

# Cases in Human Resource Management

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# 16

## Global Issues for Human Resource Managers

### **Case 16.1. Globalization of Business and HRM: Should Your Marketing Director Become an Expatriate?**

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Daniel had a successful career in marketing for IToys Corporation in New York. Daniel's career has been an exciting journey through IToys, which is the fastest growing toy business in the United States. However, IToys had plans to enter the global marketplace, and human resources called Daniel with an offer to manage the new office in England for the next 3 years. Daniel's career would be kicked up a notch by being the director of marketing for the entire United Kingdom.

HR determined that Daniel had many of the Big 5 personality traits (extroversion, openness to new experiences, conscientiousness, agreeableness, and not being neurotic) that would help him to be successful running IToys in different countries. Daniel is an extrovert; he is outgoing, makes new friends, and builds relationships easily. There is some evidence that shows that being an extrovert, open to learning about new international cultures and experiences, and working well with new people will help him adjust to a different culture.<sup>1</sup>

Although Daniel was surprised about the offer to take an assignment in England, he knew that he was open to new experiences. Before working at IToys, Daniel spent plenty of time in Europe at trade shows demonstrating toys for his previous employer. The problem was that Daniel has a wife, Hannah, and three children between the ages of 5 and 10. Daniel had a tough decision to make in regards to uprooting his family and moving them all the way to England. Hannah has been a great supporter of her husband for the last 5 years. She has moved up and down the East Coast (New Jersey, Rhode Island, Pennsylvania, and Massachusetts) in support of Daniel. Daniel had to consider the impact on his wife since she would be thrown into a new country with no friends. Daniel's children would have to start school in a strange country.

Still, Daniel and Hannah decided to become expatriates, and they accepted the new position in England. An *expatriate* is an employee who leaves his or her home country to go to work in another country. Many decisions have to be made since the

“expat” is usually in another country for about 3 years. One decision that would have to be made was in regard to schooling for their children. Daniel and Hannah decided that their children would attend the American School and attend classes with the children of other American executives.

Human resources at IToys offered various services to help Daniel make the move to England. HR explained that his home in New York would be paid for by the company while he was away for 3 years. HR would provide training on cultural issues such as language (less of a problem in this case due to English being spoken in both countries). HR would also process Daniel’s pay so he is paid in U.S. dollars, which he can then transfer to English pounds or euros. HR would be the contact point for Daniel throughout his international journey.

Daniel and Hannah ended up enjoying their 3 years of marketing IToys in England. Hannah was an integral piece of the puzzle. She became an important person in the expat community. While Daniel was busy setting up new retail accounts for IToys to sell their product lines, Hannah was busy taking care of the children and making sure they adjusted to a new set of friends. Hannah also made trips back to the United States to attend to elderly family members or to attend important family celebrations. IToys allows their expats to return to their home country once a year.

It is important for the expats to be compensated above normal to help alleviate the extra costs of living overseas. The executives and their families move to another country and experience the international lifestyle. However, they still need to be part of their family back in their home country, which requires extra money for travel expenses.

Other issues, besides language, that can cause problems with an overseas job include determining whom the person reports to in the host country versus the home country, who appraises the expat in regards to performance, if there will be a mentor in the host country to help train Daniel, and what support will be available from human resources during and after the assignment is complete.

After 3 years, Daniel was offered the chance to start up a new division of IToys in Brazil. Being in Brazil would hopefully bring them to another expat community. However, this time they may experience more culture shock, as Portuguese is the primary language of 99 percent of the people in Brazil. Daniel would need to have more cultural training since doing business in Brazil would be quite different than it was in England. Still, Daniel and his family thrived in England, so they are experienced expats. They certainly appear to be flexible, and they may enjoy learning more about the Brazilian culture.

### Case Questions

1. What does it mean to be an expatriate?
2. What would it have meant to Daniel’s career if he had declined the position in England?
3. Why was Hannah such an important part of the entire expatriate experience?
4. What is the role of human resources in assisting expatriates?
5. How did language play a part of the decision making to go to either England or Brazil?
6. Should Daniel take the new job in Brazil?

## Case 16.2. Global Staffing: Developing, Staffing, and Managing Global Human Resources—Katya and Her Russian Background

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Katya Malkin is proof that we are living in a global village. Companies have to search for talented employees, like Katya, throughout the world. In Katya's case, she was a gifted student while in school in Russia. But she was raised in a very poor home environment. Although she had a lovely mother and father, she lived in a small one-bedroom apartment.

Fortunately, at school Katya excelled at math and science like many of her fellow Russian-born students. She also spoke English very well. Katya was quite social and interacted very well with teachers and counselors. At 15, Katya was extremely fortunate, and she went to the United States for high school. She lived with a wonderful family in a suburb of Connecticut. She applied and was accepted to a small Catholic College in Danbury, Connecticut.

Katya had 4 wonderful years studying management, marketing, and accounting. She found that large employers were especially interested in hiring her for her degree in accounting.

Katya wrote a senior thesis on how companies hired international students to help give organizations a global view. She found that employers like international students but consider the process of hiring an international student rather complex. Understanding the American immigration process is often stressful and confusing because there are many different categories of visas. The eligibility requirements are constantly changing, which makes the process even harder to follow.<sup>2</sup>

On the positive side, international students like Katya have already shown that they can leave their home country and learn the language of a new country, and they show a desire to work in the United States. Katya assumed it would be easy to entice international students to also live as expats in other countries.

The human resource department of a company can help employees renew a visa. HR can also help international students become part of the local community, find schools that offer programs for bilingual students, and make spouses feel like a part of the company.

A company is only as good as the people who work for it. Employees will be needed to replace people who are retiring from the workforce, who are transferring to another company, or who have passed away. HR has to fill these spots with talented people in every country where their product is sold. Hiring recently graduated international college students can help fill job openings within and outside the United States.

The HR function becomes more complex as companies experience different stages of developing a global organization. HR has to develop HRIS systems that take into account the culture and business practices of every country in which they operate. Still, for those people like Katya who are extroverted, agreeable, and open to new experiences, taking a chance and becoming an expatriate can lead to an exciting life of travel, meeting people from different countries, negotiating deals around the globe, and working for the large global companies in places as diverse as China, Poland, and Israel.

## Case Questions

1. What are the advantages of hiring a recently graduated international college student?
2. What are the disadvantages of hiring a recently graduated international college student?
3. What is the impact on HR when hiring an international student?
4. Use the website <http://www.reed.co.uk/jobs/human-resources> to look for a human resource job in the United Kingdom.
5. Find a job in another country of your choice. You should feel like you would have a good opportunity to be selected for the job.

## Notes

1. Lussier, Robert, and John R. Hendon, *Human Resource Management*, 2nd ed. (Thousand Oaks, CA: Sage Publications, 2016).
2. [http://www.internationalstudent.com/study\\_usa/way-of-life/working-in-the-usa/](http://www.internationalstudent.com/study_usa/way-of-life/working-in-the-usa/).