



**LEVEL 7 ASSESSMENT SPECIFICATION**

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| <b>Programme:</b>                      | <b>MBA</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                 |                                  |
| <b>Module:</b>                         | <b>Human Resources Management</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                 |                                  |
| <b>Module code:</b>                    | <b>HKBM 7007</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Contribution to Overall Module Assessment (%):</b>           | <b>50%</b>                       |
| <b>Lecturer:</b>                       | <b>Dr Leo Ho</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Internal Verifier:</b>                                       | <b>Dr Terence Li</b>             |
| <b>Assignment Title:</b>               | <b>Assignment 2</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Word count (or equivalent):</b>                              | <b>2,500 words Essay</b>         |
| <b>Submission deadline:</b>            | 20 Dec 2021 (Report)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Return date of provisional marks &amp; written feedback:</b> | 20 working days after submission |
| <b>Remarks</b>                         | <p>* ONLY apply for those select using INTERVIEW</p> <ol style="list-style-type: none"><li>Students must complete and submit an Ethics Form (enclosed) before interview. Please observe the above-mentioned due date.</li><li>Ethics Form submission to <a href="mailto:Lottiefung@hkma.org.hk">Lottiefung@hkma.org.hk</a></li></ol>                                                                                                                                                                                                                   |                                                                 |                                  |
| <b>Submission method:</b>              | <p>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.)</p> <p><b>Late submission of the assessment will result in a late penalty mark.</b> 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.</p> |                                                                 |                                  |
| <b>Academic honesty / referencing:</b> | <p>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.</p>                                                                                                                                                                                                                                 |                                                                 |                                  |

# 1. Company Background

## 1.1. Appolo Ice-Cream Company

Appolo Ice-Cream Company limited is a privately owned firm based in Hong Kong. Cheung Ewang founded it in 1972, and it has been steadily thriving over the last 30 years, resulting in its enormous popularity across Hong Kong. Currently, the company owns one factory in Hong Kong. Besides, it has also established another factory in Jiangmen, China. The company operates in the foods and beverage industry and is among the top five leading firms in Hong Kong and Southern China (Appolo, 2013). Since 1992, the firm has operated over 70 chain stores (Appolo Magic House) as a retail outlet that sells snacks, frozen fruit yogurts, confectioneries, and ice cream in Hong Kong. It manufactures various ice cream products like sandwiches, multi-packs, stick lines, bars, and cones. Its most popular innovative products include Magic Ice, Monaka, Red Bean Bar, Magic Cone and Cup, Mochi, and 2 Color Cone. The company produces more than 30 flavors in one-, two- or five-litre packs. Appolo Company has expanded its operations to mainland China, Pearl River Delta and Macau with various markets products. In most cases, the company's products are sold in supermarkets and chain stores like Carrefour, Jusco, and Wal-Mart. However, Hong Kong is the largest market for Appolo Ice-Cream products.

The company's success is attributed to its strenuous efforts to innovation and quality, whereby it imports the IQF (individually quick-frozen) compliant fruits from New Zealand and the United States. The practice ensures that the company's yogurt upholds the best taste and quality. Between 2018 and 2019, the company introduced new flavors to keep up with the market trends. Thus, it started producing Taiwanese-style drink series and Japanese fruit flavored products such as melon, Kyoho grapes, purple sweet potatoes, honeydew, Pearl B ubble Milk Teas, and white peach. In 2020, the company launched Flamenco Ice Cream cake

for local consumers. The company engages in corporate social responsibility by donating and sponsoring various charity organizations by participating in community affairs.

## 1.2. Ya Kun Kaya Toast Company

Ya Kun is a Singapore-based chain of retro-ambient and mass-market cafes operating in the food and beverage industry. It was established in 1944, by Loi Koon as a family-run business and has rapidly expanded since 1999, when Loi's youngest son became the head of the business. The company traces back to 1926, when 15-year-old Loi Koon immigrated to Singapore from Hainan to work as an assistant in a coffee stall. He learned the business quickly and partnered with two Chinese immigrants to establish their coffee stall business that sold toast, coffee, and crackers at Telok Ayer Basin (Ya Kun Kaya Toast, 2014). Later, the two partners dropped, forcing Loi to run the business alone until he married. His wife introduced homemade kaya combined with toast; hence kaya toast became their signature and registered the company in 1944, as Ya Kun Coffee Stall. In 1972, they moved the coffee stall to Lau Pa Sat, and in 1984, they returned to Telok Ayer Market due to renovation and high rents. In 1998, the coffee stall was renamed Ya Kun Kaya Toast after relocating to Far East Square. Loi Koon's youngest son, Loi Adrin took over the business in 1999, after his father's death. Adrin expanded the family business by opening the second store in 2000, at Tanjong Pagar and started franchising the brand. In 2002, the company launched its first overseas outlet in Indonesia. At present, it is amongs the top ten leading food brands in Singapore.

The company has more than 40 outlets in Singapore, of which 50% are franchised. Besides, it operates more than 30 overseas outlets that are all franchised. These outlets are spread in countries including Thailand, United Arab Emirates, China, Taiwan, Indonesia, South Korea, Japan, the Philippines, and Myanmar (Alvin, 2021). The stores have a restricted menu revolving around kaya toast with ice cream, cheese, and peanut butter as alternatives. Besides, the company also sells toastwiches and French toasts, which are alternatives to sandwiches.

The company offers a wide variety of menus, including traditional favorites, beverages, ice blended frosty, Asian signatures, and Asian-style sandwiches. It also has an all-day snack products like Kaya butter steamed bread and Kaya balls.

## 2. Challenges associated with international expansion

There are various challenges that Appolo and Ya Kun companies face when expanding internationally. One of the major challenges is the issue of staff recruitment. When a company is expanding internationally, it will require more staff to handle the rising pressure on its business of working or operating in another country. Thus, most firms that are expanding will have to recruit staff from the new country. However, the challenge in staff recruitment is that recruitment specifics vary from one business to another. Besides, staff recruitment policies also vary from one country to another. Therefore, it becomes a problem for a company to adhere to various hiring rules in various countries.

Another greatest challenge that companies face when expanding internationally is staff training and development. It is challenging to establish an effective global workforce. It is challenging for a company to carry out equal training for all its staff members. Besides, it is challenging for a company to ensure that its staff follows the same values and principles established in the home country. Various countries have various cultures, languages, and time zones. Thus, it is challenging to harmonize all these issues to create unified professional training and development programs that ensure uniformity across a company's workforce.

### 3. Scope of the challenges

#### 3.1.1. Staff recruitment

Staff recruitment is the leading human resource associated challenge that firms face when they are expanding internationally. The challenges accruing from recruiting internationally range from choosing the right individuals to lead a company's effort and to build it's brand in a new region or location, to identifying and hiring or recruiting the talent a firm needs (The Economist Intelligence Unit 2020, p11). It becomes demanding for a company to recruit individuals with the right adaptability, vision, and skills since digital transformation increasingly broadens the talent gap. Thus, employee demand and supply or finding and keeping the right individuals in a given country can pose challenges to an expanding company. Another cause of staff recruitment challenges is the costs involved. Foreign companies' migration and employment rules are the leading cause of recruitment challenges because they differ across countries. These companies must adhere to such established rules. Additionally, complications can arise from the recruitment process and timeline. For instance, some countries that require visas can delay the process.

#### 3.1.2. Training and development

Training and development challenges when a company expands internationally can be accrued from various factors. Firstly, various countries have different cultures, languages, work ethics, rules on working hours, and values. Secondly, consistency issues can lead to training and development challenges in a company. For instance, when a company tries to develop training and development programs for employees with various experiences and cultures, it can be challenging. Another root cause of training and development problems is the language barrier. A company that has expanded internationally has many employees from various

language groups. Thus, communication across the company can be a challenge. Lastly, existing knowledge and experience within a company can cause training and development issues. When a company hires, it brings in talented individuals with varying levels of experience and expertise; thus, applying the same program to every employee can be ineffective.

### 3.2. Stakeholders impacted

The staff recruitment challenges impact various stakeholders. First, there are candidates for the job. When a company expands to oversee locations, it advertises various job positions, and potential candidates apply. When a company faces recruitment challenges, the potential candidates also get affected. Secondly, hiring managers are also impacted (Baykal 2020, p417). Hiring managers are impacted due to inconveniences that arise during the recruitment process. They usually face a hard time making decisions concerning recruitment in various locations. Lastly, the recruitment team is also impacted. When recruitment issues arise, they find it challenging to execute their roles, like advertising the positions and conducting interviews. Besides, they find it challenging when looking for the right candidates that will assist the company in achieving its goals. On the other hand, the stakeholders impacted by training and development challenges include the company's employees, the trainers, training and development managers, financial managers, and directors (Chyhryn et al. 2019, p108). When a company faces challenges in its training and development programs, all stakeholders, from the top management to employees, are affected.

### 3.3. Similarities and differences

The similarity of staff recruitment and training and development challenges affects employees. Staff recruitment affects the recruitment team and hiring managers of a company. Training and development also affect a firm's employees, including its hiring managers. However, there is a huge difference between recruiting and training and development

challenges. Staff recruitment challenges refer to those challenges that occur while attracting, identifying, interviewing, selecting, and hiring potential candidates. On the other hand, training and development challenges occur when developing and offering employees educational activities and programs within a firm to enhance their skills and knowledge. Thus, training and development come after a company has recruited its staff.

## 4. Analysis

### 4.1. Staff recruitment

Staff recruitment is a challenge that Appolo and Ya Kun companies face when entering countries with high unemployment rates. It can be a challenge for a company to choose the right individuals, especially when there are too many job applicants. For instance, Appolo expanded its operations to China, which has a relatively high unemployment rate. In 2020, China had an unemployment rate of 4.2% (Textor, 2021). Ya Kun also expanded its operations to the Philippines, which has a high rate of unemployment. As of September 2021, the Philippines had an unemployment rate of 8.9% (Philippines Statistics Authority, 2021). It means there is a high chance expanding companies will find it challenging to choose the right individuals due to the high number of job applicants. Besides, some countries have low unemployment rates, thus restricting Appolo and Ya Kun from accessing or being supplied with qualified professionals. For instance, a country like Thailand, where Ya Kun operates, had an unemployment rate of 1.02% (Macrotrends, 2021). Thus this indicates that countries like Myanmar and Thailand present expanding companies into the country with low professionals. Also, Macau, where Appolo Company has expanded to has a relatively low unemployment rate. Between July and September 2021, the unemployment rate in Macau reached 2.9% (Trading Economics, 2021). Thus both companies are faced with the problem of getting adequate skilled personnel in some countries. Also, both companies face recruitment challenges like recruiting costs in overseas countries when hiring new staff.

#### 4.1.1.Solutions

Companies can address recruitment challenges by adhering to the employment and migration rules of various countries (Shaharuddin et al. 2013, p58). Besides, companies should

retain highly skilled employees by considering employment rights, culture and raising their salaries. Also, firms expanding internationally should utilize external expertise that comprehends cultural differences when planning for recruitment. It enables the firm to avoid recruitment process and timeline complications.

The primary advantage of these solutions is that companies will conduct a seamless recruitment process. Besides, companies will get highly competent candidates. However, the advantage of these solutions is that companies will incur higher costs hiring external recruiters.

## 4.2. Training and development

Training and development challenges experienced when a company expands internationally accrue from various issues. Cultural differences exist across many countries. For instance, Ya Kun Company that has expanded in more than eight countries, has a high risk of facing cultural differences. For instance, Singaporean culture differs from the Chinese, Thai, and Indonesian cultures. All these cultures have different work ethics; thus, it becomes a challenge to develop a training and development program that all these cultures can grasp. Time zone differences also result in training and development challenges. For instance, Ya Kun faces time difference challenges, especially between Singapore and United Arab Emirates (Singapore is four hours ahead). South Korea is also one hour ahead of Singapore. Additionally, when a firm operates in countries with different languages, it becomes challenging to execute a unified training and development program. For instance, the official language in Singapore is Malay, English, Tamil, and Mandarin, while South Korea's official language is Hangul. Thus when YA Kun expands to such countries, the language barrier makes it challenging to conduct training and development. Language barriers require translations which are also time-consuming. Lastly, when a company considers its existing knowledge and experience cause training and development issues. When a company recruits new staff in foreign markets, it brings in the

most talented individuals with various levels of experience and expertise. Thus it becomes a challenge for a company to develop and apply the same training and development program across all its employees.

#### 4.2.1.Solutions

Training and development challenges can be solved in various ways. Firms should first address the root causes of these challenges. First, firms should ensure they have a proper comprehension of a country's culture where they are expanding to. It will ensure that the training and development program they are establishing respects various cultural differences to avoid misunderstandings (Kapur 2018, p4). Secondly, companies must ensure that their schedule for training and development programs suits the various time zones. They should ensure that the set time for training and development does not affect employees' work-home life. Besides, companies should ensure that they have broken language barriers when establishing the training and development program. For instance, firms can hire multilingual human resource managers in countries where they are expanding. It ensures that communication from the chief human resource manager flows seamlessly to all employees. Lastly, companies should ensure that they develop training and development programs based on expertise due to the diverse, talented employees with various experiences and expertise.

The positive impacts of these solutions are effective communication, respect for employees' cultural values, and enhanced personal and organizational growth. However, the primary disadvantage of these solutions is high costs. Companies will incur high costs in hiring many multilingual human resource managers and developing different training and development programs to cater to for all employees.

## 5. Recommendation for long-term solutions

| HRM Issue                | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Staff Recruitment        | <p>Appolo and Ya Kun companies should carry out effective employer-branding by upholding global competitiveness and attractiveness for potential candidates (Mishra and Kumar 2019, p128). These companies should utilize the right sourcing strategies and channels like online job portals.</p> <p><b>Advantage:</b> This will attract talent.</p> <p><b>Resources:</b> Company website and individuals to respond to online reviews.</p> |
|                          | <p>These companies should keep international compliance by being aware of compensation and recruitment-associated issues. Besides, firms must be aware of medical policies, minimum wages, working hours, leave policies, and income taxes when expanding their operations.</p> <p><b>Resources:</b> Proficient in-house lawyer</p>                                                                                                         |
| Training and Development | <p>Appolo and Ya Kun companies should integrate e-learning technologies in their training and development programs (Butler et al. 2021, p4).</p> <p><b>Advantages:</b> It will enable the companies to globalize their training and development programs regardless of cultural differences and time zones. Besides, it simplifies training and development logistics, and it is budget-friendly.</p>                                       |

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|  | <p><b>Disadvantages:</b> It focuses more on theory. Besides, it discourages physical, social interaction.</p> <p><b>Required Resources:</b> Content management system, Internet, learning management system, and devices like laptops or smartphones.</p> |
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