to be self-motivated to learn and adapt to the culture here, to make this whole expatriation experience more meaningful”.

### 4.3 Case presentation of Bank of China

Bank of China limited is one of the 5 biggest state-owned commercial banks in People’s Republic of China. It is the most international Chinese bank, which has branches in 27 countries and areas. All overseas branches are only affiliated with Bank of China
branches in mainland China, which means if you deposit your money in China, you can
not access your money in its overseas branches.

Last year, there were three employees being sent to the Belgium branch. The interview-
wees got notified six months prior the assignment and have received 3 months of English
training at the Beijing Foreign Studies University. This is an intensive English practical
training. The training is instructed by the former expatriates and foreign teachers, and
mainly focuses on the listening, speaking, reading and writing aspects. Since English is
the main working language, the training has been deemed very useful and effective by
expatriates themselves. There is no training of Flemish or French as they are considered
unimportant by the company. One interviewee is taking French evening classes based
on her own motivation.

Bank of China provides much support for expatriates, which includes arrival recep-
tion, accommodation, insurance, assistance with public authorities for local registration
and school for the child. The host company has taken care of expatriates’ needs so they
can better adjust to the new working environment. In this case, a female expatriate is
accompanied by her daughter, who has been arranged to go to a high school in Brussels.

There is no cross-cultural training provided by the company. And this is not deemed
important by the interviewee. “I haven’t received any culture-related training. The
training I had is helpful in the daily life and work here.” There is no job-related training,
neither prior departure nor post arrival. The job position of the interviewee is front desk
supervisor, which is the same with her previous position in China.

4.4 Case presentation of CETC in Algeria

This case is based on the interview and online documents.

The China Electronics Technology Corporation (CETC) is founded and composed by
the ministry of information industry, research institutes and enterprises. It is authorized
under People’s Republic of China state council of asset supervision and administration.
Its main business includes communication equipment, computers, electronic equipment
manufacturing, software development and application of research in electronic technol-
gy. (CETC, 2015)

Last year, CETC has signed the contract to take the Algerian electricity import
and export backbone fiber communication network construction. This construction is
to build a 3121 kilometers long fiber optic backbone in the Algerian territory, to achieve
full network IP multi-service transmission. The project covers infrastructure construction, equipment procurement and installation, maintenance and training. The period of construction is two years.

CETC has sent 7 employees to Algeria, most of them for hardware and software installation, and 1 interpreter to translate French into Chinese or English. This is the first project CETC had in Algeria. Before the departure, the expatriates had to study the “Provision of administration of foreign affairs” manual. The content is about financial rules and the important issues abroad. The training was held in one meeting and each employee got a copy of the manual.

4.4.1 Problems met by the interviewee

All of the 7 employees have stayed in Algeria for 5 months last year for their first assignment. For the next assignment, in 2015, the expected duration of expatriation is around 3 to 4 months, depending on the progress of the project. According to the interview, the employees have met many problems in Algeria during this international assignment. In contrast to Belgium, Algeria is a much less developed country. The accommodation conditions are very bad; They do not have an apartment to live, the quality of food is low, etc. “The living conditions here are really poor” said one interviewee.

Even the low standard of living conditions can be tolerated, there are more difficulties they have met during the work. Throughout the interview, many complains have been formulated about the character of Algerian workers: “They don’t have any contractual spirit, they just deny to your face even if it is written on the contract”, “They like to take advantage, ask for spare parts which are not included in the contract, no matter it is expensive or cheap.” and “We are all so angry with them.”

The interviewee said at the beginning of this expatriation that he felt a lot of hardship because the Algerian workers were rude and unreasonable. The Chinese employees had to figure out their own way to deal with Algerian workers. At the beginning they were trying to be reasonable and to reason with the local workers. Following the system procedures, the contract funds can only be transferred by the Algerian partners after the acceptance check. But they are always trying to find faults and asking for spare parts. So there are many disputes and arguments. Gradually, the Chinese workers figured out how to deal with this phenomenon. “No matter what they say, do not argue with them, especially with the lower level workers. I just listen, I even say to them this is reasonable, but do not do the things they asked. For the spare part they ask which is
not included in the contract, do not give it to them yet, however use it as leverage for the acceptance check in case the Algerian partner delay the check on purpose.”

Since this was their first project in Algeria, there is no previous experience to rely on, no mentor to teach them how to deal with situations like this. Their employer is far away in China and they are left completely on their own. The training they had is more like a regulation for them (by studying the “provision of administration of foreign affairs” manual) and there is no cross-cultural training to teach them how to negotiate with Algerian people.
Chapter 5

Case analysis

In this chapter, cases presented in the previous chapter are further analyzed. Each case is analyzed individually as within-case analysis before comparing them in a cross-case analysis.

5.1 Case analysis of ZTE

5.1.1 Pre-departure training

Language training

Language training is an essential part in expatriation training. As mentioned in previous chapter, ZTE has a thorough English training for its expatriates before departure. The fact that the employees can receive language training at the company university is a big advantage as it is more convenient and less time and money consuming. In their English training session, trainees receive exercises targeted at practical life and working situations. To make sure every expatriate has the qualified English level, the policy mandates that only the ones who have passed the examination successfully can go on an international assignment.

In general, almost every Chinese who has attended high school in recent decades has a good basic English knowledge since it is compulsory in the education. And every student in a Chinese university has to pass the national English exam to get a diploma. Since most of the ZTE employees hold a university degree, their English is much better than the basic level. However the English education in China is more focusing on comprehension, so-called “dumb English”, which means being able to read but not able to speak and
therefore most Chinese people do not dare to speak English in public and lack of practical exercises. From the previous chapter, we know the English training from ZTE is very practical and focusing on daily life and work issues. It fills the gap between the English education they had at school and the actual usage abroad.

Littrell et al. (2006) state that language training is important in facilitating intercultural adjustment. However, in the particular case of Belgium — where the main spoken languages are Flemish and French — it is difficult to train employees to speak these two languages since teachers for these languages are hard to find in China and motivation for the expatriates to learn two new and not broadly spoken languages is low. In the ZTE Belgium branch, the main software system is a mix of English and Chinese. The communication language between Chinese employees and Belgian partners is English, so most of the time only using only English is fine. Since many 4G networking sites are in the Flemish part, most of the documents for network building are in Flemish and usually these documents go directly to native engineers.

However, as quoted from the Chinese manager from the previous chapter, “it is still difficult to make in-depth conversations since most of the time they only understand the meaning of the sentence itself and not the meaning behind it”, which is understandable since English is not the mother language for both Chinese and Belgian partners. In the ZTE Belgian branch, there is only one expatriate manager who can speak French fluently, who has been in Belgium for several years. Among the rest of expatriates, none of them can speak either French or Flemish, only Chinese and English.

According to Littrell, the individual may miss out the crucial work-related information which is published in the host country language as one always relies on his native language. If the individual can have some knowledge of the host language, it can demonstrate his interest in host nationals and make it easier to communicate.

During my internship there, I have seen an interesting phenomenon: almost all the Chinese employees are working in the same big and open office, including expatriates, Chinese staff hired locally and interns. Only the manager and the accounting department have their own offices. Through a corridor there is another small office which is for European engineers. The layout of the office has separated the Chinese and European employees completely.

Besides, there is seldom communication between the two sides. The most often communication is with a British engineer. There was also a French engineer, who has a strong French accent when he speaks English. For someone without basic French
knowledge, it is extremely difficult to understand his English. It happened several times that he came for a work issue but Chinese employees did not understand his English. In summary, there exists a lack of communication and most communication problems are due to not knowing the local language. An obvious recommendation would therefore be to suggest language training, including a basic French knowledge.

Cultural training

According to the interview, some of the employees have received a seminar or briefing about the life in Belgium and the problems they may meet, and some others did not receive any cultural training. The reason for this is the employees are from different cities in China, which have adopted different training programs. From Black et al. (1991), such training allows expatriates to adjust to the local culture more rapidly and enable them to work more effectively in the new environment. From the interviewees who did not receive culture training, they stated that they did not meet any problem regarding cultural issues. The only problem is the prices in Belgium are too high and it is not easy to eat proper Chinese food.

Those respondents are all on a short time period of expatriation, from three to six month. Their job positions are about technical supporting. They live in a company provided apartment which is very close to the office and most of their social life is within the Chinese group. They have been hardly exposed to the life outside of the company. Since they do not have much external activities, they have a lot of time for work. Due to their relatively short time abroad, their culture shock stays in the honeymoon phase and the expatriation is finished before the frustration phase.

The answer I got from the sourcing manager is different, who has received the cultural briefing and stayed in Belgium for more than one year for his expatriation. He says the culture knowledge of Belgium he received from the briefing is quite helpful for him to adjust to this culture when he first arrived. The training he received was a briefing with an introduction of Belgium and a practical analysis of the potential problems expatriate could meet. However, he said he did not receive any training about communication skills. As an outsourcing manager, he needs to contact various customers and providers, with the compliance of local governmental policies. When asked about how he interprets his more than one year expatriation, he says it is vital to be proficient in one foreign language and to have good interpersonal skills.

As suggested by Littrell, the CCT program should be tailored to meet the different
individual’s needs. It is suggested to conduct a needs assessment which should include various factors, such as strengths and weakness of interpersonal and cognitive skill, assignment objectives, past international experience and family dynamics. Not only the content should be tailored, but also the training design and technique should also be customized.

In this case, the need of the cultural training is differentiated between a technical employee and a sourcing manager. For the short-term technical position expatriates, they need training to help them to adjust to the new environment and improve their self-maintenance skills, such as psychological skills and self-confidence. For the position of a sourcing manager, training is needed not only to help to adjust to the new culture, but also to improve one’s interpersonal skills with host nationals, and cogitative skills such as a better understanding of the host culture values and social system. Since one of the big problems mentioned from the sourcing manager is the intricate Belgian governmental policies, the information of how to deal with local governments should also be included in the training if related to job position.

5.1.2 On-site support

ZTE Belgium office has appointed a HR manager who is in charge of administration and expatriation issues. ZTE offers its expatriates accommodation, which is company-rent apartments located close to the office. It provides visa assistance for the expatriate himself and the spouse, health care insurance, arrival and reception, bank and help with the local authority for residency permit. The HR is also responsible for the management of the apartment, such as collecting the information of damaged goods in the apartment and inform newcomers about the regulations. There is no training provided at the site after the expatriates’ arrival.

5.2 Case analysis of Huawei

5.2.1 Selection

From the case presentation, Huawei has adopted a thorough selection of its expatriates. From the literature we know that one possible reason for expatriate failure is when the company only selects candidates by professional expertise and ignores the candidates themselves. In addition to the professional experience, the individual personal traits and attitude towards expatriation also count for expatriate success. Huawei takes into consideration the candidate’s willingness and family situation besides the professional
background to make sure to select the most suitable candidates. Besides, the candidate is well informed of the duty and benefits of working abroad, which can avoid a big gap between the candidate’s expectations and the reality. So the candidate can be mentally prepared for the expatriation, in order to decrease the rate of expatriate failure.

5.2.2 Pre-departure training

Huawei has adopted a comprehensive training for its expatriates. Like ZTE, Huawei has its own university to train its employees, which can provide multiple training resources to improve their wide range of skills. For expatriates, there is not only language training, but also job-related training and cross-cultural training, which is seldom to see among Chinese MNCs. In the language training, through interacting with the instructor, the candidate can improve his English communication skills and increase his self-confidence to speak English with non-Chinese. Through job-related training, the candidate can get familiar with the forthcoming work and is able to start working soon after arrival in the host country. With cross-cultural training, the candidate can be mentally prepared for the possible cultural shock, in order to shorten the adaptation period.

5.2.3 On site support

Besides the general support as accommodation, Huawei also adopted a mentoring system. Mentors can pass their own work and life experiences to the new coming expatriates, to make them feel more supported in the new country. Teague (2003) has mentioned there are several stages in the process of adjustment. First, the honeymoon stage: the new expatriates are curious about the new environment and in general they adjust well in this phase. Second, the cultural shock stage: the new expatriate finds out a lot of differences between the host country and the home country such as behaviors accepted in the home country which are not in the host country. At this stage, the expatriate may feel anxious or even depressed. Third, the adjustment stage: in this stage, the expatriate has some knowledge about the local environment so their situation is better than in the previous stage. Finally, the mastery stage: at this stage, the expatriate is already adjusted to the local environment and performs well on the assignment. In general, the failure happens during the cultural shock stage.

From the literature review, we know one of the main reasons for expatriate failure is the failure to adapt to the local culture. To cope with this issue, Huawei focuses on shortening the culture shock stage and reducing its employees’ anxiety. The mentor can
pass his own work and life experience to the new coming expatriates, making them feel more supported in the new country.

5.3 Case analysis of Bank of China in Belgium

Bank of China does not fully comply to the cross-cultural training as suggested by Littrell et al. (2006), in that it only provides an English language training and does not offer any cultural awareness training or experiential training. The interviewee had to take French classes herself to know the local language and culture. Despite this fact, the English training is considered to be effective by its expatriates, who state the training has improved the job performance. Nonetheless, Bank of China has provided thorough on-site support, which the importance in the successful expatriation has been pointed out by various literature and different perspectives. In Florkowski and Fogel (1999) research, it has been demonstrated that the host-unit treatment has played a big role in the expatriate’s adjustment. They highlight that it is important to take the host company’s attitude and treatment into account for the expatriate’s adjustment.

As explained by the interviewee, she did not experience much difficulty in adjusting to this new environment. As almost everything is arranged by the company, she did not have to worry much about the errands and her daughter’s education, which allowed her to focus more on her job performance. The language training she received in her home country has helped her a lot for daily work and everyday life.

5.4 Case analysis of CETC in Algeria

5.4.1 Pre-departure training

Black et al. (1991) suggested that the three critical aspects of expatriation training prepared by the organization are cultural training, language instruction training and orientation training on familiarity with everyday matters. In this case, French is the local language and there was not any language training before the expatriation, even though there were only two of the seven expatriates who could fluently speak French, the rest having no French knowledge at all.

The routine matters are translated by an interpreter. It seems to work and solved the language barrier with Algerian partners such that the project could be undertaken and carried out. However, problems exist within this situation. In this case, negotiation is critical for the progress of the project. The interpreter has to take all the workload
5.5. CROSS-CASE ANALYSIS

of translation and communication between the Chinese and Algerian sides, which is a great responsibility. As described in the case, there were many occasions that Algerians were being rude and unreasonable. As said by the interpreter, he often had to argue to protect CETC’s legitimate interest and make sure the project could be carried on. And the fact that he had to argue alone made him in a very weak position, such that he often felt being oppressed by the Algerian workers, but none in his team could help him because others do not speak French at all.

There is no cultural training in the preparation of the expatriation in this case. Tung (1982) has defined the six major types of cross-cultural training. Besides the language training, she also defined cultural orientation, which is to familiarize the individual with value system of the host country.

However, in this case there is clearly a lack of cultural training which incurred consequent problems. Besides, orientation training on the familiarity with everyday matters is also missing.

Since this is the first project conducted in Algeria, the expatriates on this assignment did not receive any information about the Algerian culture and had no orientation training. They had to figure out the solution themselves and they had a really hard time at the beginning.

5.4.2 On-site support

The living conditions are relatively poor, such as accommodation, and the food is simple and crude. Unlike the ZTE case, there is no supervisor or mentor in the home company taking charge of expatriation issues. They are almost completely on their own. According to the interview, most of the expatriates have shown dissatisfaction in this expatriation. Many of them have thought about coming back to China early or even quit the job. The reason they are still on the job is the compensation in the form of an almost double salary.

5.5 Cross-case analysis

5.5.1 Pre-departure training

Language training

Regarding the language training, ZTE, Huawei and Bank of China have provided an intensive English training to prepare their employees for the international assignment.
All the English training courses are focused on practical application and given by the educational institution (corporate college or university), which shows the three Chinese companies value the importance of the English skill. From the expatriates’ perspective, the English training they received have helped them adjust to the new working and living environment. Because the training is focused on practical application, the English they have learned is easily applied to the daily life and work.

None of the three company has provided other language training, such as French or Dutch which are the two main official languages in Belgium. All of the three companies deem French or Dutch training is not applicable due to the main working language being English and Chinese. This is understandable because learning several languages together is costly and time consuming and also for expatriates it is easy to get confused with several foreign languages. Most of the interviewed expatriates believe only English is adequate for the daily life.

However, Littrell and Salas (2005) state it is not critical for the individual to speak fluently the host language even if it is ideal. The host nationals will appreciate the individual’s small efforts to speak the language because it shows one has interest in the host country and culture. It also can improve the expatriate’s job performance and avoid missing critical information which may appear in the host language. The fact that one interviewee from Bank of China is taking French language classes in the evening after work has shown there is a need to learn the local language. And the problems revealed in the ZTE case have illustrated it is necessary to have at least some basic knowledge of the host language.

The case of CETC in Algeria has also revealed problems due to the language. The company adopted to use an interpreter as the mediator between the Chinese expatriates and Algerian workers. From the problems revealed, the fact that only the interpreter can speak fluent French has pushed the Chinese expatriates in a weak position for negotiation. And for those who do not speak French, it is very inconvenient for their social life: “For several months in Algeria, most of my spare time I only stayed in the room because I couldn’t communicate in French with the locals.”

Compared to the ZTE branch in north Africa, who built a French training institution in Algeria and trained several bilingual instructors in English and French (to serve the customers in this region for the training and orientation in different product solutions), CETC may learn from ZTE to give its expatriates basic training of the French language besides just using an interpreter.
Other pre-departure training

Huawei is the only company who has adopted job-related training and cross-cultural training prior departure. The job-related training can prepare the expatriate better to start to work sooner. For the cross-cultural training, even though it only lasted one day, it gave the interviewee a good impression about cultural awareness.

5.5.2 Expatriate support

Regarding to on-site support, all ZTE, Huawei and Bank of China have provided adequate on-site support for expatriates, who have believed the support is necessary and helpful to adjust to the new environment, and helps them to focus more on the job. Huawei provided mentors to help its expatriate to better adjust to the new environment. CETC is the only case company which did not offer adequate support as seen by expatriates, like poor living condition, which caused a lot of complains.

Except Huawei, other companies do not offer cultural training or job-related training to their expatriates, which is consistent with the finding of Shen and Darby (2006) as most of the Chinese MNCs only provided limited training for expatriates. None of the case companies have provided job-related training and there is no post-arrival training. Shen and Darby mention the common view among Chinese MNCs that intercultural competency is not important, and it is believed that only the technical skills is the main factor for a successful international assignment. It is also assumed that if the individual is effective at home, then he should also be effective anywhere else, which is reflected to some extent in the case companies.
Chapter 6

Conclusion and implications

6.1 Discussion

Expatriate failure has been discussed a lot in the various literature reviews. However, many reviews are talking about a high expatriate failure rate in North America, which can not be applied to Chinese multinational companies. During the research in this study, it is found that the expatriate failure is much less frequent in Chinese MNCs than in North America MNCs. This is also consistent with the literature focusing on Chinese multinational companies.

All the case companies have adopted pre-departure but the extents are different. From the comparison of the case companies in different region, we can see that in general expatriates who are in developed countries meet less problems than the ones in less developed countries. This is understandable because in developed regions the general environment is better than the developing regions, and it is easier for companies to provide better support such as better living conditions.

The three case companies in Belgium (ZTE, Huawei and Bank of China) can be deemed to provide good expatriate training. The fact that they provide practical English training shows that the company recognizes the importance of language proficiency, regardless of the method of training. All the three companies trained their expatriates in either corporate college or in university, which also shows the company has paid sufficient attention to language training.

Only Huawei has adopted job-related training and cross-cultural training, which is perceived effective to better prepare to start the job and to shorten the duration of adjusting to the new environment by its expatriates. The mentoring system also helps
new expatriates to get along with the new working environment.

Compared to these three companies, CETC in Algeria has provided inadequate training. This is also because it is its first project in Algeria so there is no precedent to follow. It also revealed that the company management has not realized the importance of expatriate training. The problems revealed in the case can be seen the consequences of lack of appropriate training.

6.2 Conclusion

This section concludes by summarizing the answers to the research questions.

*What problems do Chinese expatriates face during their international assignment?*

The problems are various among the different case companies. In ZTE and Bank of China, the problems reside mainly in the adaptation to the new working environment. For the case company in Algeria, the main issues are communication and negotiation with the local nationals. The case company of Huawei can be deemed more successful on expatriate training. From the other three case companies, we can learn that cross-cultural training is still missing, even though it has been proved generally effective by the literature.

*How can Chinese MNCs employ the training to enhance the expatriates’ performance during their international assignment?*

As mentioned in the previous chapter, the three Chinese MNCs in Belgium have given English training for their expatriates. It shows the Chinese MNCs have taken the language question seriously, and the training brought their employees a relatively rapid adaption to the new working environment. However, both of two companies have neglected the two non-English official languages in Belgium, which are still relevant in the daily work and critical to communicate with local people.

To cope with this problem, I suggest that companies hiring expatriates in Belgium give more attention on the two main official languages, French and Flemish. Since English remains the main working language, the focus should still be on English but an introduction course of French or Flemish should be added, depending on the relevance of each language for the job. The purpose is to help expatriates understand various
accents of English and have some understanding of the culture through learning the local language.

For the company in Algeria, I suggest that the company adopts a basic language training instead of only using an interpreter. In this case it is not practical to train everyone to speak French. However, it is always beneficial to have some knowledge of the local language, not only speed up the adaptation process, but also to improve business negotiations.

What resources or training do expatriates need to adjust their life in the host country, adapt to the host culture and support their professional development?

From the case companies, we point out that only English language training is not enough to face the transition to work in another country. Besides English language training, it is often a great help to learn the host country language and to have a better knowledge of what the working environment will be in the new workplace. More cross-cultural training is also needed to decrease the cultural shock and to reduce the duration of the adjustment to the new environment.

6.3 Implications for managerial practice

Literature has suggested that many multinational companies have ignored the cross-cultural training or do not perceive training as useful. From this study, it can be concluded that cross-cultural training has been missed out in most of the case companies, which cause some problems and troubles for new coming expatriates. I suggest case companies to adopt the training designed for fostering expatriate’s self maintenance skill, interactive skill and communication skill, to help them have a good physiological state to work abroad, and to improve their professional competency.

6.4 Limitations

The limitation of this study is the small sample which is reached by convenience. Due to the accessibility constraint, the size of the sample limits generalization of this study. The validity of the interview transcript has been checked with the corporate websites and various documents. However, due to the non-static human nature, it is problematic to get the same experience by repeating the study again, which may affect the reliability at some extent.
This study has revealed many insights for Chinese expatriates in various places and contexts. Even if the cases are limited to Belgium and Algeria, they are good representatives of Chinese MNCs in western countries as the case studies are among the biggest companies, which therefore have the most opportunities for training their expatriates.

6.5 Implications for future research

This study has revealed the existing pre-departure training and on-site support of expatriates in four Chinese companies, but has not discussed the effect of expatriate’s own attitude on the expatriation. Some literature (Kealey and Protheroe, 1996) suggests training is just one of the variables towards expatriate success. The company also has to look on the candidate’s own aptitude and motivation. It would be interesting for future research to study the effect of the individual’s own attitude towards expatriation.

Due to the limitation, this dissertation mainly studied the Chinese companies in technical and banking industry, which require less interaction directly with local customers. It would be interesting to study companies in trading, service or fast moving consumer goods industry which require more interaction with host national customers.
Bibliography


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