

Multicultural background of new Immigrants' Children as a potential to develop human capital for the International Chinese enterprises

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Abstract

This research aims to explore the multicultural background of new immigrants' children as a potential to develop human capital for the international Chinese enterprises. We are trying to provide an integrated framework to illustrate how local organizations can utilize such cross-cultural background to build up competitive advantage in the international market. Both interview and quantify questionnaire will be adopted to this research to develop further understanding of our framework.

Introduction

Following to trend of globalization, the environment of foreign investment has improved in China since China opened their market welcoming international investment. This change affected the pattern of Chinese enterprises. According to previous literatures, Chinese enterprise invests mainly in China and ASEAN countries. Especially after the establish of ACFTA, the amount of investment of Chinese enterprises increase in ASEAN area leading companies set up factories and subsidiaries in Southeast Asia. As a consequence, the need of expatriates increase as well as the employment of local employees. It provides a great motivation for Taiwanese companies to extend their operating margin into Southeast Asia. A policy called "southward advance policy" has been applying since 1994 to facilitate interracial marriage in Taiwan. Now, foreign spouses (new immigrants) and their children are going to become the fifth largest group in Taiwan. This provides a great potential of Taiwanese to leverage their multicultural background to form competitive advantages for setting up international subsidiaries.

In this paper, first, we are going to explore the current status of management of Chinese enterprises overseas. Second, we will illustrate the different business type overseas and their HR needs as well as the strategies of Chinese enterprises. Third, we are going to explore the advantages, disadvantages and life of new immigrants in Taiwan. Finally, we will provide an integrated model to illustrate how to leverage the multicultural background of new

immigrants' children as a potential to develop human capital for the international Chinese enterprises.

Literature review

Overview of new immigrants

China and Southeast Asia's female are the main sources of foreign spouses in Taiwan; the main reason of interracial marriages is economic motivation. Mainly, the new immigrants come from China, Vietnam and Indonesia. New immigrants are mainly distributed in the new Taipei city, Kaohsiung, and Taipei. The new immigrant families have three advantages: Growing multi-language learning; racial eugenics; cross-cultural learning. They will face the problems: social identity, language barrier, economic issues, employment issues, skills training, parenting, and adaptation. And their children will face: language learning, interpersonal relationship, cultural identity, and self-concept.

Chinese enterprises overseas investment status

For decades, Taiwanese companies set up factories and subsidiaries in China while remaining important functions in Taiwan (R&D, finance). Such situation has changed recently due to the relocation of the market. Domestic investment environment continues to deteriorate compared to the fast growing economic in China. However, China and Taiwan have the similar language and cultural as the advantages. Dunning (1988)'s eclectic theory that if the enterprise can deploy the advantage of independent ability, geographical investment, and internal resources, the overseas investment will have a comparative advantage.

In ASEAN, China and ASEAN established the CAFTA (China-Asean Free Trade Area) in 2010, it was China's first foreign trade zone with a population of 1.9 billion, is the world's largest free trade zone. Taiwan didn't sign the FTA (Free Trade Agreement) with ASEAN, so unable to enjoy preferential tariffs. Add ASEAN has abundant HR, raw materials, land and other resources, it become very attractive for Taiwan.

Chinese enterprises overseas human layout

Following the extension of international market, the issues such as talent management, recruitment, training of subsidiaries will emerge. Perlmutter (1969) proposed the four kinds of concept of international operation, include Ethnocentric, Polycentric, Regiocentric, Geocentric, respectively. Bartlett & Ghoshal(1990) proposed "Global integration" and "local responses" are two important strategic requirements of international operations.

Talent appointment and training

HR of International enterprises have three sources: expatriate, employ staff in the host country,

and employ third country's staff. Chinese enterprises generally use expatriate and employ staff in the host country. Expatriate is one of the key factor of successful business on subsidiary (Hoeckin, 1995; Brewster, 1996), its cross-cultural competence, professional and technical capacity are a major consideration criteria. Mendehall, Dunbar & Oddou (1987) pointed out that Cross-cultural training will help to enhance the effectiveness of expatriates.

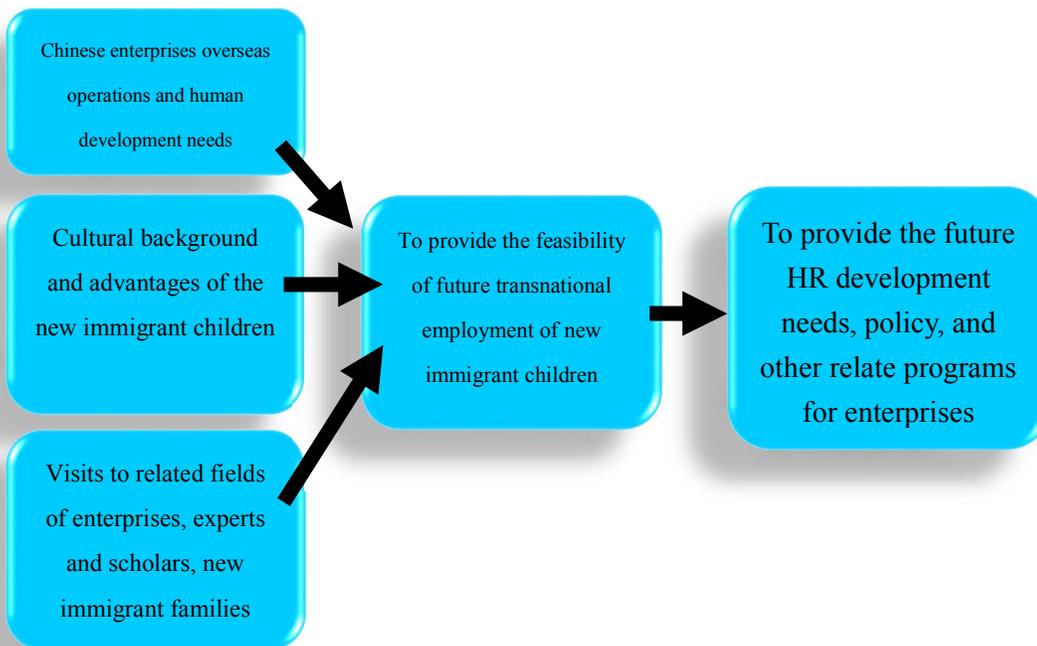
Cultural Intelligence

Earley & Ang (2003) proposed cultural intelligence (CQ) for individuals in different countries, different cultures and different organizational cultures, to have the ability to efficient operation. There are four constituent elements:

1. Metacognition represents the way of thinking that fosters the development of coping strategies.
2. Cognition reflects cultural knowledge
3. Motivation consists of efficacy to persist
4. Behavior is demonstrated in a repertoire of behavioral patterns

Research method

Research framework



Research method & target

This research uses the secondary data collection and related literature; qualitative interviews; and to invest the new immigrant children's CQ(Quantify questionnaire).

We are going to interview 20 companies from manufacturing, traditional, financial and

servicing industries.

Expect results

According to the secondary data collection, analysis of Chinese enterprises and new immigrant families with literature of IHRM to explore the development status and future needs of Chinese enterprises. Base on the corporate and expert interviews and the CQ survey of new immigrant children to understand how to combine their resources and advantage. We expect that this research will provide the feasibility analysis of future development of enterprises and new immigrant children.

Reference

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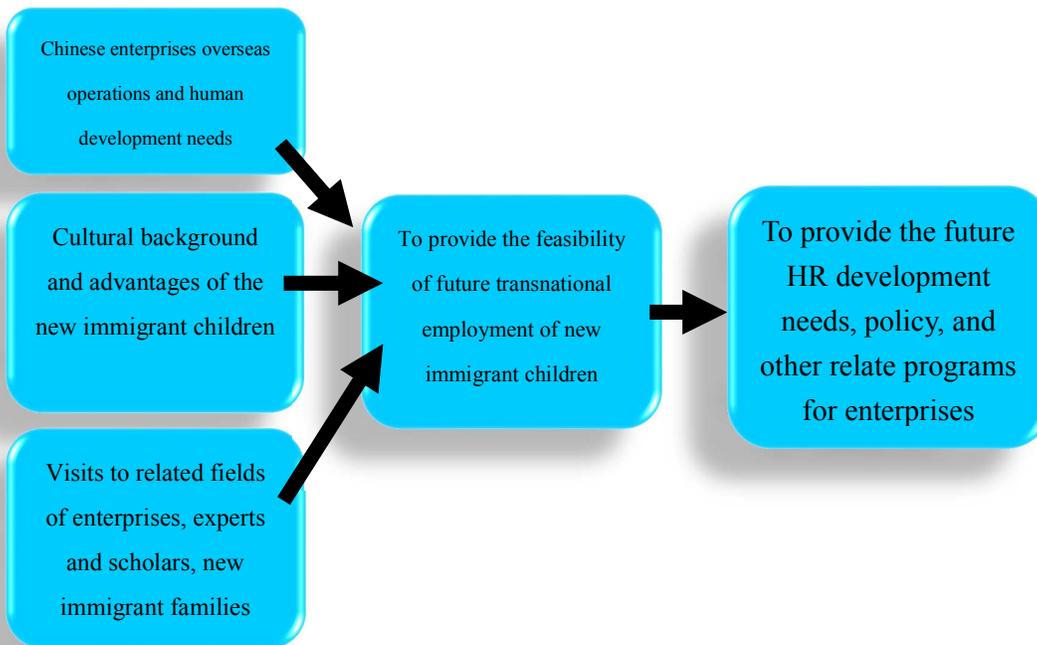
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