

Internal Assessment Test - I

Sub:	International Human Resource Management					Code:	14MBAHR 409		
Date:	24.04.2017	Duration:	90 mins	Max Marks:	50	Sem:	4	Branch:	MBA

		Marks	OBE	
			CO	RBT
Part A - Write short notes on any two (3*2=6 Marks)				
1 (a)	Define Head-Hunters. Headhunting is recruiting the top management executives, who are highly skilled and resourceful and whose contribution to the organization leads to success or these employees are the competitive advantage of the organization. Those employees who are competitive advantage of some company is offered the fancy designations and high salary package and made to join their company this process is called headhunting. Headhunting can be done via ads,job portals referrals etc.there are three types these are direct,indirect and third party recruitment.	[03]	CO1	L1
(b)	What do you understand by International Recruitment Function? The process of searching for and attracting qualified applicants to create an applicant pool. Begins after an organization's immediate and long-term labour needs are defined.	[03]	CO2	L2
(c)	List out the issues in International staffing. <ul style="list-style-type: none"> • Expatriate selection • Selection criteria • Use of selection tests • Other factors in expat selection 	[03]	CO1	L1
Part B - Answer any two (2*7=14)				
2 (a)	Discuss in brief how you will develop your staff through international assignments? International assignments and their positive/negative effects on the employee and the organization have largely been covered by literature. At the same time, potential employees are attracted to become members of multinational organizations due to the implicit or explicit statement that international assignments are an option.	[07]	CO2	L5

DEVELOPING STAFF THROUGH INTERNATIONAL ASSIGNMENTS

Management Development: Individuals gain experience assisting career progression while MNC gains a pool of experienced IB staff

Organisational Development: Provide a way to accumulate knowledge, skills and ability for future growth.

Individual Development: provide employees with opportunities to enhance their abilities by exposing them to a range of jobs, tasks and challenges.

REPATRIATION ADJUSTMENT

Repatriation: Bringing the expatriate back to the home country

JOB RELATED FACTORS

Career anxiety (No post-assignment guarantee of employment, fear that the period overseas has caused a loss of visibility and isolation, lack of information, changes in the home workplace)

Work adjustment (Employee perceives promotion upon successful repatriation and if not may cause career anxiety)

Coping with new role demands (repatriate may be influenced by the foreign assignment, cultural norms and values when attempting tasks)

Loss of status and pay

SOCIAL FACTORS

Family adjustment (glamorize the life left in foreign country and face inflation and home country seems dull and unexciting)

Social networks (Skype, social media, newspapers to regain keeping up with events in home country)

Effect on partner's career (Negative experience during job search affects the partner's self-worth creating tension in relationship)

KNOWLEDGE TRANSFER

→Any transfer of knowledge and competence occurs and remains in the host location →Performing tasks in host location, expatriates develop skills and gain experience, knowledge and network relationships that can be used upon repatriation →Repatriate knowledge:

- Market specific knowledge
- Personal skills
- Job-related management skills
- Network knowledge
- General management capacity

(b) Discuss reasons for IHRM for going global?

[07]

CO1

L2

"The prospect of entering new markets around the world and selling products or services to new prospects sounds like a great plan. But most companies have not yet evolved their planning past 'make lots of money in new markets' daydreaming and when it comes to their international market strategies, their aspirations deflate."

Going global will:

1. Focus on your customer-

Consumers and business buyers have tremendous power on the Web. They can buy from you today and from your competition tomorrow.

Offering services tailored to local markets by globalizing online information creates a personally and culturally relevant experience, thus strengthening the customer relationship and improving customer satisfaction.

2. Lower your costs-

Taking expense out of both operational processes and customer service will improve your return on investment on Web and global initiatives.

3. Improve collaborative efforts and knowledge management-

The efficient flow of information and knowledge within your company will be a major differentiator between you and less data-savvy competitors.

4. Shorten time to market-

You can use the global Web to get into new markets quickly and establish a strong presence before your competitors do. And if the competition is already there, at least you can set up an offense more quickly than by any other channel.

5. Heighten brand awareness-

Brand is what makes a can of Coca-Cola worth \$1 and a can of Sam's Cola worth only 25 cents. Your brand may be all that separates your company from your competition. Make sure that key world markets know your brand.

6. Beat competitors-

Market exploration, examination, and time response are critical as you face current rivals and meet new ones.

7. Increase revenue and share in global and ethnic markets-

Growth will come from selling to new markets and from reaching new communities in existing ones.

(c) Explain difference between IHRM and Domestic HRM.

[07]

CO3

L3

Domestic HRM	IHRM
<ul style="list-style-type: none"> Employees are within one national boundary. 	<ul style="list-style-type: none"> Employees are from different countries.
<ul style="list-style-type: none"> Routine work pattern. 	<ul style="list-style-type: none"> Needs constant attention on adjustment matters in living conditions and work ethics.

<ul style="list-style-type: none"> • Differences in compensation. 	<ul style="list-style-type: none"> • The compensation package needs to be re-designed.
<ul style="list-style-type: none"> • Communication is normal. 	<ul style="list-style-type: none"> • Language translator may be required for better communication.
<ul style="list-style-type: none"> • No administrative support required. 	<ul style="list-style-type: none"> • Administrative support is required.
<ul style="list-style-type: none"> • Public relations work taken care by employees themselves. 	<ul style="list-style-type: none"> • Administrative support felt necessary to get school admissions for employees children.
<ul style="list-style-type: none"> • Employees may be grouped on one region. 	<ul style="list-style-type: none"> • Employees are categorized as HCN, PCN and TCN.
<ul style="list-style-type: none"> • Locals can take care of themselves in unusual and difficult situations. 	<ul style="list-style-type: none"> • HR department needs to be extra careful of foreign nationals.

Part C - Answer any two (2*10= 20 marks)

3 (a) Explain Models of IHRM in brief?

[10]

CO3

L3

Matching Model :

Highlights the resource aspect of HRM and emphasises the efficient utilisation of human resources to meet organisation a objectives. It also emphasises a ‘right fit’ between organisational strategy, organisational structure and HRM systems.

Harvard Model:

It stresses the ‘human’, soft, aspect of HRM and is more concerned with the employer–employee relationship. It highlights the interests of different stakeholders in the organisation (such as shareholders, management, employee groups, government, community, unions) and how their interests are related to the objectives of management.

Contextual Model:

It is based on the premise that organisations may follow a number of different

pathways in order to achieve the same results. This is so mainly because of the existence of a number of linkages between external environmental context (socio-economic, technological, political-legal and competitive) and internal organisational context (culture, structure, leadership, task technology and business output). These linkages contribute directly to forming the content of an organisation's HRM.

5-P Model:

It melds five human resource activities (philosophies, policies, programmes, practices and processes) with strategic needs. The model shows the interrelatedness of these activities and explains their significance in achieving the organisation's needs.

European Model :

It is based on the argument that European organisations are constrained at both international (European Union) and national level by national culture and legislation. They are also constrained at the organisational level by patterns of ownership and at the HRM level by trade union involvement and consultative arrangements. These constraints need to be accommodated while forming a model of HRM.

(b) Define IHRM? Explain role of culture in IHRM

[10]

CO2

L3

International Human Resource Management (IHRM) as 'concerned with the human resource problems of multinational firms in foreign subsidiaries (such as expatriate management) or more broadly, with the unfolding HRM issues that are associated with the various stages of the internationalisation process.

Role of culture in IHRM

Human Resources (HR) are usually considered as one of the most valuable assets in an organization, but only few organizations generate real benefit out of this resource (Pfeffer, 1998). The resource-based view of the firm poses that superior performance is the result of the proper and timely mix of corporate resources including HR. It follows then that Human Resource Management (IHRM) practices may lead to higher firm performance and act as a source of long-lasting competitive advantage because these practices are usually ambiguous, often unique and difficult to imitate (Wright, Duford & Snell, 2001). However, a growing body of empirical research has found that IHRM practices are not

always a source of sustained competitive advantage unless they are aligned with cultural and other contextual factors arising from the global operating environment of MNCs (Ahmad & Schroeder, 2003). Globalization has accelerated the transfer of not only product and services, but also corporate management practices. The transfer of IHRM practices occurs mostly from developed countries to developing ones (Aycan, 2005). MNCs operating in many countries with different socio-economic and cultural orientations face serious challenges in implementing Western IHRM practices in the developing countries (Jaeger & Kanungo, 1990). Effective implementation of IHRM practices is largely dependant on the extent to which the practices are perceived to be appropriate by managers and their subordinates (Eveg & Eqile, 1993). Therefore, a thorough understanding of the cultural and other contextual elements where IHRM practices are being implemented is required in order to maximize the outcome. Despite the general applicability of IHRM theories, IHRM practices carry a significant amount of local flavors. In any particular nation, IHRM practices will be rooted in the country's historical, political, social and political differences (Tanure & Duarte, 2005). Tayeb (1998) claims that, as opposed to universal aspects, locally meaningful aspects of IHRM are based on employees' work-related values and attitudes. These deep rooted values and attitudes have a strong association with the employees' occupational, cultural and social backgrounds. In other words, these values are rooted in their societies. Due to the deep anchoring of IHRM practices in the historical, political, economic, social and cultural environment of a country, the import or transfer of these practices from developed to the developing countries may produce unexpected results (Tanure and Duarte, 2005). This can be seen in many East European countries, where despite both ownership and management changes in many big firms as a result of economic liberalization in the 1990s, HR practices remained almost unchanged because the legacy of the previous institutional environment continued to play an influential role in the successful operations of these corporations (Taplin & Frege 1999). The relationship between contextual elements, especially culture and organizational practices, has opened several avenues for research investigation. General systems theory, societal effect theory and institutional theory offer useful explanations about the ways in which social and organizational contexts influence IHRM practices in organizations (Jackson & Schuler, 1995). Tayeb (1995) suggested that the „what“ question in IHRM

might be universal, but the „how“ question is definitely culturally specific. Rather than affecting directly, culture has a moderating effect on organizational practices.

(c) Elaborate on Managing alliances & Joint Ventures.

[10]

CO1	L3

Managing alliances

Managing alliances is also known as strategic alliances. A strategic alliance (also see strategic partnership) is an agreement between two or more parties to pursue a set of agreed upon objectives needed while remaining independent organizations. A strategic alliance will usually fall short of a legal partnership entity, agency, or corporate affiliate relationship. Typically, two companies form a strategic alliance when each possesses one or more business assets or have expertise that will help the other by enhancing their businesses. Strategic alliances can develop in outsourcing relationships where the parties desire to achieve long-term win-win benefits and innovation based on mutually desired outcomes.

This form of cooperation lies between mergers and acquisitions and organic growth. Strategic alliances occurs when two or more organizations join together to pursue mutual benefits.

Partners may provide the strategic alliance with resources such as products, distribution channels, manufacturing capability, project funding, capital equipment, knowledge, expertise, or intellectual property. The alliance is a cooperation or collaboration which aims for a synergy where each partner hopes that the benefits from the alliance will be greater than those from individual efforts. The alliance often involves technology transfer (access to knowledge and expertise), economic specialization,[1] shared expenses and shared risk

Joint ventures

A joint venture (JV) is a business arrangement in which two or more parties agree to pool their resources for the purpose of accomplishing a specific task. This task can be a new project or any other business activity. In a joint venture (JV), each of the participants is responsible for profits, losses and costs associated with it. However, the venture is its own entity, separate and apart from the participants' other business interests.

New firm formed to achieve specific objectives of a partnership like temporary arrangement between two or more firms. JVs are advantageous as a risk reducing mechanism in new-market penetration, and in pooling of resource for large projects. They, however, present unique problems in equity ownership, operational control, and distribution of profits (or losses). Research indicates that two out of five JV arrangements last less than four years, and are dissolved in acrimony.

A joint venture is a business enterprise undertaken by two or more persons or organizations to share the expense and (hopefully) profit of a particular business project. A joint venture is not a business organization in the sense of a proprietorship, partnership, or corporation. It is an agreement between parties for a particular purpose and usually a defined timeframe. Joint ventures may be very informal, such as a handshake and an agreement for two firms to share a booth at a trade show. Other arrangements may be extremely complex, such as a consortium of major electronics firms joining to develop new microchips. The key factor in a joint venture partnership is its single, definable objective. Joint ventures have grown in popularity in recent years, despite the relatively high failure rate of such efforts for one reason or another. Creative small business owners have been able to use this business strategy to good advantage over the years, although the practice remains one primarily associated with larger corporations.

Most joint ventures are formed for the ultimate purpose of saving money. This is as true of small neighborhood stores that agree to advertise jointly in the weekly paper as it is of international oil companies that agree to work together for purposes of oil and gas exploration or extraction. Joint ventures are attractive because they enable companies to share both risks and costs

Part D - Compulsory (1*10=10/2*5=10 marks)

- 4 (a) Imagine you are the about to be sent as the HR Director of a Subsidiary in one of the countries, Compare HRM policies and Practices Prevalent in Your home country with those in the country you are going to, and discuss the main challenges you might face. (10)

The different challenges and different practices and policies faced by employees in host country,

First, the number of their employees abroad has increased. With more employees abroad, HR departments have had to tackle new global challenges. Three broad global HR challenges that have emerged are as follows:

1 • Deployment. Getting the right skills to where they are needed in the organization regardless of geographical location.

- Knowledge and innovation dissemination. Spreading state-of-the art knowledge and practices throughout the organization regardless of where they originate.

- Identifying and developing talent on a global basis. Identifying who has the ability to function effectively in a global organization and developing these abilities.

2 Dealing with such challenges means that most employers have had to develop HR policies and procedures just for handling global assignments. From a practical point of view, one has to address issues such as:

1. Candidate identification, assessment, and selection. In addition to the required technical and business skills, key traits to consider for global assignments include, for instance: cultural sensitivity, interpersonal skills, and flexibility.

2. Cost projections. The average cost of sending an employee and family on an overseas assignment is reportedly between three and five times the employee's pre-departure salary; as a result, quantifying total costs for a global assignment and deciding whether to use an expatriate or a local employee are essential in the budgeting process.

3. Assignment letters. The assignee's specific job requirements and associated pay will have to be documented and formally communicated in an assignment letter.

4. Compensation, benefits, and tax programs. There are many ways in which to compensate employees who are transferred abroad, given the vast differences in living expenses around the world.

Course Outcomes		PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
CO1:										
CO2:										
CO3:										
CO4:										
CO5:										
CO6:										

Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

PO1 - *Engineering knowledge*; PO2 - *Problem analysis*; PO3 - *Design/development of solutions*; PO4 - *Conduct investigations of complex problems*; PO5 - *Modern tool usage*; PO6 - *The Engineer and society*; PO7- *Environment and sustainability*; PO8 - *Ethics*; PO9 - *Individual and team work*; PO10 - *Communication*; PO11 - *Project management and finance*; PO12 - *Life-long learning*