

IBB3311 Strategic Global Management

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The Parable of Three Bricklayers

- Three bricklayers are asked: What are you doing?
- The first says, “ I am laying a bricks.”
- The second says, “ I am building a church.”
- The third says, “ I am building a house of God.”

The Parable of Three Bricklayers

- “I am laying a bricks.” --- **A job** means I need to earn money and it is just a necessity of life.
- “I am building a church.” ---- **A career** means it is my occupation and I am proud of it.
- “I am building a house of God.” ---- **A calling** means my work is the most important things in my life. I am dedicate my life for it.

If you were a global
manager,

Then, who were you ?

Home Country

- **Home country** is the original country of the global corporation.
- For example: Home country of Honda is Japan.
- Home country of Bangkok Bank is Thailand.
- Home country of NIKE is USA.

Host country

- **Host country** is the country in which a global corporation operates.
- Honda of Japan operates or produces cars in Thailand, so Thailand is the host country for Honda.
- KFC of USA operates or have franchised in Thailand, so Thailand is the host country of KFC.

Third Country National

- The other country that is not home or host country.
- Honda of Japan operates in Thailand and hires a manager from Singapore.
- KFC of USA operates in Thailand and hires a manager from England.

Expatriate

- **Expatriate** is employee from the home country who is on the international assignment.
- Example: A chief engineer (expatriate) from Japan sends to work for Honda in Thailand.

Hiring employees from Host-country

- - Less cost, Hire mostly local workers, Available supply of labors
- - Preference of the host – country government (more domestic jobs)
- - Intimate knowledge of environment and culture
- - No culture and communication barrier.

Hiring employees from Home-country (expatriate)

- - Mostly for high level of management or for special skills such as engineer, computer programmer.
- - Greater control, Confidential, Similar work ethics
- - Company experience and knowledge of product
- - Higher loyalty

Hiring Employee from Third-country nation

- - A special skill requirement that can not be found both in host and home country.
- - Broader experiences, Oversea experiences
- - Choose the best in the business
- - May have a large number of customers attached with him

Global Manager

- **Global Manager** is the manager who is equipped to run the company's global scale efficiency and competitiveness.
- There are three roles at the core of global manager.
 - - the **strategist** of the organization
 - - the **architect** of the worldwide assets and resource configuration
 - - the **coordinator** of transactions of the organization

Global Manager: Skills

- 1. Ability to seize strategic opportunity
- - Must be able to see new opportunity and make it becomes a profit for the company.

Global Manager: Skills

- 2. Ability to manage highly decentralized organization.
- - Must be able to delegate work to subordinate who can perform the best and quickly.

Global Manager: Skills

- 3. Awareness of global issues
- - Must know the international financial, marketing, economics, political, and issues that related to the company, products, and customers.

Global Manager: Skills

- 4. Sensitive to issues of diversity
- - Must be able to handle issue such as foreigner in the team, woman in the team, disable in the team, other religion employees in the team.

Global Manager: Skills

- 5. Competence in interpersonal relation
- Must be able to use verbal and written communication that can convince and influence subordinates and stakeholders.

Global Manager: Skills

- 6. Skill in building teamwork and network
- - Must be able to build a teamwork quick and create network inside and outside the firm that the relationship will benefit the firm.

Global Manager: Skills

- 7.– 10. Your suggestions.

Ten things you need to know about the host country.

- To get an international assignment, you should become acquainted with the following aspects of the host country.
 1. The language
 2. Social and business etiquette
 3. History and folklore
 4. Current affair and political and economic relationship between home and host country.

Ten things you need to know about the host country.

- 5. Cultural Values and Priority
- 6. Geography and major cities
- 7. Sources of pride and great achievements of the culture
- 8. Religion and role of religion in daily life
- 9. Practical matters such as currency, transportation, time zones, hours of business
- 10. Political structure and current players.

Compensation of Expatriate Manager

- 1. Provide an incentive to leave home country.
- - More money when work overseas
- - Promise to get same or higher position after coming back from assignment
- - Opportunity to get promoted overseas

Compensation of Expatriate Manager

- 2. Allow for maintaining the same home country standard of living.
- - Allow expatriate to rent or buy condo, house, car etc.
- - Allow extra money to keep the same cost of living at home

Compensation of Expatriate Manager

- 3. Facilitate re-entry into the home country
- - Help and pay for work permit, family visa, and etc.
- - Pay for airplane ticket for manager and family to travel back home twice a year.

Compensation of Expatriate Manager

- 4. Provide for an education of children
 - - Pay for the education of expatriate's children
 - - Pay for the food and transportation of children

Compensation of Expatriate Manager

- The cost of hiring expatriate is extremely high. The firm will hire expatriate only for an important function of the organization and train the local managers to be able to replace the expatriate in 3 – 5 years.

Global Common Disciplinary Problems

- 1. Attendance problems
- 2. Dishonest and related problems
- 3. Work performance problems
- 4. On-the-job behavior problems

1. Attendance problems

- - Unexcused absence
- - Late and chronic late
- - Chronic absenteeism and tardiness
- - Leaving without permission

2. Dishonest and related problems

- - Theft
- - Falsify work records
- - Punching other time card
- - Willfully damaging company property
- - Falsify employment records

3. Work Performance Problems

- - Failure to complete work assignment
- - Producing substandard products and services
- - Failure to meet establish production requirement
- - Failure to attend meetings and training

4. On-the-job Behavior Problems

- - Intoxicated at work or using illegal drugs
- - Insubordination
- - Horseplay
- - Smoking in unauthorized place
- - Fighting
- - Gambling

4. On-the-job Behavior Problems

- - Failure to report injuries
- - Carelessness
- - Sleeping on the job
- - Sexual harassment
- - Using abusive and threatening language with co-workers or supervisors
- - Possession of illegal drugs
- - Possession of firearms, knife, dynamite, and etc.

Factors that shift global demand curve.

- 1. Income
- If consumers have higher income, it will shift demand curve for food to the right or increase of demand.
- If consumers have lower income, it will shift demand curve for food to the left or decrease of demand.

Factors that shift global demand curve.

- 2. Population
- If the population has increased such as due to high immigration, the demand curve for product will shift to the right or increase of demand.
- If the population has decreased such as many workers from rural areas move to Bangkok, the demand curve for product in rural areas will shift to the left or decrease of demand.

Factors that shift global demand curve.

- 3. Taste, Fashion, and Trend
- If the fitness center becomes a fashion, the demand for fitness members will shift to the right or increase of demand.
- If the fitness center becomes out of fashion, the demand for fitness members will shift to the left or decrease of demand.

Factors that shift global demand curve.

- 4. price of complementary good.
- What is complementary good?
- Complementary good is a good that jointly consumed with other goods such as tuition fee and textbooks, golf club and golf balls, DVD player and DVD movies.

Factors that shift global demand curve.

- 4. Price of complementary goods.
- If the college tuition fees decrease, the demand for textbooks will shift to the right or increase of demand.
- If the college tuition fees increase, the demand for textbooks will shift to the left or decrease of demand.

Factors that shift global demand curve.

- 5. Price of substitute goods.
- What is substitute good?
- This is a good that competes with another good for the same consumer purchase such as tea and coffee, Pepsi and Coke, MacDonal'd's and Burger King.

Factors that shift global demand curve.

- 5. Price of substitute goods.
- If the price of coke increases so much, the demand for Pepsi will shift to the right or increase of demand.
- If the price of Coke decreases so much, the demand for Pepsi will shift to the left or decrease of demand.

Factors that shift global demand curve.

- 6. Any other factors such as law, tax, safety rules, and etc.
- IF the CNN news reported Chinese milk is made from 100 percent natural and free from toxic, the global demand for Chinese milk will go up.
- If the CNN news reported all Chinese milk is contaminated with lethal chemical, the global demand for Chinese milk will go down

Factors that shift global demand curve.

- 7.- 10. Your suggestions.....

Assignment # 10

- 1. From your observation, list 10 factors that can shift (increase or decrease) global demand of goods and services with your own example for each.
- 2. What is the definition of global manager? List and explain at least 10 skills necessary for global manager. In your opinion, which is the most important skill? Why?
- 3. What is the difference between home country and host country? What are ten things you need to know about the host country?