

## Case One: McCain Foods

1. Identify the potential risks in the global business environment that McCain Foods would have to be aware of and manage in regard to its international expansion.

While the global economy offers many opportunities for businesses to succeed, it also offers many potential risks and challenges for newcomers like McCain Foods. Some of these threats involve law, politics, trade regulations, and ethics. One risk that McCain should consider is protectionism and nationalism from countries around the world. If McCain wants its business to be able to operate in foreign countries, it needs to make sure that it provides benefits for host countries (more jobs, development of local agriculture, etc.) and doesn't provide issues (dominating local resources and economy, putting other potato farms out of business, etc.). If the cons for the host country outweigh the pros, they may be prosecuted by the government. Another risk McCain should consider is there not being a promising market for their products in these foreign countries. McCain is directly investing a lot of capital to expand globally, so they should ensure that each country they expand to creates value for the business.

2. Drawing from Hofstede's work on global diversity and cultures, what challenges might Canadian managers at McCain face when interacting with their Chinese business colleagues?

Interacting with Chinese colleagues could pose many problems for Canadian managers involving cultural differences. Canada and China actually have many opposing beliefs in Hofstede's cultural dimensions; especially in individualism, time orientation, and power distance. Chinese employees may be frustrated when Canadians stray from the main objectives at

McCain to focus on personal interests. Canadians may be frustrated when Chinese employees come up with strategies for long term advantages that may seem harmful to the business in the present. High ranking members of McCain that are Chinese may be upset when they are addressed casually and aren't given the recognition they are accustomed to. These cultural differences can cause conflict and confusion.

3. Much of McCain's global success seems to be closely tied to the success and efforts of its clients, McDonald's and KFC. Describe another globalization strategy that McCain Foods might have used to expand into China using only its own brand name.

One possible strategy that McCain could have used to enter the Chinese market is franchising. The case stated that China has a well-established agricultural industry with farms that have already grown potatoes for hundreds of years. McCain could take advantage of this and sell the use of its brand name and the creation of its product to these farms for a fee. This strategy is a smaller investment and is less risky than completely expanding to China and opening new plants. It also would allow McCain to evaluate if China has a promising enough market for them to further invest.

4. Identify, through research, the specific "silent language" and cultural values differences between China, India, and Canada that could impact how McCain Foods carries out leadership and other organizational practices in these operations.

The silent languages that India, China, and Canada possess are different and affect organizational behavior between the three nationalities. India and China are known as high context cultures that use non-verbal communication and body language frequently. Chinese people convey their ideas very indirectly and Indians have complicated social etiquettes. Differences in proxemics or personal space can make even simple interactions uncomfortable; Chinese businessmen for example are familiar with leaving little to no personal space in conversations. Frustration may come from differences in the way cultures use time for tasks. Canadians are fairly monochromatic and schedule meetings and events to tackle a task or set of goals, where Indians and Chinese may accomplish several unrelated tasks at once in a less organized fashion. This characteristic in particular may make managing and leading employees from three different cultures very difficult. McCain may have to find a middle ground for most of these characteristics, and find ways to accommodate all cultures as best as possible.

### Work Cited

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