



LEVEL 7 ASSESSMENT SPECIFICATION

Student name:	Tong Ho Yan (Debbie)	Student ID number:	2019397
Programme:	MBA		
Module:	Human Resources Management		
Module code:	HKBM 7007	Contribution to Overall Module Assessment (%):	50%
Lecturer:	Dr Leo Ho	Internal Verifier:	Dr Terence Li
Assignment Title:	Assignment 2	Word count (or equivalent):	2,500 words
Submission deadline:	1. 6 Dec, 2020 (Ethic Form)* 2. 4 Jan 2021 (Report)	Return date of provisional marks & written feedback:	20 working days after submission
Remarks	* ONLY apply for those select using INTERVIEW 1. Students must complete and submit an Ethics Form (enclosed) before interview. Please observe the above-mentioned due date. 2. Ethics Form submission to Lottiefung@hkma.org.hk		
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.) 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

During globalization, many companies will start to localize once the local offices are established. Many factors such as legality, cultural differences, language barriers and cheap labour forces have contributed to this localization. When global companies start to 'Think Globally, Act Locally', it has become challenging for some to maintain the unified corporate mission, vision and culture thus companies have to tackle these challenges to sustain their global strategies.

This consultancy report identifies human resources challenges and makes recommendations to an energy resource company on their global staffing and talent development strategies. The recommendations include how the company creates international projects and assignments and gives opportunities to their staff to enhance the diversity and cross-cultural communications. Discussions and literature reviews on the pros and cons of those recommendations are also carried out.

Introduction

Globalization is a process that incorporates the cause, course, and consequences of cross national and cultural integration of human and non-human activities (Al-Rodhan and Stoudmann 2006). The power of globalization on economy is so high that many political decisions have followed the economic evolutions raised by multinational corporations (Dima,

2013). During the globalization of a company, Human Resource Department is often the key player in leading the performances. While the multinational companies are adopting to 'Think Globally, Act Locally', the influences of going localization on the company's core values have been discussed (Dudovskiy, 2012; Dessaigne, 2019).

This consultancy report aims to review and make recommendations to a company on its staffing strategy and talent development during its globalization.

Background of the companies

Company A is a Canadian based energy company having operations in the Asia Pacific and Atlantic region. Its main operation involves upstream production and the refining of oil. The company has expanded to Asia Pacific region and selected Hong Kong as the regional head office to oversee the Asia Pacific's operation. An interview was carried out with the HR director (Director A) of the Asia Pacific region who was recruited locally and helped to expand the operations to other Asian cities, covering over 300 employees.

Another company, Company B, which is comparatively a larger energy company has been used to compare and take reference from. It has a long-standing history back in early years of 1900s. Its services cover a wide range oilfield services and has expanded to 120 countries with more than 80,000 employees across the globe. Articles based on the interview with their HR Chief (Gallup, 2019) and in other aspects were referenced for this report.

As a large population of both companies' employees is field engineers, which is often perceived as male's jobs, a deep focus on diversity and equal opportunity has been placed.

Think Globally, Act Locally

An interview was carried out with Director A in early December 2020 (Appendix 1). Director A described her biggest challenge was to standardize the company's vision and policies across the globe. While the head office is in Canada, it was difficult for her to make the head office familiarize and understand the cultural differences in the Asia Pacific. 'As our head office is based in Canada, a lot of the staff there are hired locally, and they are very stable in their role. They may not have many experiences in going overseas, thus it is extremely hard for them to understand what is going on in the other part of the world.' said by Director A. An example was given to the recent adjustment in the Hong Kong Employment Ordinance (*The Employment (Amendment) Ordinance 2020*) on the extension of maternity leave from 10 weeks to 14 weeks. A discussion was raised by the head office to suggest that the maternity leave entitlement should be standardized with the head office, based on the Canadian legislation. However, Director A disagreed and felt that it was difficult to apply as there is such a huge difference in the employment law between the west and the Asia, and other factors such as social supports and employee benefits do not support this standardization.

The cultural differences often have huge impacts in setting up the local HR policies. Shen et al (2005) suggested four contextual factors including political, socio-cultural, economic, and legal impact on the IHRM policies and practices. Cares have to be taken to respect the employee's expectation in the countries including their specific obligations in their society, respect to the older generation as well as the hierarchy culture. For global companies, it is often sensible to have a dual approach by separating the 'host' policies from the 'parent' policies to achieve the best outcome (Shen et al., 2005). Director A added that 'We do have a global policy from the head office for us to follow but we will modify the local policy to suit the Asia Pacific Region. For some HR functions such as payroll and benefits, we have outsourced to an administrator to help. However, we also wish to provide some special benefits that is distinctive as a global company, for examples, the calculation of annual leave.'

When many global companies adopt to 'Think locally, Act locally', it is risky for the companies to lose their global strategies over time. Director A added that the staffing strategy in Company A mainly focused in hiring local labour force. 'When the regional office was first set up, many of the staff were hired from overseas, however, once the company was stabilized, the expatriates had gradually reduced from 30% to 9% and the development of senior staff was focused in the regional area.' Said by Director A. As supported by Raletic-

Jotanovicet et al (2015), when the quality of the human resources in the host country is getting bigger, the need for hiring employees from other countries will be reduced, the focus will then be bringing local labour force of high potential to help in the development of the company.

Comparatively, Company B has a different vision in developing global leaders as they are committed to borderless careers. 'The fact that we're always trying to do something different created opportunities for people. And those opportunities create a dynamic flow of people in the organization.', said by Direct B (Gallup, 2019). The company sets up an intranet system that allows any manager to view any employee's complete career networking profile, their aspirations and career background and performances. This has encouraged the manager to search for talent they need thus encouraging growth and development of staff. However, the challenge for this mobility is that HR directors have to give up some forms of algorithm but to focus on agile instead. In a fast-developing industry where new sets of technologies are introducing frequently, they also have to develop a talent base that is able to learn and develop quickly, as the market simply does not have suitable or ready-made candidates available. The company will therefore have to invest heavily and have a well-developed training program for their staff. This dynamic culture can also be a challenge for the recruitment process thus campus selection has been identified as an important part of the recruitment process (Singh et al., 2017), where they have higher chances of getting talented

young people who look for international opportunities and development.

Recommendations

It was appreciated that both companies have excellent visions on diversity. However, Company A seemed to have localized in their HR staffing strategies during globalization, which has resulted the challenges that Director A described. This will also lead to shortage of international management talent which will constraint the implementation of global strategies (Collings and Scullion, 2006). Despite this, Company A should not follow the strategy of Company B as the size of company varies, and the cost of maintaining a borderless career is relatively high.

Company A's lack of overseas opportunities has restrained the development of their talent. This has become a risk to a global company when employee across the globe do not share skills, knowledge, and most importantly, the company's vision. Director A commented 'We do not have many international exchange opportunities for our employee, and it is something that is good to think about as when the Asia Pacific Region has now become stable, the career path for the staff has gradually diminished'.

To solve this problem, the company should improve on their global strategy on staff planning and talent development, with the aim to increase the diversity from a global aspect.

The benefit of global staffing is that the diversity enables sharing of knowledges and

skills and is an excellent opportunity for the potential leaders to develop their global mindset.

However, employing expatriates is not as easy as one thinks, and it often encounters various issues which explains why many global companies have localized in the host country. The willingness of the expatriates to go abroad; the retention of expatriates' employment; and high employment cost are often the challenges of global staffing (Collings et al, 2007)

There are many ways that a company can enhance their diversity through global staffing. For example, ethnocentric, polycentric or geocentric (Collings and Scullion, 2006). The characteristics of each is listed in Table 1. As according to the interview with Director A, the company first took the ethnocentric strategy at the initial stage of globalization, however, when the local office was established and more local talents were developed, the strategy transformed to polycentric. Since the company is already localized, it is difficult to reverse their staffing strategies to ethnocentric to increase the diversity, as the cost to employ such a global talent is extremely high.

Global Staffing Strategies	Characteristics
Ethnocentric	All key positions in subsidiary operations are taken up by citizens of the country where the Headquarter is based.
Polycentric	Primarily positions are taken up by the citizens of the

	host country
Geocentric	Filling positions with the best candidates, disregard of the country of nations.

Table 1. Global staffing strategies and their characteristics

However, the company should consider setting up some global assignments that involve teams of staff with different locations and cultural backgrounds. Through this, the company will enhance its internal communications as well as giving the opportunity for the staff to develop as global leaders..

The quickest and cheapest way to do such a project is through Global Virtual Teams (GVTs). Virtual teams are defined by a group of people working together while located in different places and using technologies to conduct a project without the need for meeting face to face (Kupa, 2020). With the modern technologies and network, people can communicate anytime and anywhere, and the recent COVID-19 pandemic has proven its feasibility and adaptation by the world. GVTs are flexible, cost efficient, and can serve the purpose of increasing diversity in any assigned projects. It can be done quickly in a short period of time and increase the diversity of the resources available. Staff will receive more learning opportunities and resources, thus enhancing the problem-solving skills (Jimenez et al., 2017).

However, the setup and preparation of GVTs are key factors to success. The team must set clear objectives and dedicated leaders to achieve best outcomes. The team must also

consider the potential challenges such as language barriers, time differences and the lack of social presence and have constructive plans to overcome these challenges before implementation.

When assignments for the GVTs are set, the priority of HR should be focusing on supporting and training of the right candidates to lead the GVTs. The timing of this should be kept short e.g. 3-6 months and the first GVT should commence the project as soon as possible to keep the motivation.

Once the project has started, team leader should monitor the progress and systematic reviews should be done in between meetings to ensure the best outcome achieved. Upon completion, there must be evaluations to review the effectiveness of the GVTs in all aspects, including the meeting time, cost and budget, the communication tool, the selection of candidates, the effectiveness, as well as identifying areas of improvement.

Although GVTs facilitate diversity and cross-cultural communications within a company, the real impact in developing global leaders was limited and insufficient. The company must have a long-term strategy to develop leaders with the global mindset. To do this, short-term or commuter international assignments which allow employee to have project based, international exposures within a short period of time should be considered.

The head and regional offices need to decide the location of the assignments and the number of talents required. The duration of these assignments needs to remain short, for

instance, one to twelve months; and the cost planning should include transportation and accommodation allowances, visa application, taxation, insurance coverage, as well as laying out clear guidance on the coverages of necessary expenses.

The opening should be posted to all global offices for fair opportunity. Clear objectives of the assignments and detailed roles and responsibilities should be set at this point to manage expectations from the host country and the assignees. Selection of candidates and interviews will then be carried out. The interviews should be done through online platforms, which allows applicants across the globe to apply.

During this process, HR should assist in transferring the assignees and focus on preparing the selected assignees in adapting to host country. Appropriate trainings such as cross-cultural differences and communication skills should be provided. The assignment should be led by a leader in the host country, who acts as a mentor of the assignee and provides appropriate guidance in all aspects. This also gives an advantage to the leader to have experience in leading someone from overseas, with different cultural background, thus enhancing their global mindset and communication skills. Before repatriation, a review by the mentor and the assignee should be done to summarize the outcome and have reflections on the whole experience. Upon repatriation to the home country, the assignees should share their experiences with their colleagues which can be part of the training and development programme by the HR to attract further candidates for future assignment.

Bozkurt and Mohr (2011) reckoned that such international assignments can build social capital in multinational companies and they are valuable for young employees. Caligiuri and Bonache (2016) suggested that global mobility through these assignments can develop capabilities of leaders by enhancing their cross-cultural skills and their openness to diverse ideas. It can also enable them to understand the global strategies of the organization by integrating knowledges. The shorter assignments allow global teams to be developed at lower cost and avoiding issues regarding relocation, expatriate failure and repatriation difficulties (Mockaitis et al.,2018). Despite this, many assignees finish the project with a feeling that the competencies are no longer required upon repatriation (Caligiuri and Bonache, 2016) and there are also negative impacts on such personal development as personal changes by the assignee can affect their relationship with the spouse upon their return (Starr & Currie, 2009). Therefore, the company should support the assignees upon repatriation and provide clear career path and opportunities should they take up this development as future global leaders.

Conclusion

When global companies start to localize in the host countries, it is risky to lose the core values which is detrimental in maintaining the global strategies. While understanding the necessity of ‘Think Globally, Act Locally’, companies should regularly review their global staffing and talent development strategies and incorporate opportunities for staff to develop at

a global level, which in return will be beneficial to develop global mindset for future leaders.

Appendix 1- Interview with Director A

Date:	10 December 2020
Mode of interview:	Phone Interview
Interview Questions:	1. Can you talk a bit about your current role in your company in Hong Kong, and your role in the Asia Pacific Region? 2. What are the main challenges you have when overseeing the Asia Pacific Regions? 3. How can you bring the company's visions across the globe? 4. In terms of recruitment, do you tend to employ people locally or globally? 5. Although you are from a global company, you seems to have set up many local policies which are quite different from your head office, is that right? 6. If you are overseeing the whole Asia Pacific Region, what do you recognizes as the major differences between these Asia Cities?

Reference list

- Al-Ali, W., Ameen, A., Isaac, O., Khalifa, G.S.A. and Shibami, A.H. (2019). The mediating effect of job happiness on the relationship between job satisfaction and employee performance and turnover intentions: A case study on the oil and gas industry in the United Arab Emirates. *Journal of Business and Retail Management Research*, 13(4), pp.103–116.
- Al-Rodhan, N.R.F. and Stoudmann, G. (2006). *Definitions of Globalization: A Comprehensive Overview and a Proposed Definition*. [online] Program on the Geopolitical Implications of Globalization and Transnational Security. Available at: https://d1wqtxts1xzle7.cloudfront.net/30929642/Definitions_of_Globalization_-_A_Comprehensive_Overview_and_a_Proposed_Definition.pdf?1363148362=&response-content-disposition=inline%3B+filename%3DDefinitions_of_Globalization_A_Comprehen.pdf&Expires=1607668090&Signature=O4pYP72R0nk0JmF1cIPo8W8Ycy2ixyEIN7LqWS~9BhQJTKBC1dZMCEEx-9lUe~FAnFxMQNkq-WeAvokn3SiADlG7pY70wgnpO0wccyhvmtXgh2mnWwrK1Q9jzdQU~xHJ~hRxkZ7~ewTK6mkCnOL8tCaSdXdEZ5E5lACWIXm3CTFMTReVTJLeXkDFh-HOdyW3ADWCSR77WIp3Lp~D31D2viOccYQEWWhnrW8muiLgoCcbAQa99D4FyGvGobaiCPA4pQFwZzgeHPSbUGqYg79Uc1BXRYvURFOwHFZkrKVfKvcKWY7L

ocNTfuQ1A9~PIerPPEjAmy0d09lY8HhPGzTSUIQ__&Key-Pair-

Id=APKAJLOHF5GGSLRBV4ZA [Accessed 1BC].

- Awan, A.G. and Anjam, K.U. (2015). Cost of High Employees Turnover Rate in Oil Refinery Industry of Pakistan. *Information and Knowledge Management*, 5(2), pp.92–102.
- Caligiuri, P. and Bonache, J. (2016). Evolving and enduring challenges in global mobility. *Journal of World Business*, 51(1), pp.127–141.
- Collings, D. and Scullion, H. (2006). Global staffing. *Handbook of Research in International Human Resource Management*, pp.141–157.
- Collings, D.G., Scullion, H. and Morley, M.J. (2007). Changing patterns of global staffing in the multinational enterprise: Challenges to the conventional expatriate assignment and emerging alternatives. *Journal of World Business*, 42(2), pp.198–213.
- Dessaigne, N. (2019). *Council Post: Think Globally, Act Locally: Building The Borderless Global Company*. [online] Forbes. Available at:
<https://www.forbes.com/sites/forbestechcouncil/2019/08/08/think-globally-act-locally-building-the-borderless-global-company/?sh=78199dd0129b>.
- Dima, S. (2013). Business Globalization: Transnational Corporations and Global Competition. *Studia Universitatis “Vasile Goldis” Arad. Seria stiinte economice*, 23(2), pp.108–119.

- Dudovskiy, J. (2012). *“Think Globally, Act Locally”: A Critical Analysis - Research Methodology*. [online] Research-Methodology. Available at: <https://research-methodology.net/think-globally-act-locally-a-critical-analysis/>.
- Gallup (2019). *How Schlumberger Develops Diverse Global Leaders*. [online] Gallup.com. Available at: <https://www.gallup.com/workplace/258518/schlumberger-develops-diverse-global-leaders.aspx>.
- Javindan, M. and Walker, J.L. (2012). A Whole New Global Mindset for Leadership. *People & Strategy*, 35(2), pp.36–41.
- Jimenez, A., Boehe, D.M., Taras, V. and Caprar, D.V. (2017). Working Across Boundaries: Current and Future Perspectives on Global Virtual Teams. *Journal of International Management*, 23(4), pp.341–349.
- Kupa, K. (2020). Challenges and Benefits of Virtual Teams: A Leadership Perspective. In: *58th International Scientific Conference on Economic and Social Development Development Book of Proceedings*. pp.193–202.
- Labour Department - *The Employment (Amendment) Ordinance 2020 Extension of Statutory Maternity Leave from 10 Weeks to 14 Weeks*. [online] Available at: [https://www.labour.gov.hk/eng/news/EAO2020.htm#:~:text=The%20Employment%20\(Amendment\)%20Ordinance%202020%20\(Amendment%20Ordinance\)%2C](https://www.labour.gov.hk/eng/news/EAO2020.htm#:~:text=The%20Employment%20(Amendment)%20Ordinance%202020%20(Amendment%20Ordinance)%2C) [Accessed 11 Dec. 2020].

- Mockaitis, A.I., Zander, L. and De Cieri, H. (2018). The benefits of global teams for international organizations: HR implications. *The International Journal of Human Resource Management*, 29(14), pp.2137–2158.
- Oluwafemi, O.J. (2013). Predictors of Turnover Intention Among Employees in Nigeria's Oil Industry. *Organizations and Markets in Emerging Economies*, 4(2).
- Raletic-Jotanovic, S., Ratkovic, M. and Dasic, D. (2015). The differences between human resource management in domestic and international environment. *Vojno delo*, 67(6), pp.159–175.
- Shen, J., Edwards, V. and Lee, G. (2005). Developing an Integrative International Human Resource Model: The contribution of Chinese Multinational Enterprises. *Asia Pacific Business Review*, 11(3), pp.369–388.
- Singh, T., Jain, M., Madhumita, D., Meena, R.K. and S., V. (2017). *Tejas Article : Schlumberger: HR Challenges in the Petroleum and Energy Sector*. [online] Iimb.ac.in. Available at: <https://tejas.iimb.ac.in/articles/18.php>.
- Utkelbay, R., Osei-Nimo, S. and Rakhmetzhan, R. (2020). The assessment of similarities and differences between HRM and IHRM. *International Entrepreneurship and Management Journal*. [online] Available at: <https://internationalentrepreneurshipandmanagementjournal.com/portfolio/the-assessment-of-similarities-and-differences-between-hrm-and-ihrm/>.

- Wickern, R.V. (2019). *Secondment Experience by Rebekka Van Wickern*. [online]

Mueller. Available at: [https://www.muellercpa.com/insights/international-](https://www.muellercpa.com/insights/international-exchange/secondment-experience-by-rebekka-van-wickern)

[exchange/secondment-experience-by-rebekka-van-wickern](https://www.muellercpa.com/insights/international-exchange/secondment-experience-by-rebekka-van-wickern) [Accessed 12 Dec. 2020].