

International HR Issues

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Selecting a Manager for a Nigerian Facility

Victoria Oilfield Equipment is a supplier of drilling equipment for oil and gas exploration. It is headquartered near Houston, Texas. The company has seven offices and warehousing facilities near potential markets for its equipment. Only 30 percent of Victoria's profits come from selling equipment; the rest comes from leasing the equipment. Within the company's leasing operations, half the profit comes from supplying operators for the equipment. Victoria has over 25 years of experience in Texas and Louisiana, and 10 years of experience in several Latin American countries. Most of its customers are large multinational oil companies. However, approximately 20 percent of its contracts are with small, independent exploration companies.

Victoria has just completed construction of a new facility near Port Harcourt, Nigeria—its first venture into Africa. Nigeria is the most populous country in Africa and has one of the fastest growing economies in the world and is the 12th largest oil producer. During the past few years, several armed militant gangs have disrupted life and commerce in the city. These gangs claim to fight for the interest of the indigenous people and ask for a share of Nigeria's oil wealth. However, they are mostly known for random and targeted killings, arson, bombings, and kidnappings of both foreign workers and indigenous people.

The machinery, trucks, and equipment to operate this facility are to arrive within the next three months. You are the assistant human resource officer for Victoria Oilfield Equipment and have been instructed to review the records of the three leading candidates for manager of this new facility. You must recommend one of the three to your boss, the human resources director.

Before you examine the records, you make a list of personnel and political factors that you believe should be taken into consideration:

1. The general criteria for this position are education, experience, job knowledge, desire, and stability.
2. The Nigerian facility will be in the start-up phase.
3. Victoria wants to develop some of its current managers in international operations.
4. Few Nigerians have experience in the technical aspects of drilling for oil, yet Victoria has built its reputation on the expertise of its managers and customer acceptance of its managers as knowledgeable professionals.
5. Although some of Victoria's managers have had experience in Latin America, none have had experience in Africa.
6. Political power within the Nigerian government shifts periodically, and many of those with whom Victoria negotiated its move into Nigeria are no longer in the government.
7. The supply of trained oil-drilling equipment operators in Nigeria is much less than the demand.

The three candidates are:

Henry Smith: Age 34, United States citizen, graduate of Texas A & M, served three years in the Army and then joined Victoria Oilfield Equipment. In his ten years with Victoria, his record has been outstanding, and it is often said that he will be president of Victoria someday. He has never been outside of the United States.

Juan Lopez: Age 46, Venezuelan citizen, has been with Victoria for 21 years and worked his way up in several offices in Latin America. He spent two years in company headquarters planning operations in Latin America and is well respected throughout the company. He currently manages Victoria's facility in Ecuador.

Matthew Ohwueme: Age 52, Nigerian citizen, educated in England, member of the Ibo ethnic group. He is the owner/manager of the largest Honda dealership in Lagos but has had no experience with oilfield equipment.

QUESTIONS

1. Would it be best for Victoria Oilfield Equipment to select a manager who is a local (citizen of Nigeria), a home-country national (citizen of the United States), or a third-country national (citizen of some country other than Nigeria or the United States)? Why?
2. Which of the factors to be considered would favor the selection of Henry Smith? Juan Lopez? Matthew Ohwueme?
3. Which candidate would you recommend? Why?

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