



PG – 701

III Semester M.I.B. Degree Examination, December 2016
(Semester Scheme) (Repeaters)
INTERNATIONAL BUSINESS
Paper – 3.3 : International Human Resource Management

Time : 3 Hours

Max. Marks : 80

Instruction : Answer all Sections.

SECTION – A

1. Answer **any ten** questions. Give the meaning/definitions. **(10×2=20)**
- a) Globalization
 - b) Multinational company
 - c) Expatriate
 - d) Ethnocentric
 - e) Parent Country National (PCN)
 - f) Types of expatriate assignments
 - g) Expat Failure Rate
 - h) Visit of expatriate and his family to the foreign country before permanently moving there
 - i) Unique features of compensation for expat employees
 - j) Pre-departure Training
 - k) Trade Unions in India
 - l) Challenge of dual-career couples in sending a expat on a foreign assignment.

SECTION – B

Answer **any 3** questions : **(3×5=15)**

2. Why did globalization take place ? How did it benefit the various countries ?
What was its impact in India ?
3. What are the criteria that need to be kept in mind while selecting an expat for a foreign assignment ? Discuss any one model used to select the best candidate for foreign assignments.

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4. Use Geert Hofstede model to discuss any one country's cultural dimensions of power distance, uncertainty avoidance, individualism and masculinity.
5. What is pre-departure training ? What all does it include ? Why is it important for expats ?
6. Why is it alright to pay people in two different countries who are doing the same job, different salaries ?

SECTION – C

Answer **any 2** questions.**(2×15=30)**

7. What is Expat Failure Rate (EFR) ? What are the causes for high levels of EFR ? How can EFR be managed such that expats are successfully settled in the foreign role ?
8. Discuss Ethnocentric, Polycentric and Geocentric staffing strategies that multinational companies adopt while setting up a new unit in a host country. Give the advantages and disadvantages of each strategy.
9. Compensation for expatriates can be done using the 'going rate approach' or the 'global salary system'. Discuss both approaches and the advantages and disadvantages of each.
10. What is repatriation ? What are the challenges that returning expats face ? How can repatriation be managed ?

SECTION – D (Compulsory)

(1×15=15)**Case study :** Waiting in New Delhi.

Richard was a 30 year old American sent by his Chicago based company to set up a buying office in India. The new office's main mission was to source large quantities of consumer goods in India : cotton garments, accessories and shoes as well as industrial products such as tent fabric and cast iron components.

India's Ministry of Foreign Trade (MFT) had invited Richard's company to open this buying office because they knew it would promote exports, bring in badly needed foreign exchange and provide manufacturing know-how to Indian factories.

This was in fact the first international sourcing office of Richard's company to be located anywhere in South Asia. The MFT wanted it to succeed so that other Western and Japanese companies could be persuaded to establish similar procurement offices.



The expatriate manager decided to set up the office in the capital, New Delhi, because he knew he would have to meet frequently with senior government officials. Since the Indian government closely regulated all trade and industry, Richard often found it necessary to help his suppliers to obtain import licences for the semi-manufacturers and components they required to produce the finished goods his company has ordered.

Richard found these government meetings frustrating. Even though he always phoned to make firm appointments, the bureaucrats usually kept him waiting for hours before they met with him. Not only that, meetings would be continuously interrupted by phone calls and unannounced visitors as well as by clerks bringing in stacks of letters and documents to be signed. Because of all the waiting and the constant interruptions it regularly took him half a day or more to accomplish something that could have been done back home in 20 minutes.

Three months into this assignment Richard began to think about requesting a transfer to a different part of the world – “somewhere where things work”. He just could not understand why the Indian officials were being so rude. Why did they keep him waiting? Why didn't the bureaucrats hold their incoming calls and sign those papers after the meeting to avoid the constant interruptions?

After all, the Government of India had actually invited his company to open this buying office. So didn't he have the right to expect reasonably courteous treatment from the officials in the various ministries and agencies he had to deal with?

Discuss what IHRM actions this company must take for their expatriates –

1. Suggest recruitment and selection procedure for selecting expatriates that this company must use.
 2. Recommend a good pre-departure training for the expatriates in this company.
 3. Design a cross-cultural training program for Richard that this company could have done for him before he came to India.
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