

LEVEL 7 ASSESSMENT SPECIFICATION

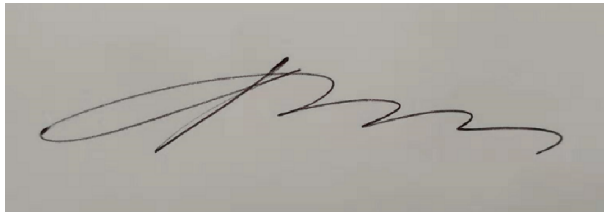
Student name:	Kwok Man Kam, Ken	Student ID number:	1812206
Programme:	MBA		
Module:	Human Resource Management		
Module code:	SBMA7101	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Dr Leo Ho	Internal Verifier:	
Assignment Title:	A study report for HRM challenges when becoming global companies	Word count (or equivalent):	2,500 words
Submission deadline:	3 May 2019	Return date of provisional marks & written feedback:	23 May 2019
Submission method:	All written assessments, where practical and possible, must be submitted via Turnitin unless otherwise instructed by the Lecturer. (Please DO NOT put this assessment specification into Turnitin or it will match many similarities with other students' submissions.) Alternative submission method (if applicable): Late submission of the assessment will result in a late penalty mark. Penalties for late submission: Up to one week late, maximum mark of 50%. Over one week late, 0%. Only the Extenuating Circumstances Panel may approve a change to submission dates.		
Academic honesty / referencing:	Academic honesty is required. In the main body of your submission you must give credit to authors on whose research and ideas your work is based. Append to your submission a reference list that indicates the books, articles, etc. that you have used, cited or quoted in order to complete this assessment.		

UWTSD MBA (Nov 2018 intake)
SBMA7101 Human Resource Management

Assignment Title:

A study report for HRM challenges when becoming global companies

“I, Kwok Man Kam, Ken, student ID number 1812206, certify this work is the result of my own investigations, except where otherwise stated. All references have been duly cited”

A handwritten signature in black ink on a light gray background. The signature is stylized, starting with a large loop and ending with a series of horizontal strokes.

Signed:

Date: 28th April 2019

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1 Executive summary

Expansion for the company across the global always be the aims and motivation for a business, but at the same time, the problems for the expansions are also existed. In this report, we are going to focus on the human resources (Humanresourcesedu.org, 2018) management problems that a business might encounter and how the challenges could be solved.

2 Introduction and backgrounds

In this report, two companies would be used for discussion, Giordano International Limited (Giordano) and Michael Hill Group Services Pty Limited (Michael Hill), the human resources management challenges for the international expansion would be analysed.

Giordano is one of the best known and established apparel in the Asia Pacific, the business is a Hong Kong based company started in 1981 and now are employing over 8000 friendly staff with over 2400 shops operating in more than 30 countries and regions worldwide. It aims to provide relevant and essential and timeless fashion for all people with the brand value of “World Without Strangers” (Corp.giordano.com.hk, 2019).

Michael Hill is a New Zealand jewellery company and it found in 1979 by Michael Hill, the first shop is started in New Zealand Town of Whangarei. And in the following 30 years, its business has been expanded to Australia, Canada and the United States, 10 in New Zealand, 5 in Canada, 17 in the United States and 4 in Australia (Michaelhill.com.au, 2019).

These two companies have expanded their business into the international markets, they are not only facing the marketing and the economic problems, but the most important thing is the human resources problem.

3 HR challenges / problematic issues

In the human resources management, there are challenges (Atlasstaffing.net, 2019) that need to be faced by the human resources department, like talent management, performance management and employee relationship etc. In this report, we would focus on two challenges, staff recruitment and compensation and benefits. In global expansion (Velocityglobal.com, 2016), human resources need to face the recruitment problem (Business.gov.au, 2018), like the labour force supply, selection criteria for staff and recruitment procedures. The human resources need to modify the current procedures to fit into the business and social environment due to different countries' situation. Also, compensations and benefits (Hrmhandbook.com, 2019) system is another problem. Since the labour law and regulations for different countries are different, like the compensation leave, the minimum wages and maximum working limited. Therefore, the system need to be designed according to the local labour laws and regulations.

3.1 Description of the challenges / problematic issues related to international expansion

For the expansion of Michael Hill, the compensations and benefits came as a problem they need to face. A case study form PageUp for Michael Hills (Pageuppeople.com, 2016) said when Michael Hill expanded his business in North American locations, the labour laws and regulations are totally different, such as the employee leave policies, in Australia and New Zealand, there are four weeks leave paid (Fairwork.gov.au, 2019), in Canada, that are two weeks and in the United Stated which is from zero to 10 days. We can see that the labour rules and regulations are different in different countries and areas, the human resources management team need to face the problem for designing a new compensations and benefits system. To address this challenge, Michael Hill adapted to the situation by researching how other Australia or New Zealand based companies have expanded into the Canadian and United States markets

and learn from their experiences. They also asked for assistance and build partnerships with organisations that could help them to achieve success.

Giordano are also facing the same problem; Giordano now has operating over 2400 stores in more than 30 countries and cities. Due to the different wages and labour protection law in different countries, the salaries package need to be fitted into the local market, in order to attract and incentive of the applicants. Human resources management team would be affected because they cannot use the package they used in their original countries and cities, they need to use time to understand the local social environment and legal system, design the salaries package according to the limitations. When Giordano decided to join the international market, tis human resources team in Hong Kong was realised that the human-based problem must be the most important things for the global expansion, therefore, the team has designed a completed system to deal with the problem, have a comprehensive compensations and benefit package according to the different countries.

From these two companies, they are faced the same human resources problem, they need to use time to understand the local labour rules and regulations and design the related packages for the local employees without any understandings of that places. But there are slightly difference that Michael Hills was facing the problem after enter the international market while Giordano was facing the problem before the business has expanded into the global market.

Not only the compensation and benefits, but staff recruitment is a big problem to the company. In Michael Hill's case, his business is not able to recruit the right local talent at the beginning and create a positive candidate experience tailored to the culture of each market. Michael Hill initially allocated their senior staff from Australia and New Zealand to its Canadian store, but the arrangement is failed due to the lack of knowledge of the local market. The staff members were affected since when they went to Canada, the culture and living style differences might make them feel uncomfortable and they need time to adopt into the new environment. Also, the

human resources team was affected since this arrangement they have to hire people for the store in Australia and New Zealand. Furthermore, staff recruitment for different countries, the human resources management team need to face the problem for the recruitment procedures, selection for the right candidates that fit the company needs and images. To solve the problem, Michael Hill used PageUp, which is a recruitment platform, it helped Michael Hills to account for local nuances and workflows within it, to reflect the talent acquisition requirements of each market, and this platform helped the company drive efficiencies and unlock the use of the global human resources team of Michael Hills.

When Giordano came across to the global market, the staff recruitment was also a question of its human resources team. Fashion industry is known as the high turnover rate industry, so staff recruitment in this industry is happened every minutes. Giordano need to hire the people with the suitable and right talent and personality to fit the job requirement, so what Giordano did is before it expand into the international market, it has already designed the recruitment procedures and standardize the recruitment process according to the social environment of every country. Therefore, when its business came to the global market, they could hire the people with the criteria of the job requirement.

For the staff recruitment problem, both of the companies are facing the difficulties for hiring the talented and suitable applicants in the local labour pool, because of the lack of understanding. The companies are not familiar with the local labour situation and how the qualities of the labour, therefore, they cannot determine how they should hire their staff. But there are some differences that Michael Hills was facing the problem after it stepped into the global market, and it solved with an inappropriate method, while Giordano faced the challenge when it planned to step in the global market.

4 Analysis

For Michael Hill, when it stepped into the global market, the human resources management team did not come up with a comprehensive plan to tackle with the problem it would be faced. To address the problem, Michael Hill researched how the Australia and New Zealand based companies step into the Canada and United States' market. It built up the partnerships with the other companies and asked for assistance in order to achieve success. The positive impacts for this solution are the human resources team could learn from the others experience, they could understand and assimilate the skills and experience of others, to learn the methods used by the other human resources management team that dealing with relevant government and labour legislation. And to understand how the others handle and formulate the benefits and compensation package for local staff in their outward expansion. But the negative impact is that the situation of each company is different, so between the communication and cooperation, the technology and methods learned might not applicable and the other companies might not put their own things to communicate with others. Other than learn from the companies, Michael Hill outsourced the staff recruitment to PageUp recruitment platform, the advantage is that the recruitment platform has a mature and stable enough, which could help the company's human resources department to select the right candidates that suitable for the company's image and needs on the platform that with existing labour supply. And the company can easily to track all the employment records of the company in the past and continuously understand the qualities and level of the candidates. But the negative impact is the risks of the information leaks (Roberts, 2019), when the staff recruitment was outsourced, some of the sensitive company information might be released, and the human resources department always has the possibility for an information risk. Also, the human resources team might lack the ability to have their own recruitment procedures and for long term, it is not benefit to the company human resources team.

For Giordano, when the business decided to step into the international market, the human resources teams have well preparation for the benefit system and staff recruitment procedure. Giordano's human resource team always believe that human is the most valued assets to the company (Wong, 2007), therefore, when they came across to the global market, the team has a good understanding to each of the local market and labour rules and regulation, in order to design the best fit system and recruitment system and adopt them into different countries and cities. The benefits to the company human resources team is they can learn from the experience and the difference of each places, and improve their flexibility for adjusting the recruitment procedures and their ability to design the new system for the new expansion. But the negative impact is the workload might be too much for the human resource teams, since the human resource teams need to work for its original works and they need to handle the human resource works for the business expansion.

5 Recommendations

For Michael Hills, in long term plan, its human resources team should learn how to develop its own recruitment platform. From the previous experience for outsourcing the recruitment to the recruitment platform, its human resource team could learn from their systems and methods, to create the recruitment platform with its company culture. This could help to lower the risk for information leak and lower the cost for staff recruitment. For example, Tassal (Tassal.com.au, 2019) is the largest salmon product provider in Australia, its business expands across the global, it has their own recruitment team with a comprehensive system, the applicant could apply the job through the official website, and the human resource team would select the suitable applicant to have the interview and have further recruitment procedure. Michael Hills human resource team should have their own recruitment platform and procedures with their company culture. Also, consistent training should be provided to the human resources team members,

such as the technology system that could be used in human resources management, the personal and organizational skills and etc. Improving from the internal performance of the human resources team would be the best way to lead the team to achieve success.

For Giordano, since its business has been expanded into over 30 countries and cities, the human resources team in the headquarter might have too many work. Therefore, instead of putting all the work with the human resources team, Giordano could set up a specific department to responsible for the international expansion. The specific teams are responsible for all the human resource work of the expansion, it could lower the workload for the human resources team and increase the efficiency since the specific team is directly to solve the problems. Also, it can lower the misunderstanding and avoid the mistake existed, and the performance is easy to follow up of every human resource team of every new project. After the new human resources teams in the new locations has being mature, the network between every human resource teams could be built up and communicated.

6 Stakeholder's expectation

Stakeholders (Study.com, 2019) mean are any person, organization, social group, or society at large that has a stake in the business. Thus, stakeholders can be internal or external to the business. For Michael Hills, the stakeholders are the owners and the employees, the expectation for the owners are the business could employ the correct people as the asset of the company and the quality and the performance of the business could be enhanced and the employees would like to have a stable and good working environment and good career paths for their jobs. Based on the above recommendation, the comprehensive system and training could help the owners in long term to achieve the quality and productivity performance, also the maturity could be improvement for the future development. To the employees, a complete set of the training program and good allocation of resources, the working environment would be

improved which the human resource department can trace the change and keep up-to-date to improve the working environment. Their paths for their careers would be foreseeable and stable. For Giordano, the stakeholders are owners, employees, the investors and the stockholders. The vision of the owners is Giordano could be the best and biggest world brand in apparel retailing; the employees are expected to have a good future develop workplace and stable working environment; the investors and stockholders are expected to have a higher return to their investment and obtain profits from the business. Based on the recommendation above, the specification for the job tasks could help the owners clearly to divide the job tasks to the professions in the certain area, the efficiency and productivity could be improved, and also the system could be help the business to have a template for global expansion, it makes the expansion being easier. For the employees, good method and comprehensive system for the global expansion could help them to have more chances to achieve a higher position and better career paths in the business, since there are more opportunities that they are not only limit they careers in Hong Kong, but in the international markets, this increase the incentive for the employees and make they feel valued in the business. For the investors and stockholders, the specification of the work could help the business to achieve cost effective and lower the costs that deal with the human resources problems, in order to achieve a better return from their investment since the productivity and efficiency of the employees are improved.

7 Conclusion

Based on these two study, we found that human resource management is important for the business when it comes to the global expansion, since the human resource is the most valued and decisive factor.

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Student Self Evaluation Form

Student name:	Kwok Man Kam, Ken	Student-number:	1812206
Programme:	MBA	Year of programme	2018
Assignment Title:	A study report for HRM challenges when becoming global companies		

This section repeats in brief the common assessment criteria detailed on previous pages. The *extent* to which these are demonstrated by you determines your mark. Using these criteria, tick the box that best indicates the level of achievement you feel you have achieved with regard to each of them.

Common Assessment Criteria Applied	Level of Achievement						
	REFER			PASS		DISTINCTION	
	FAIL	FAIL	MARGINAL FAIL	SATISFACTORY	GOOD to VERY GOOD	EXCELLENT	EXCEPTIONAL
1. Engagement with literature	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
2. Knowledge and Understanding	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
3. Cognitive and intellectual skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐
4. Practical Skills	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☒	☐	☐	☐
5. Transferable Skills for Life and Professional Practice	0-29%	30-39%	40-49%	50-59%	60-69%	70-84%	85-100%
	☐	☐	☐	☐	☒	☐	☐

PLEASE COMMENT ON AREAS IN WHICH YOU FEEL THAT YOU HAVE PERFORMED WELL	PLEASE COMMENT ON AREAS YOU FEEL THAT YOU NEED TO DEVELOP
N/A	Practical skill
Student's Name	Kwok Man Kam, Ken
Date	2nd - May - 2019
Student's Signature	