

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER-IV • EXAMINATION-SUMMER • 2015

Subject Code: 840302

Date: 13-05-2015

Subject Name: International Human Resource Management (IHRM)

Time: 10.30 am - 13.30 pm

Total Marks: 70

Instructions:

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) What is International HRM? What are the issues involved in it? **07**
(b) Define Expatriate. Enumerate Advantages & Disadvantages of PCN, TCN & HCN. **07**
- Q.2** (a) Define Repatriation. Explain its process in detail. **07**
(b) What is the philosophy of International Staffing? Explain approaches to International staffing **07**
- OR**
- (b) What is pre-departure training? List out the components of effective pre departure training program. **07**
- Q.3** (a) What is international Compensation? Explain the Approaches to International Compensation and its advantages – disadvantages **07**
(b) What is international assignment? Elaborate it's types. Explain what factors influences virtual assignments. **07**
- OR**
- Q.3** (a) What is Brownfield? Explain the factors influencing standardization of work practices. **07**
(b) Define Trade Union. What are the key issues in International Industrial Relations? **07**
- Q.4** (a) Define Performance Management. What criteria are used for performance appraisal of international employee? **07**
(b) What is non-expatriates? Which are the problems faces by them on their International visit? Describe their stress factors. **07**
- OR**
- Q.4** (a) What is international business? Explain stages of internationalization in detail. **07**
(b) Define Culture. Explain Hofstede model on culture and workplace. **07**

Read the case carefully and analyze in IHRM context:

In case the of Asian Paints, with 51% acquisitions of Singapore company Berger International in 2002, Vice Chairman & MD Dani says he was clear that his company will be choosy in its operations and not necessarily operate all the ten subsidiaries of Berger. In the four years since acquisitions, Asian Paints has sold three subsidiaries (in Malta, Philippines and Myanmar), Dani's motive is clear: to be present only in emerging markets and in markets that generate cash flows. "Surely, culture issues play an important role in an acquisition. To handle this carefully, we spent time with the employees and worked as the team to thrash out the synergies such that the acquisition creates value", says Dani.

Critical size helps you spread your fixed cost. At the same time, one must always be prepared for making course corrections on the way. We exited out of our ventures in Martius and Malta because after operating for while, we

found out that the growth of the paint market as well as the economy was stagnating. So, we took our call and I feel companies should always be prepared to make such decisions: but what counts in today's age is the speed of integration, opines Dani.

One of the most essential learning from the acquisitions was realizing the importance of local knowledge. When the companies went abroad they realized that it was whole new ball games; the market dynamics were all together different. They have to align their products and customer offerings to cater to each individual market. Along with local understanding, comes the core issue of localization of talent and the need to develop a strong local cadre. A local workforce brings with it a better understanding of market, operating environment and customer preferences. The greatest challenge for Indian MNCs lies in the area of attracting and acquiring local talent for their overseas ventures. As Indian companies globalize, they have to acquire size and market share to stay afloat.

The process of integration follows an acquisition, but what counts in today's age is the speed of integration and how you are able to share organizational best practices within different units. Along with technology and intellectual integration, emotional integration is also critical, because in the end, one need to realize that while there are brands, there are also customers and there are employees.

Take for example `Asian Paints. For its international operations, Asian Paints accomplished the process of clearing apprehensions about acquisitions through its various connect initiatives, where communication played a key role, followed by effective as any world class entity. Asian Paints has implemented ERP across its units to make the transaction process more robust. It has flown in the people on special assignments, wherever any unit had any concern area, be it pertaining to supply chains, marketing or any other function. It has recently rolled out a mega operational efficiency initiative which focuses on issues like productivity, safety, environment, reducing factory level losses, planning and control systems, thus adding value to its acquired operations.

Q.5(a) How did Asian Paints handle cultural issues in the acquired companies?
What is its essential learning from the acquisitions? 07

Q.5(b) What steps did Asian Paints take in the process of integration following the acquisitions? 07

OR

In the 1970s and 1980s, a major element of the cold war was the dark threat of the Soviet Union's massive fleet of missile-launching submarines. Although U.S. submarines were far outnumbered, they maintained the competitive edge through superior technology. The U.S. had developed a method for manufacturing submarine propellers so that the sub would run so quietly that detection was very difficult. Thus, US subs cannot monitor and track Soviet subs without being detected themselves.

The U.S. had sub-contracted part of the manufacturing technology to the Toshiba Machine Company of Japan which, in turn, sold it illegally to the Soviets for \$17 million. The sale involved eight nine-axis numerically controlled milling machines which were installed at Leningrad's Baltic Shipyard in 1983 and 1984. With this new technology, Russia could now produce a submarine propeller that would be more difficult to detect. The new propellers reduced the detection range from 200 miles to 10 miles. The sale by Toshiba of this secret technology ended the technological advantage that the U.S. Congress passed a bill to exclude imports of Toshiba products and hold the firm liable for damages amounting to \$30 billion. The U.S. army cancelled an agreement to purchase Toshiba guided-missile technology and terminated negotiations to buy personal computers from Toshiba. Many other orders with U.S firms were lost by Toshiba.

Meanwhile, in Japan, the chairman and the president of Toshiba resigned. The Japanese Cabinet amended the Foreign Exchange and Foreign Trade Council Law to increase coordinating Committee for Multilateral Export Controls (COCOM). The Japanese government also banned Toshiba from exporting to Communist countries for one year. However, heavy the penalties levied against Toshiba, the loss of the U.S. technology had far-reaching implications in the arena of world trade. It is another example of the risk that firms, or countries, taken when allowing foreign organizations access to their technology. For Toshiba, it has been, narrow margins, and innovative technology- to enlarge its share of the US market.

Q.5(a) Violation of international agreements leads to political risks". Comment on this statement with reference to the Toshiba case. **07**

Q.5(b) How did the Japanese government view the violations of Toshiba international trade? What steps did Japan take to mitigate the damage caused by Toshiba? **07**
