

The peter hanson case essay



**ASSIGN
BUSTER**

1. What were the strategic rationales for the establishment of the product development centre in Shanghai, China? As Hi tech systems established a few joint ventures and they owned subsidiaries in China it had become a significant player in the rapidly growing Chinese market. China had become one of Hi Tech Systems' most important markets where it was competing with other Western, Japanese and local competitors. Moreover most of the products sold in China were produced in the local factories.

To be more competitive it was essential for Hi tech systems to create PDC in China. One of the relevant reason for establish PDC in Shanghai was that PDC would be able to use the existing HI Tech Systems organization in the city. Both China Hi Tech System' headquarters and its production were located in Shanghai. 2. •Evaluate the approach to managing people in the Product Development Centre. What should Peter Hanson, the leader of the centre, have done differently? Why? One of the things that Peter learnt after he joined to Hi Tech systems was the importance of having good personal contacts within the company.

Peter must follow the competence development of his employees, also all employees should carry out performance management discussions with their superiors. Peter believe that the compensation system work well for China giving to employers a package of bonuses if they fulfill well the tasks. Peter wanted to sent employees clear message that their performance equals what they deliver. Local employees would have to be taught to manage themselves and to take responsibility and to understand the western culture of the non-hierarchical and meritocratic system. Peter aim for an innovative behavior from the local employees.

He tries to coach the expatriates to respect the local employees by not mention how much money they made and how they founds (cheap) many things in Shanghai. Also he thinks to involve employees families in some way by organizing some team-buildings. Peter tried to introduce in PDC in China rules and management system of Hi Tech Systems which were globally standardized. Because of cultural differences that aim was difficult to realize.

3. •What should he do now? Why? In the future Peter should think about helping local employee managing themselves and to take responsibility. He should provide workers with lot of tasks which will be concern on making individual decisions, initiatives and taking responsibility of them. The local employee should expand their innovative behavior. Moreover Peter should think about different way (other kinds of the compensation) of encourage people for this innovative behavior and creativity. As the behavior and attitude of Chinese people is changing Peter will have more opportunities to implement Hi Tech Systems' management system.

Peter should also concern about retention of employees. As he thinks that money is not the key to retaining the employees he should try to create a family atmosphere between the employees. He should spend more time on talking to people in the department, also to invite people to lunch and dinner.