

Eastern University, Sri Lanka
Faculty of Commerce & Management
Final Year Second Semester Examination in Bachelor of Business Administration
(Specialization in Human Resource Management)
2017/18 (June/July 2020)
(Proper/Repeat)

HRM 4063 International Human Resource Management

Answer all (five) Questions

Time: Three Hours

Q1. Read the case study and answer the questions given below.

International Human Resource Management Practices of Rajesh Software Limited

Rajesh Software Limited is a fast growing software company in India. It defines, designs and delivers technology enabled business solutions to its clients. It has a global presence through strategic alliance with leading technology providers located in different parts of the world. In fact, it conducts its global operations through its 22 overseas offices located in countries like USA, UK, Australia, China, Poland, South Africa, Philippines and Argentina.

The company has 15,000 employees of which 3200 are expatriates on an international assignment at any point of time. It has an international HR division as part of the well-developed HR department to prepare expatriate and repatriate the employees linked to foreign assignments. The HR department of this company is managed by Mr. Pranav Kumar, director (HR). The International Human Resource (IHR) division, headed by AGM (IHR) Mr. Srinivas, is responsible for identifying, training, orienting and compensating the expatriate employees. It is also responsible for evaluating the performance of the expatriates on overseas mission. Since Rajesh Software gets a sizable portion of its income from overseas operation, it has spent a considerable amount of time and resources to develop a global HR system. Yet, the international division of this company faces few specific problems like high employee attrition among expatriates and high cost of maintaining them on international assignments.

The employee satisfaction survey conducted among the expatriates revealed employee dissatisfaction over performance evaluation and pay differentiation. Some of the expatriates complained that the IHR division was ignoring the dissimilarity in the expatriate assignments and foreign situation while evaluating the performance of the expatriate employees in the same positions posted to different countries. As such, the international performance management tools have failed to recognize the country or region specific difficulties in job performance.

Another major problem associated with the expatriate assignment is the high cost of maintaining expatriates on overseas jobs. Rajesh Software estimated that the cost of expatriates sent from the parent country is usually far greater than the cost of using local employees. The management also felt that the expatriates often overemphasized short-term results rather than the necessary long term results since they were aware that they would be working in the foreign assignment only for a few years.

The management sought the view of the HR department about the expatriate problems and instructed it to develop strategies to surmount them. The HR department forwarded the letter to the IHR division for its views and responses. Mr. Srinivas, in his reply, defended both the performance evaluation system for expatriates and the practice of deputing parent country employees. Regarding performance evaluation, he maintained that a cross section of employees, including expatriates, was consulted while designing the international performance standards and evaluation techniques. Thus, the international performance management system was objective and comprehensive. As regards the high cost associated with expatriate employees, he wanted the present system for filling managerial vacancies. According to him, the expatriate system enabled the company to have a better and direct control over the foreign branches. When his response was placed before the management, there was a sense of disappointment among the top managers. This was because the response from the HR division was lacking of any concrete solution. Understandably, the management was seriously pondering its next move.

Case Study Questions

- a) Briefly describe the **suggestions** about the response of the IHR division to the queries raised by the management. (05 Marks)
- b) What should the **management do now** to address the problems of high attrition and cost in international operations? (05 Marks)
- c) If you are the Chief of the Rajesh Software Ltd, how would you **handle the whole situation**? (07 Marks)

(Total 17 Marks)

- Q2. a) What are **Parent Country Nationals (PCNs)**? List out three (03) **advantages** and three (03) **disadvantages** of PCNs. (06 Marks)
- b) Define **International Human Resource Management (IHRM)**. What are the four (04) major **differences** between International Human Resource Management (IHRM) and Domestic Human Resource Management (DHRM)? (06 Marks)
- c) Briefly discuss two (02) **managerial issues** and two (02) **socio cultural issues** that are faced by International Human Resource Manager in Multinational Corporations (MNCs). (07 Marks)
- (Total 19 Marks)**

- Q3. a) What is the basic **assumption** of ethnocentric approach? How **ethnocentric approach** would be used by the Multinational Enterprises in the process of recruitment and selection? (06 Marks)
- b) Briefly explain **wider nationality** involved in International Human Resource Management. (04 Marks)
- c) Discuss the five (05) major **challenges** that can be faced by Human Resource Manager in the International recruitment and selection process. (05 Marks)
- d) What is **cross-cultural training**? How **cross cultural training programme** would be conducted by HR manager to make the **foreign assignment** of the employees in Multinational companies? (06 Marks)
- (Total 21 Marks)**

- Q4. a) **Who** should appraise the performance of the employees in Transnational Corporation (TNC)? Briefly describe two (02) major **problems of performance appraisal** in TNC. (06 Marks)
- b) List out five (05) **competencies** of International Human Resource Manager (IHRM). Why some unique competencies are **important** for IHRM? (06 Marks)

c) What is **Workforce Diversity Management**? Briefly elaborate why Multinational companies should **manage** workforce diversity. (06 Marks)

d) Briefly describe three (03) **reasons** for the failure of expatriates in foreign employment Multinational companies. (06 Marks)

(Total 24 Marks)

Q5. a) What is **Global mind-set**? How global mind-set of the employees can be facilitated to **interact with the managers and stakeholders of MNC** in foreign countries? (06 Marks)

b) "Performance appraisal of the foreign employees should consider the role rather than task. Discuss this statement with elements of **role aspects of performance**." (07 Marks)

c) Point out the four (04) **approaches** of International business. Briefly explain how **geocentric approach** can be helpful to conduct the international business in foreign countries. (06 Marks)

(Total 19 Marks)