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**TRAINING AND DEVELOPMENT ON EMPLOYEE ENGAGEMENT PRACTICES: INDIAN EXPATRIATES WHO ARE SENT TO CHINA**

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**D. ASOKK,**

Research Scholar, Bharathidasan University, Trichy.

**Dr. S. SASIKUMAR,**Asst. Professor, Research Department of Business Administration,  
Rajah Serfoji Govt. College, (Autonomous), Thanjavur – 613 005.**Abstract**

China's domestic market is becoming increasingly attractive for foreign companies to establish their operations there, due to new business opportunities and the cheap labour force. To enable consistent business practices throughout the whole company, many MNEs are sending managers on an international assignment to China for a few years. These managers, or Indian expatriates, are 'utilised in foreign operations for control and accountability, their technical skills, their knowledge of products and to provide international exposure to key personnel for development purposes' (Romero, 2002). However, these international assignments do not always come without problems. 'China continues to present one of the most difficult challenges to Western firms for ensuring successful, long-term assignments' (Weiss and Bloom, 1990). The main reason for expatriate failure is the inability of the expatriate or the expatriate's family to adjust to the new living and working environment (Weiss and Bloom, 1990; Forster, 2000; Hutchings, 2005). Companies could try to tackle this problem by providing pre-departure cross-cultural training for their Indian expatriates. Hence, companies should comprehend the positive effect pre-departure cross-cultural training has on the adjustment of Indian expatriates who are sent to China. Even managers who were (somewhat) familiar with the Chinese culture considered Pre-departure Training and Development helpful. Training the Indian expatriates can considerably decrease the number of failed assignments and also create a competitive advantage in the global business arena (Waxin and Panaccio, 2005).

**Keywords:** *Employee engagement, Training and Development***Introduction**

The economy of the People's Republic of China is booming. According to the United Nations Conference on Trade and Development (UNCTAD) world investment report 2006, China ranked third with \$72 billion in global Foreign Direct Investments (FDI) inflows in 2005, behind the United States and the United Kingdom (see Appendix I for FDI table). Due to the government's economic reform initiatives and its increasingly welcoming attitude towards foreigners, China's economy has averaged 9% growth per year over the past two decades. Furthermore, China's entry into the WTO has led to opening up of markets and FDI is expected only to increase. According to figures that were released by the World Trade Organization (WTO) in April 2007, China surpassed the United States as the world's second-largest exporter in the middle of 2006, with an export growth of 27%. It is also predicted to be largest exporter in 2008. Besides that, the country's imports rose 20% to \$792 billion in 2006.

With these figures it is no wonder that China is tagged as one of the BRIC-countries. In 2003, Goldman Sachs, a worldwide renowned investment bank, published a paper on the economic potential of Brazil, Russia, India and China (BRIC) and argued they may become among the four most dominant economies by the year 2050. An emerging economy like China offers new business opportunities to MNEs.

Especially, with China's entry into the WTO in 2001, the country has further opened up its borders to FDI and companies are very eager to make use of this. China's cheap labour market and its population of 1.3 billion people represent a pool of new workers and consumers for foreign companies to tap and therefore many of them endeavour to establish their business in China.

Doing business in China does not always come without problems, as can be seen in the case of Danone vs. Wahaha . The Joint Ventures (JVs) which were established since 1996, between the French MNE and its Chinese business partner, China's largest beverage producer, recently turned sour in April 2007, after Danone tried to take full ownership over the ventures. Danone already held a 51% stake in the ventures, but was prohibited by Wahaha to buy the rest of the assets of the Hangzhou Wahaha Group. This was followed by Danone taking legal actions, since it claims that Wahaha has breached their contract. Thus, as this example shows, doing business in China can bring its drawbacks. Nevertheless, being successful in China can bring a lot of benefits to the company, as for Danone the JVs accounted for more than 5% of operating profits in 2006.

### Methods

This research is an exploratory research, so as to better comprehend the nature of this matter. It is both qualitative and quantitative in nature. In short, this study intends to look at the availability of training programmes, if Indian expatriates have actually received Pre-departure Training and Development, and how the Indian expatriates were affected by it. The effectiveness of the Pre-departure Training and Development is based on the experience of Indian expatriates from MNEs who have been or still are in China. The main research data is gathered with an online-questionnaire. In this questionnaire, Indian expatriates were questioned about their experience regarding Pre-departure Training and Development and other elements that were part of the pre-departure preparation they went through. Open and closed- ended questions were formulated, as to ascertain getting the correct data by posing questions in different ways.

### Hypotheses

There are many areas concerning expatriation that can be identified that still need more research. Nevertheless, this research will only look at a certain aspect of expatriation – the pre-departure preparation – so as to keep its focus. In order to visualise the research question and give a clear overview of which variables are involved and how they are interlinked, the research idea of this thesis can be delineated into a Conceptual as can be seen below.

**H1:** Training elements that are considered important in Pre-departure Training and Development by the Indian expatriates will also be handled as important in the actual training.

**H2:** Indian expatriates will value Pre-departure Training and Development as useful regardless of any training received.

**H3:** Indian expatriates who did not receive Pre-departure Training and Development will rate it more useful than Indian expatriates who did receive some kind of Pre-departure Training and Development.

## Results and Discussions

<i>Information about new position China</i>	<b>N</b>	<b>Minimum</b>	<b>Maximum</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Tasks</b>	33	0	1	0.82	0.392
<b>Responsibilities</b>	33	0	1	0.85	0.364
<b>Product line</b>	33	0	1	0.42	0.502
<b>Size company</b>	33	0	1	0.73	0.452
<b>Supply chain</b>	33	0	1	0.24	0.435
<b>HRM</b>	33	0	1	0.42	0.502
<b>Hierarchy</b>	33	0	1	0.73	0.452
<b>Useful addresses</b>	33	0	1	0.30	0.467

When asked the question about the relevance of Pre-departure Training and Development, the usefulness scored quite high on a 5-point Likert scale (3.97). Herewith, the notion of the effectiveness of Pre-departure Training and Development can be shown as useful. When a distinction is made between the respondents that did receive training and the ones who did not, the managers that did receive training perceive Pre-departure Training and Development slightly more useful (4.07) compared to managers who did not (3.89). This is not as expected, as one would think that the lack of Pre-departure Training and Development would lead to a higher conception of the training itself. Therefore, the hypothesis can be rejected.

<i>Information provided by company</i>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>Expatriate community</b>	30	0.50	0.509
<b>Housing</b>	30	0.83	0.379
<b>Schools</b>	30	0.67	0.479
<b>Language</b>	30	0.70	0.466
<b>Companies same industry</b>	30	0.13	0.346
<b>Food</b>	30	0.40	0.498
<b>Insurance</b>	30	0.77	0.430
<b>Travel</b>	30	0.70	0.466
<b>Hygiene</b>	30	0.43	0.504
<b>Health</b>	30	0.73	0.450
<b>Visa</b>	30	0.93	0.254
<b>Embassy</b>	30	0.47	0.507
<b>Useful Websites</b>	30	0.50	0.509

As for information regarding the new position in China, Tasks and Positions have a score of 82% and 85% respectively. Hereafter comes information about the Size of the company and Hierarchy both scoring 73%. Additionally, only 3 managers received skills training, which is understandable, since that would be one of the most important criteria why they have chosen that manager to send to China.

<i>Important training elements received in training</i>	<b>N</b>	<b>Mean</b>	<b>Std. Deviation</b>
<b>History</b>	15	2.60	0.737
<b>Guanxi</b>	15	2.53	0.915
<b>Culture</b>	15	3.00	0.535
<b>Tax</b>	15	1.67	1.113
<b>Regional/Local Information</b>	15	1.93	1.100
<b>Language</b>	15	1.67	0.976
<b>Bureaucracy</b>	15	1.93	0.884
<b>Communist party</b>	15	1.40	0.828

The outcome of this question is based on the data of 15 expatriate managers. Again, the same 4-point Likert scale rating was used as in the previous question, and the respondents had to indicate the importance of the training elements during the training (see Table 3). From the managers who did receive Pre-departure Training and Development, the highest scoring training elements were Culture (3.00), History (2.60), Guanxi (2.53) and the lowest value was for Information about the Communist Party (1.40). When ranking the outcome regarding importance the answers are quite similar to those of the previous question, except for the fact that Language training was not considered that important in the actual training. This is in contrast with the importance the Indian expatriates had appointed to this training element based on their own experience. An explanation for the low score on Language training (1.67) is that 6 out of 15 respondents did not get any type of language training, whilst for one respondent the only training received was in the form of Language training for two whole weeks.

## Conclusions

It was quite surprising to find that only little less than half of the respondents received Pre-departure Training and Development, although they were all working for MNEs. This goes in against most studies done on the effectiveness of pre-departure cross-cultural training (Forster, 2000; Romero, 2002; Waxin and Panaccio, 2005), even though they have mentioned that many companies still do not provide Pre-departure Training and Development. There are several reasons that come to mind when trying to uncover the reasons for this low training provision rate. The first reason could be that the expatriate has already been to China before, and already is familiar with the Chinese culture or at least already has formed some expectations. However, from the respondents that did not receive Pre-departure Training and Development, only half (9 managers) had been to China before.

Another possible reason is that the expatriate has been on previous other foreign assignments. The company then could have decided that it is not necessary for them to have Pre-departure Training and Development. Waxin and Panaccio (2005) mention that international experience is a moderator on the effect of cross-cultural training. This fact also is mentioned by some Indian expatriates who noted that the extent to which some companies provide training or Indian expatriates want or need Pre-departure Training and Development depends on the previous foreign experiences of the expatriate manager. However, from the results it can also be seen that even though the expatriate is familiar or somewhat familiar with the Chinese culture, they still think Pre-departure Training and Development is useful. As one respondent stated: "Even I would have benefited from a language refresher course and my degree is in Chinese". Also, it should not be forgotten to mention that it might as well be that the company does not provide standardised Pre-departure Training and Development, but provides the support after

arrival in the host country. This is the case for Shell, which would explain why none of the respondents from Shell received Pre-departure Training and Development. It should be noted however, that some of these respondents did indicate that they would have liked to receive Pre-departure Training and Development.

The training elements that were found most important by the Indian expatriates based on their own personal experience in China were 1. Culture, 2. Guanxi and 3. Language. This importance was not completely reflected in the actual training they received, where Language had been neglected. Companies should not ignore language training (Weiss and Bloom, 1990; Hutchings, 2005). According to Brislin (1993), using the host country's language has a positive influence on expatriate adjustment and facilitates cooperation of the employees. From the results we can see that some companies do not provide any kind of language training at all, although it is considered an important element of Pre-departure Training and Development by the Indian expatriates who have been on assignment in China. KIT does provide information on language background in their trainings, but actually learning the language has to be done in a separate optional module. It is up to the HR-department to take this result very seriously and include it in the pre-departure preparation.

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