

Prof. Tanu Sharma

JAYPEE UNIVERSITY OF INFORMATRION TECHNOLOGY, WAKNAGHAT
END SEMESTER EXAMINATION-2015
B.Tech VIII Semester (all branches)

COURSE CODE: 14B1WHS 832
COURSE NAME: International Human Resource Management
COURSE CREDITS: 03

MAX. MARKS: 45

MAX. TIME: 3 HRS

Note: All questions are compulsory. Carrying of mobile phone during examinations will be treated as case of unfair means.

Section A (8 Marks)

1. What are the factors driving Standardization in a globalized firm.
2. How have trade unions responded to MNE's in UK?
3. Importance of including hard and soft goals when assessing managerial performance?
4. Why might a company adopt a hybrid strategy over an ethnocentric approach?
5. Japan has a homogeneous culture and the society is characterized by a strong sense of group and community. Your view on this.
6. Why do some MNEs appear reluctant to provide basic pre-departure training?
7. What are the determinants of the balance of standardization and localization in human resource management in MNEs?
8. Reasons for the low level of unionization in America.

Section B (15 Marks)

Q9. Read the given case, **Japan's Canon Uses Incentives Compensation**, and answer the following questions.

As multinational firms open more operations in more countries, they must make basic decisions about what structure they want for their compensation system in each country. Trying to use a centralized system everywhere can cause problems in countries that may utilize different compensation system. And, yet trying to localize the compensation system may also run up against cultural assumptions about what might or might not work.

At the end of 1995, Canon ranked 43rd in market value on the Tokyo stock exchange. By the end of 2001 it had shot up to 8th. Canon's performance is driven by a competitive company culture that sets it apart in Japan. Canon has long based compensation company culture that sets it apart in Japan. Canon has long based compensation on performance instead of seniority, creating significant wage differentials, greater than at other Japanese companies. In March 2002, 21 of its best assembly workers were each awarded a

bonus and the title “Meister”. This clearly goes against the traditional Japanese culture of group performance and recognition and seniority based pay.

Canon’s R&D also runs on competitive principles. Cash-flow management reduces development time and cost. Unprofitable products are cut mercilessly. Patents protect newly developed technology. Researchers can receive unlimited rewards for big patents, and such incentives have spurred epoch-making products like the laser beam printer and bubble jet printer.

CEO Fujio Mitarai says, “Canon works on competitive principles. It does not treat people equally-but it does treat them fairly.” Canon has adopted decidedly non-Japanese incentive schemes to support its successful global competitiveness. Clearly, MNEs must assess carefully what will work best where.

Questions:

- a) Do you perceive any constraints on the use of different forms of compensation, such as bonuses or incentive compensation schemes? What would these constraints be and why? (5)
- b) What would you have predicted for the acceptance or rejection of the incentive compensation scheme at Canon in Japan? (5)
- c) From an organizational strategic perspective, does it make sense to implement a centralized and standardized compensation system globally? (5)

Section C (22 Marks)

Q10. Imagine you are about to be sent as the HR director of a subsidiary located in Middle east (Oman). Compare the HRM policies and practices prevalent in your home country with those of Middle East, and discuss the main challenges you might face if you wish to manage your employee here in the way things are done in your Country. (5)

Q11. Discuss the major factors associated with appraisal of expatriate managerial performance. Why is it important to include hard, soft and contextual goals when assessing managerial performance? (5)

Q12. Some researchers talk about “reverse cultural shock” experienced by foreign assignees on their return home at the end of a spell of expatriation. What do you think reverse culture shock mean and how can it be avoided or reduced? (4)

Q13. In what ways can trade unions constrain the strategic choices of multinationals? (4)

Q14. How does a subsidiary’s role affect its ability to transfer ideas and work practices to other parts of the global network? What is the impact of the resources controlled by the respective affiliate? (4)