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**A study on the stability of non-knowledge workers in chinese overseas enterprises  
from a cross-cultural perspective**

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### **Abstract**

This paper explores the stability of non-knowledge employees in overseas Chinese-funded enterprises from a cross-cultural perspective. The research results show that there are two reasons for the unstable work of non-knowledge employees in Chinese-funded overseas companies, one is culture and the other is management. This paper concludes that the proportion of management factors is higher than that of cultural factors.

**Keywords:** *Cross-culture, Non-knowledge employees, Job stability, Management factors*

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## Introduction

As overseas Chinese-funded enterprises face different context abroad, various challenges in human resource management are inevitable, among which a prominent issue is the instability of front-line workers. Therefore, this study attempts to analyze the above issue from three aspects by explaining the manifestations of the issue, analyzing the importance of the issue to human resources management, and illustrating the culture and corporate management attributions involved.

## Result & Discussion

### 1. Theoretical research on cross-cultural human resources management

#### 1.1 Domestic cross-cultural human resources management and evolution of concerns

The author searched on China National Knowledge Infrastructure (CNKI) with "Human Resource Management" as the keyword, and found that the first paper shown in the search result before 2000 was published by Zhao Xiping and Wang Lei (1997), who carried out a study on human resource management of joint ventures in western China, and pointed out the core factor leading to conflicts in human resource management of joint ventures is cross-cultural difference. [1]

After 2000, research on such issue has gradually increased. Tian Ying (2000) [2] analyzed the human resource management and the existing problems in foreign-invested enterprises, and proposed a common cultural management pattern of human resources in Chinese foreign-funded enterprises based on cross-cultural management and systematology thought. By analyzing the development status of Sino-foreign joint ventures in China at that time, and the cultural differences and manifestations of resultant management conflicts, Zhu Xueli (2003) [3] proposed the core content of building a cross-cultural learning organization and the basic process of the TCHRM model, as well as its usage and precautions.

Jin Yong (2007) [4] analyzed the problems of Japanese-funded enterprises regarding employee development space, salary system, and corporate culture, and proposed the countermeasures and suggestions for cross-cultural human resource management of Japanese companies in China. With Sino-German joint venture BASF-YPC as a case study, Cheng Zhong (2007) [5] thought that the enterprise is not only affected by the German human resource management model that emphasizes the interests of employees, but also is imprinted with Chinese human resource management system that emphasizes the collectivistic style.

Xue Jia (2008) introduced Carrefour's implementation of localized cross-cultural management in China based on its French human resource management model, with Carrefour's failure in cross-cultural management in South Korea as a case study. Qin Yi (2008) [6] used "LG Philips Displays B.V, HEC" as an example to explore the human resource management model suitable for the organization, and pointed out that organizations should take the initiative to identify cultural differences, strengthen training, establish a consensus-based corporate culture to make multicultural the driving force for organizational development. Cai

Zhen (2008) [7] proposed the company's overseas cross-cultural human resource management scheme for Chinese expatriates and local employees based on the cultural differences between China and Zambia.

Wang Tieyan (2012) [8] believed that cultural conflicts in the international engineering contracting have a negative impact on human resource management. Xie Zhen (2018) [9] proposed related suggestions for human resource management from the perspective of cultural differences between China and Nigeria.

In the above relevant literatures in recent years, many problems in cross-cultural human resource management were pointed out, such as communication barriers, management system, value differences, power distance, morality issues, corporate recruitment and training, etc. In particular, the cultural conflict caused by cross-cultural differences is one of the reasons for the problems in cross-cultural human resource management.

## 1.2 Analysis of the reasons for human resource stability of enterprises in foreign literature

From the limited information found, Mitchell (2001) [10] proposed job embeddedness to explain employees' turnover. Some scholars have analyzed the same problem from the perspective of job satisfaction.

It should be noted that these foreign literatures are also similar to Chinese literatures in terms of less attention paid to the turnover of front-line employees. Culture is regarded as the main cause, while the enterprise's own management is rarely explored.

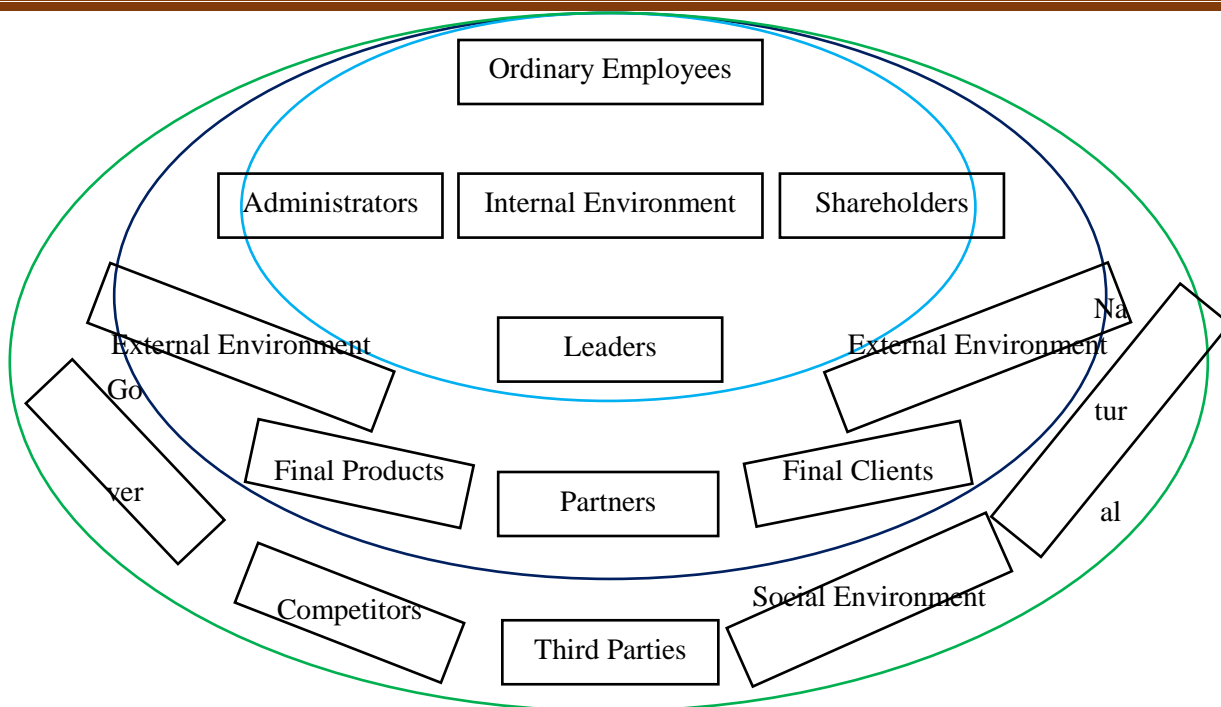
## 2. Analysis of the causes of employees instability

At present, most scholars at home and abroad focus on the "cultural differences" and "cultural conflicts" when studying the reasons for employees' turnover in cross-cultural enterprises. However, what is the reality? Is culture or enterprise's management the dominant reason? In order to illustrate this issue, analysis of multi-reasons for employees instability is required.

### 2.1 Analysis of relevant parties of cross-cultural human resource stability

Human resource elements, the core carrier of the corporate human resource ecosystem, mainly include leadership and employee factors, with characteristics mainly reflected in the impact on the stability of the corporate human resource ecosystem. The stability of human resources in this paper refers to the desire of human resources within the enterprise to stay in the enterprise. To facilitate study, the employee's turnover tendency was also explored.

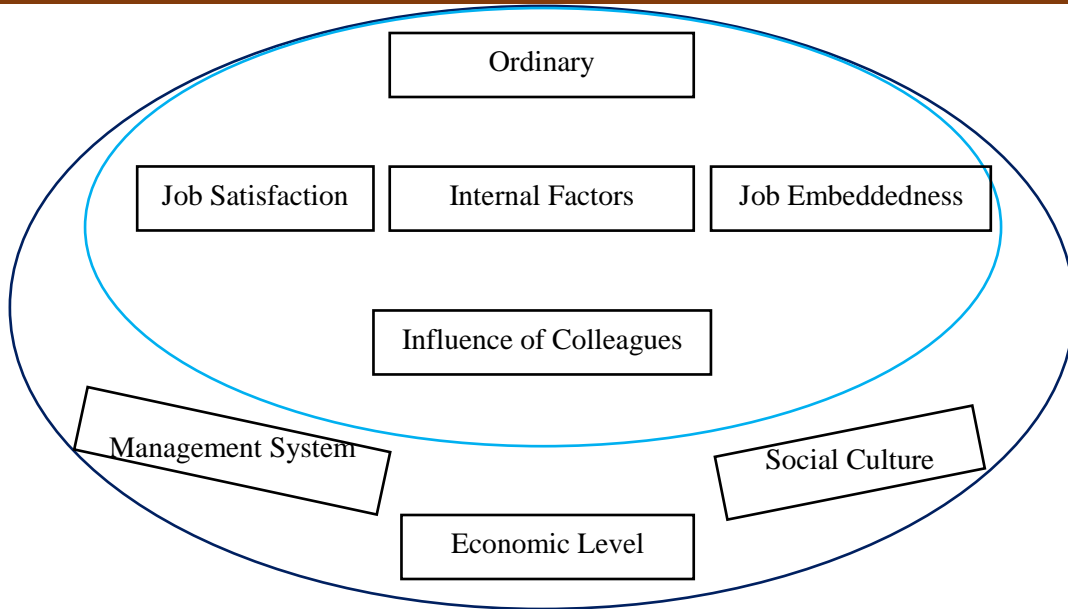
Wang Yadong (2017) [11] divided the members of the enterprise's human resource stability ecosystem into 3 levels: on the first level are the core members including shareholders, leaders, managers and ordinary employees; on the second level are the final products, customers and partners; on the third level are competitors, social and natural environments, government and recruitment platforms, so that the environment and members associated with the stability of the enterprise's human resource ecosystem can be determined. Details can be obtained through relevant information in Figure 1 below:



**Figure 1** Stable human resource ecosystem of an enterprise (relevant members and environments)

It can be seen from the above human resource stability system of an enterprise discussed by Wang Yadong that ordinary employees are at the top of the ecosystem, which reflects the human-oriented core idea in human resource management, and indicates the stability of employees within the enterprise is the guarantee for the operation and development of a corporate.

Obviously, there are many related parties in the above figure, including shareholders, high-level leaders, and management personnel (middle-level and grass-roots), and customers and suppliers are also included in the analysis chart. In the periphery, there are government, competitors, and third-party agencies etc. This analysis chart provides reference for the author to analyze the reasons in the enterprise's management system in the next step. However, in this paper, the author intends to first analyze some of the related parties in Figure 1, and expand some more relevant factors for exploration. Specifically, job embeddedness, job satisfaction, management system, on-site guidance, and corporate environment are used for analyzing employees' turnover with a simplified idea. Figure 2 below shows the main points of the author's analysis.



**Figure 2** Analysis diagram of the risks for front-line employees stability

## 2.2 Analysis of the impact of job embeddedness on the stability of human resources

According to US psychologist Mitchell (2001), job embeddedness mainly includes on-the-job embeddedness and off-the-job embeddedness. On-the-job embeddedness mainly refers to the degree of embeddedness of an individual in the organization; off-the-job embeddedness represents the degree of embeddedness of an individual in the community where he lives. It is divided into six dimensions in detail:

The so-called connection mainly refers to the connection between the individual and the organization and the community; while the matching represents the similarity between the organization and the community and the living space of the individual; the sacrifice means the psychological loss, material loss and sacrifice that the individual faces after leaving the community or organization. Job embeddedness mainly involves related community and organizational factors that keep employees staying at the enterprise. These factors make employees embed or rely on their work to a certain extent, even if they are less satisfied with the job at the current stage and have more employment opportunities, they still choose to stay in the company without tendency or actions of turnover.

In summary, the degree of on-the-job embeddedness and off-the-job embeddedness will have an impact on the stability of corporate human resources. It is an important task in this study to explore the stability of local employees (including non-knowledge employees we pay special attention to) of overseas Chinese-funded companies and how to utilize the above six dimensions to put forward some more specific "perspectives" (different from "dimensions" ) for practical analysis. The preliminary analysis in this section is as follows.

In this paper, the author believes that the job embeddedness of front-line workers (especially front-line non-knowledge workers or low-knowledge workers) in overseas Chinese-funded enterprises can be measured from the following three perspectives as a preliminary exploration:

(1) Employees obtain some fun or achievements in the daily work. Achievement means the recognition from colleagues and the praise from administrators in the daily work because of the high working efficiency and quality. If such praise is often obtained, employees' attachment to work can be deepened. It should be noted that the keyword for employees' sense of achievement mentioned above is "efficiency". As a reference for subsequent research, a concept can be refined here is "efficiency embeddedness" or "working efficiency embeddedness".

(2) Employees are able to use the equipment (referred to as motor-driven tools) skillfully, complete the work using the equipment, and can complete the work relatively easily without consuming much physical strength when using the equipment (can stand the working strength). At the same time, such work can bring a salary that is not less than the local standard. On the other hand, the employees will be reluctant to quit the job, in other words, a job embeddedness is produced. Similarly, what can be refined here is the concept of "motor-driven tools embeddedness".

(3) Employees accumulate experience in the work, and have learned a certain skill (such as equipment repair and maintenance), may be given the opportunity of a new job (the new job is relatively easy), or may be entitled to higher salary due to the recognition by managers in the original job. In such situation, it can also be considered that the employees have a better job embeddedness. Likewise, what can be refined here is the concept of "skill embeddedness".

In the above-mentioned situations or one of the circumstances, the employee's turnover intention or turnover behavior will be greatly reduced. If the managers in the above three perspectives (middle-level and grass-roots level, mostly grass-roots level) are replaced by Chinese managers, the so-called cross-cultural incoordination, inadaptation, or more seriously speaking, the cross-cultural conflicts may be significantly reduced. Such basic analysis can lay a foundation for the subsequent refinement of the stability mechanism.

### 2.3 Analysis of the impact of job satisfaction on the stability of human resources

Job satisfaction is mainly reflected in the psychological feelings in different job frameworks. The definitions of job satisfaction include a general definition and a expectation discrepancy, with the former mainly referring to an employee's psychological feelings about the job, and the latter indicating a kind of psychological feeling after comparing the benefits actually obtained from the organization with the expected benefits [12].

The degree of the influence of job satisfaction on human resource stability can be acquired through factors within and outside the organizational environment. Moorman (1993) [13] divided these factors into

interpersonal relationship, career development, salary and benefits, organizational management, and performance evaluation, etc.

In overseas Chinese-funded enterprises, if various demands of employees are not fully considered, and appropriate incentive measures for employees' performance are not formulated, their work enthusiasm will be affected with decreased job satisfaction. The personal factors influencing the job satisfaction of employees in overseas Chinese-funded enterprise such as age, education background, gender, and personality will have an impact on the stability of the company's human resources.

The above viewpoints are from some scholars and Chinese managers. However, there is still a lack of study on how these analyses of factors affecting employees' job satisfaction are applied to the analysis of job satisfaction of front-line non-knowledge employees.

## Conclusions

Chinese-funded enterprises encountered a problem of employees instability during overseas investment, and the turnover of front-line employees frequent occurs, which will increase the cost of project and training inefficiency to the enterprise.

The reasons for the instability of employees are complex and require comprehensive analysis. In this paper, Chinese companies' own misconducts in this aspect were collected and summarized as the basis for analysis, which usually include the following aspects: (1) Failure to calculate salary based on local wage standard, pay overtime, and fulfill statutory benefits, and even wage arrears and deduction. (2) Failure to sign labor contracts with workers, or sign labor contracts according to regulations. (3) Dismissal of workers at will. (4) Abuse or even beating of workers.

In the human resource management or human resource stability management of overseas Chinese-funded companies, the turnover of front-line non-knowledge employees can be attributed to two major aspects: the first is "cultural differences" or "cultural conflicts", and the second is the management of enterprise itself. The seven theses analyzed in this chapter constitute a small sample to investigate whether "cross-cultural factors" or "management factors" are more prominent by assigning score as objectively as possible. The data suggest the proportion of cultural factors (0.4) is smaller than that of the management factors (0.6). However, the specific influence mechanism needs to be verified by further quantitative analysis in the future.

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