



PG – 884

IV Semester M.B.A. Degree Examination, July 2017  
(CBCS Scheme)  
MANAGEMENT  
4.4.2 : International Human Resource Management

Time : 3 Hours

Max. Marks : 70

**Instruction:** Answer all Section.

## SECTION – A

Answer any five questions, each carries 5 marks.

(5×5=25)

1. Discuss Human Resource Planning in international context.
2. Explain in detail the process of repatriation and the challenges in repatriation.
3. Distinguish between traditional and virtual organizations.
4. Knowledge management in MNCs is a planned exercise. Discuss.
5. Elucidate the roles of the international HR Manager.
6. Bring out the role of international education in IHRM.
7. Write short notes on :
  - a) Expatriate
  - b) Knowledge transfer
  - c) Diversity.

## SECTION – B

Answer any three questions.

(10×3=30)

8. Explain in detail on the training and development of expatriates. How do you manage cultural differences while acquiring new employees ?

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9. Discuss in detail the components, objectives and methods of international compensation and also the challenges in taxation decisions.
10. Discuss on the barriers and approaches to TQHRM. Compare and contrast TQHRM with traditional HRM.
11. Discuss on the process of conflict management while managing an international workforce. Explain with an example of Japan and China.

### SECTION – C

12. Case study :

**Compulsory Question :**

**(15x1=15)**

#### **Compensation Problems with a Global Workforce**

Expanding the international workforce to include non-US employees has brought increased capabilities and decreased costs – along with a new set of compensation problems. For example, the director of international HR for a large multinational company, faced just such a dilemma. "It seems as though our international compensation program has gotten out of hand. I have US expatriates, third-country nationals and inpatriates yelling at me about their allowances. [In addition] headquarters is yelling at me because the costs are too high. Quite frankly, I can't seem to get any answers from our consultant and no one else in the industry seems to know how to approach the problem." This San José-based multinational has forty US expatriates working as field engineers and marketing managers in fourteen countries. But it also has foreign national employees from the Philippines, Japan and Bolivia working alongside the US employees in eight locations worldwide. And finally, it has foreign nationals from Thailand and the Philippines working with US nationals at the organization's San José, California, headquarters. In all cases, it is the firm's policy to send such employees out on foreign assignments for less than five years and then return them to their home countries. An example of the type of complaints that were being received from the expats involves the following problem concerning inpatriate employees working at the San José headquarters. The firm has a field engineer from the Philippines who's earning the equivalent of US\$25,000 in Manila. It has another field engineer from Thailand who's earning the equivalent of US\$30,000 in Bangkok. And they've both been relocated to the San José facility and are working side by side with American field engineers who earn \$60,000 for the same job. Not only do they work side by side, but they live near

each other, shop at the same stores and eat at the same restaurants. The problem the IHR director has is that he's spending a lot of money on cost-of-living adjustment data for expats from two different home countries, both going to San José and yet their current standard of living is the same and the same as that of their local peers. They're angry because their allowances don't reflect how they live in San José. Their allowances also don't reflect how they lived in their home countries, either. "So what we have are two employees, one earning \$ 25,000 and the other earning \$30,000 (plus cost-of-living adjustments), working and living side by side with US counterparts who are earning \$60,000. The solution that most companies have tried is to simply raise the foreign nationals' salaries to the \$60,000 US level, thereby creating a host-country pay system for a home-country employee." Unfortunately, there's nothing more pathetic than the tears of your foreign nationals when it's time to return home and you have to tell them you're cutting their salary to the pre-US assignment level. What you . . . are looking for is a pay system that will compensate your foreign nationals either by pay or by provided benefits [including, e. g., housing and local transportation], in consistent, fair and equitable manner and will allow you to repatriate them with minimal trauma."

Answer the below questions :

- 1) What are the compensation problems identified in the above case ?
  - 2) Suggest the strategies where the global companies can manage their compensation plans without hurting employee's morale.
  - 3) With all the challenges and compensation strategies, are expatriates satisfied to work in foreign assignments. Discuss.
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