



PG – 798

IV Semester M.B.A. Degree Examination, July/August 2014  
(2007 – 08 Scheme)

MANAGEMENT

H-6 : International Human Resources Management

Time : 3 Hours

Max. Marks : 75

- Instructions :** 1) Answer all Sections.  
2) Section D is compulsory.

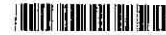
SECTION – A

1. Answer any six questions. Each question carries 2 marks. (6×2=12)
- a) Define IHRM.
  - b) What is poly-centric approach to recruitment ?
  - c) What is cultural shock ?
  - d) What is HRIS ?
  - e) What is virtual organisation ?
  - f) Name any two principles of TQM.
  - g) What is cultural pluralism ?
  - h) What is performance management system ?

SECTION – B

- Answer any three questions. Each question carries eight marks. (3×8=24)
- 2. Explain briefly the IHRM model.
  - 3. Briefly explain the factors in Expatriate selection.
  - 4. Distinguish between traditional and virtual organisation.

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5. State the merits and limitations of HRIS.
6. State the benefits and drawbacks of cross-cultural training.

#### SECTION – C

Answer **any two** of the following questions. **Each** question carries **12** marks.

(2×12=24)

7. Distinguish between DHRM and IHRM.
8. Discuss the internal and external factors influencing human resources of countries in IHRM.
9. Discuss the various approaches to expatriate compensation.

#### SECTION – D

10. Read the following case and answer the questions given at the end of the case.

(1×15=15)

#### **CEOs Salary and Inequity**

An issue there for two decades or more. Five years before Mr. Ahluwalia stumbled upon the debate in the United States, Merrill Lynch, Lucent Technologies, Citigroup, and AT and T axed over 91,000 workers between them. The same year, their four CEOs took home more than \$130 million in pay. (Plus more millions in stock options and other sops). Lucent Technologies in fact (as the New York Daily News pointed out) reported a \$17 billion loss and sacked 56,000 workers. Then it gave its CEO a \$22 million payoff.

Management guru Tom Peters long ago suggested that CEOs be called CDOs : that is, chief destruction officers. Because "you essentially get paid for blowing up your own business before the competition does".

In India, the ILO reports that labour productivity shot up 84 per cent between 1990 and 2002. But real wages in manufacturing fell 22 per cent in the same period. It sees this as "as indication of deterioration in the incomes and livelihoods of workers. Despite the increasing efficiency of their labour." This was also a period when CEO salaries had begun clocking all-time records. Even now, top-end compensations in India are growing much faster than in the U.S.

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As one writer puts it : “expressed as a percentage of profits, Indian company heads are far above their global counterparts ... For every Rs. 1 crore earned as profit, the Indian CEOs take home Rs. 16,800.” Global CEOs take home Rs. 9,900.

Government cannot legislate CEO salaries but they do legislate low-end wages. About the one thing Tony Blair can look back on without shame is his government's minimum wage law. The Guardian points out that as a result of it, “Britain's lowest-paid workers enjoyed a higher improvement in their standard of living since 2003 than those in any of the European country.”

Over five years ago, Paul Krugman, in a devastating piece on inequality in the U.S., found it obscene when a CEO there earned a thousand times what an ordinary worker did. What about us ? Presently, the average package of the top five Indian CEOs is around Rs. 13.5 crore. The lowest paid workers in their own companies would earn 15,000 – 20,000 times less. If we compare these top incomes to those of agricultural worker, the gap would be 32,000 : 1 or worse.

Dr. Krugman argued that it was not simply economic well-being that such levels of inequality threatened. It was democracy itself. In Dr. Krugman's own nation, long ago, Justice Louis Brandeis said the same thing : “We can have concentrated wealth in the hands of a few or we can have democracy, but we cannot have both.”

**Answer the case questions :**

- 1) Explain why Tom Peters suggests calling CEOs as CDO's.
- 2) What role can the government play in regulating salary payouts ?
- 3) In the case let, how is salary inequality compared with 'democracy' ?