STRATEGIC HR MANAGEMENT
STUDENT WORKBOOK

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SOCIETY FOR HUMAN RESOURCE MANAGEMENT

International HRM Case Study

By Fiona L. Robson

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Student Workbook

Strategic HR Management

Purpose of the Case Study

This case study is geared toward an undergraduate audience with a basic understanding of the issues involved in domestic recruitment and selection.

The case is based on a fictional organization in the United Kingdom's hotel industry; however, the content covered is relevant internationally and among different industries. The material is presented in this manner to allow you to apply theory to a practical situation.

You will have an opportunity to think about the key decisions involved in international assignments. You will be able to transfer your knowledge of domestic HR issues to the international context and consider the roles and duties performed by expatriate workers.

Learning Outcomes for Students

By the end of the case, you will:

- Understand the main elements and issues related to international assignments.
- Demonstrate an awareness of when it is appropriate to use expatriate workers and the key debates that are involved.
- Appreciate the skills and knowledge needed by expatriate workers.
- Consider how organizations can prepare expatriate managers to succeed in an international context.

Recommended Time Schedule

For this case, you will be acting as independent management consultants and should be split into three groups. You will work within your groups for all of the activities provided in the case study document.

The instructor can decide whether any of the additional activities provided are appropriate for your group.

RECOMMENDED RESOURCES

Book:

Harzig, A.-W. and van Ruysseveldt, J. (2007). *International Human Resource Management*, 2nd edition. London: Sage.

A diverse selection of interesting journal articles exists on this topic:

Brewster, C. (1997). International HRM: Beyond expatriation. *Human Resource Management Journal*, 7(3), 31.

Brewster, C., and Scullion, H. (1997). A review and agenda for expatriate HRM. *Human Resource Management Journal*, 7(3), 32-41.

Earley, P.C., and Peterson, R.S. (2004). The Elusive Cultural Chameleon: Cultural Intelligence as a New Approach to Intercultural Training for the Global Manager. *Academy of Management Learning and Education*, 3(1), 100-115.

Forster, N. (2000). Expatriates and the impact of cross-cultural training. *Human Resource Management Journal*, 10(3), 63–78.

Ingemar Torbiörn, I. (1997). Staffing for international operations. *Human Resource Management Journal*, 7(3), 42-51.

Matthews, V.E. (2000). Competition in the international hotel industry. *International Journal of Contemporary Hospitality Management*, 12(2), 114-118.

Morris, M., and Robie, C. (2001). Meta-analysis of the effects of cross-cultural training on expatriate performance and adjustment. *International Journal of Training and Development*, 5(2), 112-125.

Background Information on the Organization

Brunt Hotels, PLC, owns more than 60 hotels throughout the United Kingdom. They recently acquired a small hotel chain headquartered in France. Brunt's chief executive decided that half of the new hotels in France would be retained and rebranded as part of the Brunt Hotels Group; the other half will be sold. This will support Brunt's strategic objective of growing the organization slowly to make sure that new ventures are well supported and opened on time and on budget.

Brunt's hotels are considered budget accommodations; they are functional, clean and reasonably priced. Additional information about UK hotel standards is available at http://www.qualityintourism.com/content/pdfs/Standards/Budget%20Hotels%20Standard_INT.pdf .

Most guests stay for one to three nights and are a combination of business and leisure travellers. The hotels are typically situated in downtown locations that are easily accessible by mass transit. Tourists are attracted to these hotels in popular visitor destinations where the many local attractions mean that they will not be spending much time in their hotel rooms.

The organization has decided to use an ethnocentric approach and send some of their existing UK-based managers to France to lead the changeover of the new hotels and then manage them after they re-open. If this new overseas venture is successful, Brunt may decide to acquire other small hotel groups in other European countries. The organization would like to own 150 hotels in the next five years. Their 10-year plan is to own 300 hotels across Europe. This is an ambitious target, so it is important that the organization finds an effective formula to operate successfully in other countries.

Case Study—Part One

The organization has never owned hotels outside the UK before, and has hired a team of independent management consultants to advise them on how to proceed. They provided the consultants the following information during their initial meeting:

- A majority of their existing managers said they would like a chance to work abroad.
- None of their existing managers speak French fluently.
- They will allow four weeks to rebrand the hotels. The new hotels must be ready to open after that time.
- They expect to recruit a large number of staff for the new French hotels, because more than 70 percent of the employees from the acquired organization left.
- They will require their managers to be flexible and move between countries if any problems arise.

Activity A (5 minutes)

Based on the information you have to date, what do you think the key priorities should be?

Activity B (15-20 minutes, including presentation of ideas)

The hotel management asked you if they should look only at internal candidates who are parent country nationals (PCNs) or recruit host country nationals (HCNs). The class should be divided into three groups; each group should prepare a 3-minute argument based on the following:

Group 1 believes that only PCNs should be hired.

Group 2 believes that only HCNs should be hired.

Group 3 believes that a combination of PCNs and HCNs should be hired.

Present the advantages of the approach your group was allocated to the class.

Case Study—Part Two

Brunt management decided that because this is their first venture into a country outside the UK, they want to use PCNs to set up the new hotels and that only internal candidates should be considered. They think that this is important so they can incorporate the organization's values. However, they believe that once the hotels are up and running, HCNs could be hired. The management vacancies must be filled as soon as possible.

In their company literature, the organization states that their core values are to:

- Provide excellent levels of customer service to all guests.
- Provide a clean and comfortable environment for guests and staff.
- Recruit and retain excellent staff.
- Support and develop staff so they can reach their full potential.
- Continuously strive to improve all aspects of the business.
- Ensure that all hotel buildings, fixtures and fittings are well-maintained in a proactive manner.

It is important that the management consultants for this project take these core values into account when making their recommendations.

Activity C (15 minutes)

Write a recruitment advertisement for the new positions which can be sent to existing managers by e-mail. Your advertisement should include, at a minimum, the following information:

- Main responsibilities of the new job.
- The skills you are looking for in the position.

Case Study—Part Three

The management team liked your recruitment advertisement, but realized that they did not consider the salary for these new positions! Since the organization has never hired managers to work outside the UK before, they do not know how to start determining the compensation. They provide you with the following information that they found on the Internet:

- Existing salary for managers is £30,000 (45,000 Euros) plus bonuses.
- Surveys show that the average salary for hotel managers in France is 60,000 Euros with no opportunity to earn bonuses.

The directors want to have a consistent approach as to how they compensate expatriates because they expect their overseas business to expand in the future. They also want existing employees to be enticed into working abroad and want to have a good range of incentives.

Activity D (20 minutes)

Design a compensation package for the hotel management position. Explain the rationale for your design. You may also include non-financial benefits.

Case Study—Part Four

The management eventually approves the advertisement and the compensation package and distributes both internally. Interested candidates are asked to write a letter to the CEO to explain why they think they are the best person for the job. Thirty managers apply for one of the new positions (there are 10 positions available), which means there will be 20 unsuccessful candidates still working for the organization.

The management team acknowledges that the application letters were not helpful with making decisions and that they need a more robust selection process. There must be a strong sense of fairness in the selection process because they do not want to de-motivate any of these existing employees. They want to select the right candidates because it is essential that the new hotels are successful and up and running quickly and efficiently. The senior managers know all of the candidates quite well (personally and professionally). They would like you, as independent consultants, to design an appropriate selection methodology.

The management team advises you that they do not want to take into account the marital or family situation of the expatriate candidates; they are concerned that this may fall afoul of UK equal opportunities legislation.

Activity E (20-30 minutes)

Each management consultant group must design a selection process for the candidates.

There is no budget limit for the development of the process; the senior management team knows that it is important to get the right person for the job. However, because the new hotels must be up and running quickly, they ask you to design a selection process which will take a maximum of two days.

You are in competition with the other management consultant groups and have five minutes to present your ideas. You must be able to justify why each method is appropriate.

Case Study—Part Five

The management hires six candidates to work overseas because they did not feel that the other candidates were qualified. They feel confident that these six can successfully open the new hotels. The success of these managers is vital to the success of setting up the new business, so management wants to ensure they provide effective support for them in terms of training and development. They believe that the best option is to divide training into two parts: pre-departure training and on-the-job training in the new country. Since the organization has never sent employees abroad before, they are not sure about what should be included in these training programs. The only mandatory area that must be included is an introductory language section (including basic business French) so that the managers have a basic grasp of the French language by the time they open the new hotels. However, they hope that the managers will enjoy their introductory language course and will continue to attend more advanced language classes when the new hotels are open.

Activity F (20-30 minutes)

The organization knows that training is important; but despite looking at what other companies offer, they cannot decide what the key training areas should be.

They would like all three management consultant groups to design the content and structure of these training programs and allocate two managers to each of the groups (as indicated below). Because of the large investment they are making in the managers, they provide you with some details on each of them so that the training can be tailored to their needs.

Group 1 will design the training programs for Managers A and B.

Group 2 will design the training programs for Managers C and D.

Group 3 will design the training programs for Managers E and F.

Complete the table given to you by your instructor to show your proposals.

Case Study—Part Six

The management team decides to select only one of the three proposed training programs, confident that it will be useful and informative for the new expatriates. However, they would also like to provide external support for the new expatriates to make their transition to a new country as smooth as possible. They are aware of some of the services that can be offered to support employees on both a personal and professional level, but do not have a comprehensive overview.

Activity G (20-30 minutes)

The management team asks you to conduct Internet-based research to find out what expatriate support services are available in France.

Each team should create a list of the services that are available and provide details of at least one organization which could provide the services. These services should then be listed in order of priority for the expatriates.

You will present your ideas to the other teams, so you should be prepared to justify your reasons for prioritizing the services.

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