

# lbp exam question



**ASSIGN  
BUSTER**

Martin is an American, working for an American company, Hydropower, that is undertaking a new project in an African country. Martin has been sent by his company to perform 3 specific duties: (1) to work with the national government of the African country and with the local community that will be affected by the new hydro scheme to ensure that the company gets all necessary permissions to proceed with the project; (2) to establish an office and hire people to work in that office to look after such matters as purchasing, staff recruitment, customers and immigrations issues, and (3) help foreign visitors (mainly the company engineers) become accommodated and oriented when visiting the African country. Martin is no stranger to Africa.

After graduating from university in the USA, he joined the Peace Corps and worked in several African countries. He tried to avoid just mixing with the expatriates (mainly Westerners) in these countries, and developed his own creed of ' Don't draw attention to yourself, and above all, learn and respect the culture. ' Martin had been working for Hydropower in the African country for about 18 months and his American manager was now in the process of deciding whether to keep Martin in his African position. The manager had some concerns about Martin. There were no concerns about Martin's performance. He had completed the first stage of the hydro development before the scheduled time and under budget. The concern lay around other matters.

Firstly, although there were no written company rules about how expatriates lived overseas, it was expected that they should live in a way that reflected a prosperous international company. Martin, however, had avoided living with

other expatriates, choosing to live in a middle class African neighbourhood. The company thought this may be setting a poor example for other expatriates. Secondly, Martin had not followed the employment practices of the American head office, but had followed local practices of employing workers who were known and recommended by other workers, especially family members. Martin recognised that providing a living to friends and family in a country with low standards of living, high unemployment and where 'connections' were important, could be a benefit to the company. Also, Martin was not averse to providing tips and payments to suppliers, government officials and customers officers to ensure work was performed and permissions granted in a timely manner. Furthermore, Martin had provided a payment and participated in a 'pagan' ritual required by the owners of the land whose property was been affected by the new hydro scheme to 'pacify the gods'.

The ceremony was 'successful' and permission to use the land was given. However, Martin's manager, who was a Christian, thought this did not reflect well on the image of the American company. Martin's manager must now make a decision about the future of Martin's appointment in Africa ...

Question Discuss the reasons why you believe who was right, Martin or his manager, about the controversial actions Martin took in the African operation. Also discuss what might have been the results if Martin has not taken the actions described. (33 marks) Question 2 Identify and discuss the most important operating challenges a company may have to consider when establishing a business in another country. 33 marks) Question 3 List and discuss the factors that make the pricing of goods for the international

market more complex than the domestic market. (33 marks) Question 4

Discuss the reasons and motives a company would have in establishing collaborative agreements for their overseas operations.

(33 marks) Question 5 Discuss how changes in technology, global institutions and international trade and investment policies have expanded

the globalization of markets and production. (33 marks)