

Research on the Influence of Foreign Employees on the Globalization of Chinese Enterprises

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Abstract

This article is an exploratory study on the strategy of enhancing the globalization of Chinese enterprises. It expounds the obstacles for the employment of expatriates in the Chinese enterprises with the strategy of globalization. The data of employment status of foreigners in Japan and South Korea are compared with China, and suggestions are put forward to raise the benefits of hiring foreign employees to realize the strategy of globalization company and improve the strategy of hiring foreign employees in the strategy of enterprise globalization. Foreign employees provide a theoretical basis for enterprises to achieve internationalization strategy.

Keywords

Foreign talent; globalization strategy; multinational corporations; internationalization.

1. LITERATURE REVIEW

Firstly, Du Yifei et al. concluded the factors affecting the enterprise internationalization in emerging markets, and Yao Yi studied the deficiencies of foreigner management in China under the background of city internationalization in terms of laws and regulations, coordination mechanism, information communication, team construction, etc., which required further innovation of foreigner management thought. Wang Ziwei et al. studied the employment system, residence life and legal system of foreigners in China, as well as the permanent residence system of foreigners.

The previous studies mostly focused on foreigner management system, employment and permanent residence system reform and other aspects. However, there is no one who carries out study on the influence of the employment of foreign employees and the globalization strategy. As China is developing rapidly, the globalization strategy is a very important step for the rapid growth of enterprises. But at present, there is still no relevant research on the relationship between the employment of foreign employees and the globalization strategy of enterprises. This paper puts forward the influence of the employment of foreign employees on the globalization strategy of enterprises.

2. CURRENT SCALE OF FOREIGNERS IN CHINA

(I) Current Status of Foreigners in China

Over 40 years of reform and opening up, with the continuous strengthening of China's economic strength, and rapid development of economic society, the degree of opening to the outside world has been deepening, and the globalization process has been accelerating. At present, Chinese enterprises not only compete with domestic enterprises, but also carry out fierce competition with foreign enterprises. The international talent flow continues to increase, and more and more foreigners choose to work in China. They have brought capital, technology and domestic management experience, which has not only promoted the development of

China's economy, but also made important contributions to the globalization strategy of Chinese enterprises.

According to the data, in recent years, the scale of employment, study, living and residence of foreigners in China has been increasing year by year. Based on the results of the sixth national population census in 2010, there were 594 thousand foreigners living in China who had accepted the census. According to statistics, in the past 10 years, the number of foreigners in China has been increasing at an average annual rate of 10%. Transnational corporations in China are growing in quantity and scale, and many accredited employees are working in China. According to the statistics of the Ministry of Human Resources and Social Security, in 2000, there were about 74 thousand foreigners working in China with employment permit for foreigners. In 2017, there were 27 million inbound foreigners for travelling, business meeting, service, visit and so on in China, and there were 240 thousand foreigners with employment permit for foreigners.

At present, the scale of foreigners in China is increasing, which plays a great role in the social development of China. There are less high-tech talents, which requires to continue to introduce talents and has a large room for further development in both depth and breadth.

The number of foreigners in China continues to rise, and the regional characteristics are more obvious. Foreigners in China are mainly in developed cities. Under the tide of economic globalization, the exchanges and cooperation between countries are getting closer and the population mobility across borders is becoming more frequent. With the rapid development of China's economic society and the deepening of opening to the outside world, the number of foreigners in China continues to increase, and cities such as Beijing, Guangzhou, Shanghai and Shenzhen, which rank among the top in terms of urban internationalization, have developed into major settlements for foreigners in China.

With the improvement of China's internationalization level, there are more and more people studying English, and many foreigners come to China to work on language teaching. Many foreigners mainly work in education industry and so on. In addition, with the increase of foreigners studying Chinese, a lot of foreigners who love China come here for travelling, study and work, which has rapidly accelerated the international opening of China and the continuous improvement of China's economic development level.

Talent is the core competitiveness of enterprises. Many enterprises lack enterprise competitiveness due to the lack of highly educated and high-quality talents. If an enterprises intends to open the international market and develop into a transnational corporation, it is indispensable to employ foreign personnel. Transnational corporations take the international market as the orientation and realize the strategic goal of global profit maximization. Transnational corporations should comprehensively carry out the trading activities of capital, commodities, talents, technology, management and information in all fields around the world. The degree of opening of an enterprise can be seen from the proportion of foreigners employed by the enterprise, which is also directly related to the economic development of a country. This requires business managers to have an international vision and advanced ideas, actively employ foreigners, implement preferential welfare, and carry out the globalization strategy. In recent years, the scale of foreign investment by Chinese enterprises has been continuously expanding, and the number of transnational corporations has also been increasing year by year. Large Chinese transnational corporations, such as PetroChina and Sinopec, have a large international scale, and the number of foreign employees is nearly 10 thousand.

(II) Current Status of Foreign Employees in South Korea and Japan

South Korea and Japan had a high employment rate of foreigners, and their working areas were mainly in large and medium-sized cities with developed economy, convenient transportation and many employment positions. The enterprises employing foreigners were all

small and medium-sized enterprises, and the foreign labor force brought the support of labor force and economic stimuli to the small and medium-sized enterprises, especially the start-up small enterprises. The concentrated industries were mainly manufacturing industry, hotel and catering service industry and so on. South Korea and Japan had less labor resources and high labor costs, so they employed foreigners to work in labor-intensive industries, which saved a lot of employment costs. In recent years, more and more tourists come to South Korea and Japan. A large number of foreigners have worked in the tourism industry and service industry, which has a great significance to improve the tourism experience of foreign tourists, increases the sales volume of domestic products and achieves a good publicity effect.

South Korea and Japan are lack of labor force, and foreign employees are mainly engaged in industries that need labor force, such as manufacturing industry and so on. China is a country with a large population, and the employment of foreign employees is mainly aimed at opening the international market. Foreign employees have language advantages and overseas resources, which is beneficial to promote the enterprise products to the overseas markets. In contrast to South Korea and Japan, large Chinese transnational corporations employ have a large proportion of foreign employees. Similar like South Korea and Japan, most foreigners in China are concentrated in developed cities and regions and work on language teaching. The work is easy with high salary. South Korea, China and Japan have certain requirements on the language of foreign employees.

3. CURRENT STATUS OF FOREIGN EMPLOYEES EMPLOYED BY ENTERPRISES

(I) Barriers of Employing Foreigners for Enterprises

1. High Employment Cost

Chinese employees have low salary while their workload is disproportionate to the salary. Enterprises are willing to employ Chinese employees to reduce the employment cost. The employment procedures for foreigners are complicated. The enterprise must sign a labor contract with the foreigner employed in accordance with the law, and the salary shall not be lower than the local minimum wage standard. The working hours, rest and holidays, labor safety and hygiene and social insurance of foreigners employed in China shall be implemented in accordance with the relevant state regulations. Moreover, many foreign employees have high salary, with medical insurance and subsidies, and many enterprises are reluctant to increase the burden.

2. Low Degree of International Market Participation

Although China has a high scale of import and export trade, most of them are products with low value added. Many enterprises are unwilling to invest a lot of time and cost to develop high-tech products. These products with low value added only have market for countries with backward economic development. Managers lack international vision and have narrow thoughts. They are unwilling to compete with international enterprises.

3. Narrow Vision of Enterprise Managers

At present, many enterprises have grown up under the background of reform and opening up. Enterprise managers do not establish ambitious development plans and mainly focus on short-term benefits without long-term vision. They have a poor concept of talents and have not yet realized the important role that employing foreigners can play in the development of enterprise internationalization strategy.

4. High Requirements of Employing Foreigners and Complicated Procedures

According to Article Six of Chapter Two of the Regulations on the Employment Administration of Foreigners in China (Revised Edition in 2010), "The position that an employer

hires a foreigner to work on should have special requirements, while there is no suitable person in China and it shall not violate the relevant provisions of the state". Enterprises need to apply for work permit for foreigners. The documents submitted for examination and verification are complicated, and the foreigner can be employed after obtaining the employment permit. If the enterprises do not have a certain scale, the procedures of employing foreigners legally are complicated.

4. SUGGESTIONS AND COUNTERMEASURES OF EMPLOYING FOREIGN EMPLOYEES UNDER THE BACKGROUND OF GLOBALIZATION

(I) Enterprise

1. The Implementation of Go Out Policy By Enterprises

Enterprise managers should set ambitious goals, make the enterprise become bigger and stronger, formulate strategic goals of globalization, open up thinking to make corresponding plans, actively compete with global enterprises with an open attitude, and provide various supports and guarantees for becoming an international enterprise.

2. Open Concept of Talent Employment of Enterprises

Both large enterprises and small and medium-sized enterprises should change their mind, abandon the conservative concept, receive the participation of foreign employees and continuously improve their competitiveness. Some start-up small and medium-sized enterprises have low operating profits and are willing to hire Chinese workers to save costs. Excellent foreign talents are required to make contributions to enterprises in developing products and establishing brands. Enterprises in the central and western regions should actively attract foreign talents. They have international vision and thinking and can provide necessary human power support for the construction of international city.

3. Actively Dispatch Employees to Learn from Transnational Corporations

Cooperated with famous transnational corporations, a large number of excellent employees will be sent for learning and training. Only relying on the most positive attitude and creating the conditions to attract excellent foreign talent can we make our enterprises step on the road of globalization strategy.

(II) Government

1. Strengthen the Management and Service for Foreigners

China's economic strength is improving, and the scale of foreign personnel has a rapid growth. The employment procedures for foreigners should be simplified, and the unified Administrative Law on the Employment of Foreigners should be formulated to improve the employment management system for foreigners. The government should actively issue relevant laws and policies on foreigners, make more foreigners, especially high-end talents, experts and scholars come to China for work, and speed up the reform of permanent residence system for foreigners.

2. Timely Make Statistics of Foreigner Information in China

China has not yet established a data sharing information base on the employment of foreigners in China. There is little statistical information on foreigners and there are only some data in the reports but the data is not detailed. While South Korea and Japan regularly release the statistics of the employment of foreigners every year, which plays a very important role for the government departments to timely and accurately grasp the employment situation and changes of foreigners. The regular statistics of foreign personnel information in China should be carried out like national population census.

3. Implement the Perfect Public Welfare System for Foreigners

Legal foreign employees enjoy the same public welfare benefits as Chinese in terms of medical treatment, education, residence and social insurance. Only by providing relatively perfect welfare system and stable living conditions can we attract a large number of foreign talents to China.

4. Open Up Job Requirements for Foreigners

By opening up the job requirements for foreigners, foreigners can compete with Chinese in the same job, which can also improve the competitive concept of Chinese, so that foreigners can be more widely distributed in tourism industry, retail industry and other industries with high value added.

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