



LEVEL 7 ASSESSMENT SPECIFICATION

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Lecturer:	Dr Leo Ho	Internal Verifier:	
Assignment Title:	The Challenges When The Companies Expand Overseas - Li & Fung Limited and Cathay Pacific Airways Limited	Word count (or equivalent):	2,500 words
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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.		

Executive Summary

The report aimed at analysing staff recruitment challenge in Li & Fung Limited and Cathy Pacific Airways Limited as the companies globalised to Singapore. Li & Fung Limited was undergoing staff recruitment issue as the primary challenge due to the differences in the language and culture in Hong Kong and Singapore. On the other hand, Cathy Pacific Airways Limited was encountering staff recruitment problems regarding discrimination concerning racism during the process of recruitment. Additionally, the selection process was biased due to subjective judgement. It was recommended that HR should make use of a recruitment strategy that embraced diversity and inclusion to meet the expectations of the stakeholders. As a result, there was the need to provide a comparative analysis regarding these two firm staff recruitment issues and their impacts on the company so that a better recommendation is provided to ensure that the recruitment strategy satisfied stakeholders' expectations.

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1 Background of the Companies

1.1 Li & Fung Limited

Li & Fung Limited is a transnational group whose headquarter is in Hong Kong and is recognised as a global leader in client products design, sourcing development, and distribution (Li & Fung Limited 2013, p.5). The company manages brands and retailer supply chain globally with approximately 300 distribution centres and offices in about 40 nations across Asia, Europe, America and Africa (Li & Fung Limited 2013, p.5). Through trading, distribution, and logistics which are the three integrated business networks, the company provides a wide range of services that covers the whole supply chain. As an international company, human resource management issues are inevitable.

1.2 Cathy Pacific Airways Limited

Cathy Pacific Airways Limited is a global airline in Hong Kong that offers scheduled cargo and passenger services to 52 nations and territories with about 203 destinations (Cathy Pacific Airways Limited 2017, p.2). It was established in 1946 and has been to its home base over several decades, and it is still committed to making a substantial committed investment in the development of Hong Kong as a leading global aviation centre. In 2017, the company operated 149 airplanes and invested in ground handling and catering firms with its headquarters in Hong Kong (Cathy Pacific Airways Limited 2017, p.3). It employs 32,700 workers globally of which 25,600 occurs in Hong Kong.

2 Staff Recruitment Challenge

The human resource management department of Li & Fung Limited faced both positive and negative impacts after globalising. However, the primary challenge included the issue of recruiting global individuals where cultural and socio-economic differences were involved (Li & Fung Limited 2017, p.101). In contrast, Cathy Pacific Airways Limited after globalising to Singapore faced many problems as it tried to remain profitable and competitive (Malkani et al. 2005, p.511). The organisation claims to offer equal opportunities to applicants despite differences in gender, race, disability, national origin and family status and among others and yet there is a case about the company's discrimination concerning racism.

Globalisation increases the labour pool from which the companies like Li & Fung Limited may choose from, and this also intensifies the possibility of cultural and language barriers in the process of recruiting candidates. Such a challenge if not addressed by this company accordingly, would result in increased time wastage and difficulties in the recruitment process. On the other hand, Cathy Pacific Airways Limited practiced local recruitment whereby it prioritises getting skilled workers from local labour market before searching globally. The vacancies were first made available to the company, the community and later overseas where hiring related to the experiences and skills not readily present in the domestic labour market.

3 Scope

Recruitment does not only mean filling a gap of the workforce in an organisation but also means looking at a competitive perspective to foresee political, economic, demographic, socio-cultural and demographic factors as well as talent gaps and business projections (Bansal 2014, p.1). As such, recruiting overseas can be the

biggest challenge for HR professionals given that there are a lot of other differences which may act as a barrier in realising quality talent. Thus, for the Li & Fung Limited and other global companies not only look for employees to match the right job, but also look for better compatibility, intensified satisfaction, increased opportunity of future growth and better assurance of employees in safeguarding organisation resources while contributing in its goal achievement (Bansal 2014, p.3).

On the other hand, the staff recruitment issue of Cathy Pacific Airways Limited occurs majorly in the discrimination category, for instance, where the firm was accused of having racism discrimination in its hiring process. Based on Leake (2011, p.1), the company had failed to hire an Islamic worker who had been a Heathrow Flight Handling member for 17 years and was applying as passenger service officer in Cathy Pacific Airways Limited. His application was rejected, but after the applicant tried to apply using a different identity rather than Islamic, he was called for an interview.

The issue meant that despite the company policy being placed against discrimination, the managers were still exercising it (Leake 2011, p.1). As for Li & Fung Limited, the issue of differences in culture and language would have been dealt with in such a way that the HR managers could have come up with a recruiting strategy that guarantees that they obey the environmental factors of the country they globalise to. For instance, embracing diversity and inclusion in their recruitment process while ensuring that the HR practises leading to a successful international connected firm (Hayat 2014, p.13). Recruitment in a foreign country, for example, in Singapore involves distinct stakeholders like the managers, employees, the government and the legal authorities.

In Singapore, the recruitment process brings with it a particular legal protocol that both workers and employers need to adhere to effective recruitment to occur.

But in the Cathy Pacific Airways Limited case, discrimination was not a right conduct since the organisation could have lost its good image and led to a hostile environment which could have later resulted in the turnover of employees due to favouritism. Then due to poor reputation, the shareholders would have lost the market share. The HR would have tried to curb this through recruitment of a diverse workforce and encouraging inclusion of everyone to avoid causing harm to other stakeholders and the organisation at large.

4 Analysis

4.1 Cultural Differences

When focusing on both cases, it can be seen that both companies were having issues regarding cultural differences of workers. In the case of Li & Fung Limited, Hong Kong and Singapore workers exhibit different work culture, and this means that the company had a challenging moments in trying to acquire employees who were aligning with the culture of the organisation. Cultural differences may discourage both organisational and personal needs from being achieved given that proper emphasis was not put in place to guarantee the management of such differences. To curb the issue, Li & Fung Limited HR managers continue to respect the local culture while managing the delicate balance between foreign cultures in a way that is aligned with organisational needs and philosophy (Hayat 2014, p.18).

On the contrary, globalisation of Cathy Pacific Airways Limited was not well thought in that the company was not ready to embrace cultural diversity which brought forth recruitment challenges since the company was viewed as if it was discriminating

against some workers. In Singapore, the state encourages everyone to co-exist peacefully despite their cultural diversity and through globalisation. Cathay Pacific Airways Limited has to face the challenge of managing the workforce with diverse culture and language in the country. It is vital for the company to familiarise itself with local business practices and also global customers so that the right employees can be hired to cater to the needs of international clients. Without a diverse value system, it is impossible for the multinational company to survive in a new market. With the issue of discrimination, not only was the company risking losing high-quality candidates, but it was setting a bad reputation in Singapore. Embracing diversity and inclusion can be crucial in guaranteeing that the company has a large pool of candidates to select from so that the most appropriate one can be assigned in the right position (Kapoor 2006, p.3).

4.2 Legal Factors

Indeed, the host nation's legal structure functions as the critical regulator of the staffing policy to be implemented by an organisation such as Li & Fung Limited and Cathay Pacific Airways Limited (Ross et al. 2014, pp.16-17). This implies that the two firms encounter challenges whereby they have to set a small representation of the domestic workers in global firms. Additionally, the HR managers have the obligations and duties to formalise work contract of the employment conditions and terms which should abide by the Act of Singapore. Non-compliance with the Act could hurt the reputation and profitability of the organisations and risk them to closure. These legal factors include employee hours of work, conduct code, and duration of contract among others.

As in the case of Li & Fung Limited, this was not a complex challenge, and it did not lead to loss of reputation and profitability. On the other hand, Cathay Pacific Airways Limited utilisation of a biased recruitment and selection program was affecting the company negatively. Utilising of the correct selection tools to acquire a suitable candidate by testing their knowledge, personality and logical thinking are crucial in getting accurate data regarding a candidate (Kotey and Slade 2005, pp.17-18).

As for Cathay Pacific Airways Limited, practical testing is vital in this stage of the recruitment process; thus the firm expects an individual to fit the job position given that they have the right skills. However, the company realised that organisational success is based on successful workforce recruitment and since recruiting is expensive, and then the process must be carried out correctly (Kotey and Slade 2005, p.18). Thus, confirming the validity and reliability of the selection process is key for effectiveness. However, concentrating on one's race is a subjective judgement which affects the validity of the results because subjective opinions are biased thus hindering the selection of the right candidates (Leake 2011, p.1).

4.3 Speedy hiring

One of the most significant struggles Li & Fung Limited HR managers encountered is the need to hire quickly. The HR required time to realise the favourite candidates who have the right competency to fill the gap, but this was not easy as a result of competition for great talent in Singapore. Additionally, Li & Fung Limited is a fast-growing company, meaning that it needed to fill multiple positions at a limited time which was a challenge (Ross et al. 2014, p.8). To curb the issue, the HR of Li & Fung Limited examined their recruitment tool and ensured that the required information was present which aided in cutting down times for recruitment.

On the other hand, Cathy Pacific Airways Limited seemed to focus on utilising wrong tools of selection to justify their actions of selecting candidates. This was not the right approach since judging participants based on their racial differences limited the company from getting the best candidates with the right skills and competencies to aid in organisational success (Leake 2011, p.1). Selection is a vital stage requiring HR managers to be keen on things that will impact organisation positively rather than result to a bad reputation which could have been avoided given that the HR managers could have been fair and inclusive to guarantee that the recruitment process was successful.

5 Recommendations

Attracting and recruiting the best skills and talents is vital for business development. The company, therefore, can strengthen its digital presence via LinkedIn, Facebook and Instagram (Li & Fung Limited 2017, p.101). Use of digital tools can help the organisation in the acquisition of best global and local talents across the world. Using LinkedIn, as the recruitment strategy for about three years, can help the organisation acquire job applicant quickly and efficiently. Using these social media platforms is cost effective and result in the broader labour pool. According to Koch et al. (2018, p.4), using these platforms to share the company's culture can help in the recruitment of individuals who align with the firm cultural values. However, the use of these platforms alone does not guarantee the effectiveness of the recruitment process without it being part of a well-thought and crafted detailed recruitment strategy.

On the other hand, since the challenges of the recruitment process in Cathy Pacific Airways Limited was based on subjective judgment, it is crucial for the HR of the company to undergo training concerning the recruitment of culturally diverse people.

Since it is through the inclusion of these participants, that competent candidates can be selected for the benefit of the organisation. The HR managers should act as filters which only select best participants based on their knowledge, skills, and personality which can aid in improving organisational performance. They should hire candidates based on their loyalty, intelligence, adaptability, and confidence thus creating a base for success (Saez n.d.). In so doing, the company may intensify its recruitment process speed instead of concentrating on racial differences among other unimportant qualities.

Additionally, incorporation of artificial intelligence as a long-term plan in the recruitment strategy can aid in realising the change of the recruitment process as the company continues to globalise. Through such a plan, there is a likelihood that voluntary turnover among employees would be reduced since the newly hired employees will have the right competencies which will be enhanced through training and development of the talent development initiative for efficiency. Through such a plan, it is expected that an influential culture will be created that facilitate to the goal achievement of the organisation as well as that of the employees without much conflict (Li & Fung Limited 2017, p.101). Resources required for complete recruitment process include a financial resources and competent HR managers capable of preparing job description and job specification documents that will reveal the gap in the organisation and the kind of talents required for filling it.

On the other hand, since recruitment and selection are expensive, Cathay Pacific Airways Limited should take time to assess the competence of every candidate accurately is vital for effective hiring and retention of employees. Proper recruitment encourages productivity and loyalty and eliminates legal issues of discrimination

which is a serious concern especially in overseas countries. Therefore, during every recruitment season, it is significant for the HR to offer accurate job description revealing the position that candidates need to fill based on specific duties.

6 Stakeholders

A stakeholder is any person who has an interest in the recruitment outcome (Newcombe 2003, p.842). Darškuvienė and Bendoraitienė (2014, p.84) also acknowledge that stakeholders are individuals or any group affected by organisational decisions. As supported by stakeholder theory, stakeholders should be treated with fairness, generosity and honest through the allocation of sources in satisfaction of their needs and demand (Harrison et al. 2015, p.859). Therefore, through successful implementation of the action plan in Li & Fung Limited, there is a likelihood that the right workers will be hired and this will have numerous advantages to all stakeholders in these two companies, for instance, the customers will be served accordingly leading to their satisfaction. The managers will not have a difficult time in managing employees since they will be competent to work appropriately in their allocated areas.

In Cathy Pacific Airways Limited, stakeholders may have different expectations and motives toward a firm. For instance, the shareholders may expect a good return from the investment. This means that they expect the implementation of the recruitment strategy to be fruitful so that profitability, share prices, and growth can occur failure to which they can sell their shares elsewhere (Donaldson and Preston 1995, p.71). The community as well expects the HR in their recruitment process not to engage in favouritism, failure to which they will anger the community resulting in lousy reputation which may lead to decreased customer base.

Employees also expect that they will be hired with fairness so that every participant have an equal opportunity of getting a job and therefore they should not be discriminated based on race as it was in Cathy Pacific Airways Limited. The employees will be satisfied since they will be working in the area which perfectly suits their skills and competencies resulting to their happiness more so because the wage they will receive will cater for their personal needs as noted in the job specification document. The shareholders will also benefit because, with the improved performance of the employees, the profitability of the organisation will be attained. The recruitment pool comes from society and therefore by hiring individuals, the organisation will be reducing the rate of unemployment in that area (Ingenhoff and Sommer 2011, p.74). The strategy will ensure that resources and time are effectively utilised in attracting the right candidates who will, in turn, satisfy stakeholder expectation.

The legal authority also expects that HR managers hire employees without discriminating them according to the Employment Act. This means that the two firms in their recruitment process should not discriminate workers on any other basis other than their intellectual capability, problem-solving skills among other competencies that do not sound subjective or biased. Thus, HR managers should abide by the stakeholder theory which states that the firm should engage in value creation for all stakeholders and embrace morals and ethics in managing its practices (Fontaine 2006, p.4). Therefore, HR managers should abide by this theory to satisfy the expectations of all stakeholders.

7 Conclusion

The report aimed at analysing staff recruitment in Li & Fung Limited and Cathy Pacific Airways Limited after they were globalised to Singapore where they faced a challenge regarding recruitment. Language and cultural differences challenged Li & Fung Limited during its staff recruitment process in Singapore while Cathy Pacific Airways Limited encountered racial discrimination issues during staff recruitment. After analysis, it was discovered that the two companies had some similarities in cultural differences during recruitment since both companies were facing a difficult time. However, Cathy Pacific Airways Limited faced a rough time unlike Li & Fung Limited during globalisation to Singapore because its reputation was impacted negatively as a result of discrimination issues. Therefore, for organisation to be successful, it is crucial to adopt recruitment strategy that results to the hiring of the right candidate who in turn leads to the satisfaction of all stakeholders including the government and the entire community.

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Student Self Evaluation Form			
Student name:	WU Hon Kwong	Student number:	1812210
Programme:	MBA	Year of programme	One
Assignment Title:	The Challenges When The Companies Expand Overseas - Li & Fung Limited and Cathay Pacific Airways Limited		

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	
The professor has explained very detail and provided a lot of practice opportunities before starting this assignment. Therefore, I believe this assignment is prepared well.		This assignment would be prepared more precise if I could have more time for doing the research areas. Due to the limitation of time, I have tried my utmost effort to complete this assignment.	
Student's Name	WU Hon Kwong	Date	1 May, 2019
Student's Signature	<i>Jacky Wu</i>		