



International Human Resource Management
School of Business Management

Course File Index

S.No.	Item Description	Page Number
1	Course Information Sheet	3
2	Syllabus	4
3	Text Books, Reference Book, Web/Other Resources	4
4	Programme Educational Objectives(PEO's), Programme Outcomes(PO's)	5
5	Bloom's Taxonomy	6
6	Course Outcomes	7
7	Course Shedule	8
8	Lecture Plan	9-10
8	Minutes of Course Review Meeting	11
9	Unit Wise Questions	12-14
10	Model Question Papers	15-16
11	Tutorial Sheet	17
12	Course Assessment Report	19
13	Direct Assessment Sheet	20
14	Indirect Course Assessment Sheet	22
15	Add-ons (Activities,cases,ppts)	23
16	Case Studies	25
16	Classroom Activites	29

ANURAG GROUP OF INSTITUTIONS

SCHOOL OF BUSINESS MANAGEMENT

COURSE FILE

2018-19

Course Name: **INTERNATIONAL HUMAN RESOURCE MANAGEMENT**

Course Number : **A93008H**

Credits : 4

II MBA – II Semester

(2019-20)

Course Coordinator:

Dr.Syed Mansoor Pasha

Name of Faculty	Academic Year/Regulation	Section
Dr.Syed Mansoor Pasha	R18	A & B

Syllabus

Unit – I	Introduction to IHRM: Definition, The drivers of internationalization of business.The different setting of International Human Resource Management.Development of IHRM.Difference between IHRM and Domestic HRM. Culture and employee management issues/ impact of Country culture on IHRM
Unit – II	International Expansion Strategies: Linking HR to International Expansion Strategies, Socio-cultural context, Culture and Employee Management Issues ,Responding to Diversity, Challenges of Localization, Global Integration.
Unit – III	Managing International Workforce : Mastering Expatriation, Institutional & Structural Context-Managing Alliances and Joint ventures, HR challenges in Cross Border Integrations.
Unit – IV	Acquisition& Performance Appraisal of International Workforce: Legal issues in global workforce management, Staffing in International context, Appraisal of Expatriate, Third and Host country employees, Issues in International Performance Management, International Training.
Unit – V	International Compensation:- Approaches, Composition, Social Security Systems Across Countries, Emerging Issues, International Labour Relations, HRM Practices In Different Countries practices Across The Countries, Emerging Issues In Compensation Management.

Text Books:

1. Dowling, P.J. and Welch, D. E. International Human Resources Management.4th ed. Cengage Learning. (1999)
2. Ashwathappa, K. and Dash, S. International HRM. Tata Mc.Graw – Hill Publishing Company Limited (2008)

References

1. SubbaRao, P. International Human Resource Management. Himalaya Publishing House (2009) 1st Ed.
2. Rao, P. L. International Human Resource Management. Excel Books, (2008)

3. Marquardt, M. & Engel, D., Global Human Resource Development, Prentice Hill, (1993)P.L Rao ,International Human Resource Management: Text and cases,excel books india,2008
4. K.Ashwathappa and sadhnadash,international Human resource management,Mcgraw hill

Program Outcomes

The learning outcomes specify the knowledge, skills, values and attitudes students are expected to attain in courses or in a program.

1. ***Business Environment and Domain Knowledge***: Graduates are able to improve their awareness and knowledge about functioning of local and global business environment and society.
2. ***Critical thinking, Business Analysis, Problem Solving and Innovative Solutions***: Graduates are expected to develop skills on analysing the business data, application of relevant analysis, and problem solving in other functional areas such as marketing, business strategy and human resources.
3. ***Global Exposure and Cross-Cultural Understanding***: Demonstrate a global outlook with the ability to identify aspects of the global business and Cross Cultural Understanding.
4. ***Social Responsiveness and Ethics***: Graduates are expected to identify the contemporary social problems, exploring the opportunities for social entrepreneurship, designing business solutions and demonstrate ethical standards in organizational decision making.
5. ***Effective Communication***: Graduates are expected to develop effective oral and written communication especially in business applications, with the use of appropriate technology.
6. ***Leadership and Teamwork***: Graduates are expected to collaborate and lead teams across organizational boundaries and demonstrate leadership qualities, maximize the usage of diverse skills of team members in the related context.

Program Educational objectives

1. To impart the fundamentals of the key elements of a business organization.
2. To provide a critical perspective on theoretical knowledge and practical approach to various functional areas of management and decision making.
3. To develop analytical skills to identify the link between the management practices in the functional areas of an organization and business environment.
4. To establish and realize a creative research culture among the student community.
5. To provide insights into latest technology, business communication, management concepts and to build team work and leadership skills among them.
6. To inculcate the habit of inquisitiveness and creativeness aimed at self actualization and realization of ethical practices.

Blooms Taxonomy

Definitio	I. Remembering	II.	III. Applying	IV. Analyzing	V. Evaluating	VI. Creating
Verbs	<ul style="list-style-type: none"> • Choose • Define • Find • How • Label • List • Match • Name • Omit • Recall • Relate • Select • Show • Spell • Tell • What • When • Where • Which • Who • Why 	<ul style="list-style-type: none"> • Classify • Compare • Contrast • Demonstra te • Explain • Extend • Illustrate • Infer • Interpret • Outline • Relate • Rephrase • Show • Summarize • Translate 	<ul style="list-style-type: none"> • Apply • Build • Choose • Construct • Develop • Experiment with • Identify • Interview • Make use of • Model • Organize • Plan • Select • Solve • Utilize 	<ul style="list-style-type: none"> • Analyze • Assume • Categorize • Classify • Compare • Conclusion • Contrast • Discover • Dissect • Distinguish • Divide • Examine • Function • Inference • Inspect • List • Motive • Relationships • Simplify • Survey • Take part in • Test for • Theme 	<ul style="list-style-type: none"> • Agree • Appraise • Assess • Award • Choose • Compare • Conclude • Criteria • Criticize • Decide • Deduct • Defend • Determine • Disprove • Estimate • Evaluate • Explain • Importance • Influence • Interpret • Judge • Justify • Mark • Measure 	<ul style="list-style-type: none"> • Adapt • Build • Change • Choose • Combine • Compile • Compose • Construct • Create • Delete • Design • Develop • Discuss • Elaborate • Estimate • Formulate • Happen • Imagine • Improve • Invent • Make up • Maximize • Minimize • Modify

Course Outcomes: At the end of the Course students will be able to

1. Explain the concepts & Issues of International Human resource management
2. Develop competency in dealing to describe the International HRM planning and staffing Decisions
3. Interpret the strategic and functional roles of HRM in various international contexts
4. Analyze external forces that have the potential to shape International HRM
5. Develop generic and transferable skills-especially in diagnosing International HRM issues

MAPPING OF COURSE OUT COMES WITH PO's & PEO's

Course Outcomes	PO's	PEO's
CO1	1,3,6	1,2,3
CO2	1,2,3	2,3,4
CO3	1,3,4	1,2,5
CO4	1,3,6	1,2,3
CO5	1,2,3	2,4,5

Articulation matrix of Course outcomes with PO's & PEO's

	Program Outcomes						Program Educational objectives					
	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PEO 1	PEO 2	PEO 3	PEO 4	PEO 5	PEO 6
CO1	1		2			2	1	2	2			
CO2	2	1	2					2	2	1		
CO3	1		2	2			1	2			2	
CO4	2		3			2	2	2	2			
CO5	2	2	3					2		3	2	

Course Schedule

Distribution of Hours in Unit – Wise

Unit	Topic	Total No. of Hours
I	Introduction to IHRM	9
II	International Expansion Strategies:	9
III	Managing International Workforce	8
IV	Acquisition & Performance Appraisal of International Workforce	9
V	International Compensation	10
Total Classes		45

Lecture Plan:

SUBJECT	INTERNATIONAL HUMAN RESOURCE MANAGEMENT		
S.NO	Topic	Lecture Method	No of classes
1	Unit-I: Introduction to IHRM :Definition	Chalk and Board	1
2	The drivers of internationalization of business	Group Discussion	2
3	The different setting of International Human Resource Management	PPT	1
4	Development of IHRM	Group Discussion	2
5	Culture and employee management issues	PPT	1
6	Impact of Country culture on IHRM	Case Study	1
7	Cases		1
8	Unit-II: International Expansion Strategies	Group Discussion	1
9	Linking HR to International Expansion Strategies	PPT	1
10	Socio-cultural context	Role play	1
11	Culture and Employee Management Issues	PPT	2
12	Responding to Diversity	Role play	1
13	Challenges of Localization	Group Discussion	2
14	, Global Integration	Chalk and Board	1
15	Unit-III: Managing International Workforce- Mastering Expatriation	PPT	2
16	Institutional & Structural Context	Chalk and Board	1
17	Managing Alliances and Joint ventures	Role play	2

18	HR challenges in Cross Border Integrations	PPT	2
19	Cases		1
20	Unit-IV: Acquisition & Performance Appraisal of International Workforce	Chalk and Board	1
21	Legal issues in global workforce management	Group Discussion	1
22	Staffing in International context	PPT	1
23	Appraisal of Expatriate	Chalk and Board	2
24	Third and Host country employees	Role play	2
25	Issues in International Performance Management	Group Discussion	1
26	International Training	PPT	1
27	Unit-V: International Compensation: Approaches, Composition	Chalk and Board	2
28	Social Security Systems Across Countries	Group Discussion	2
29	Emerging Issues	PPT	1
30	International Labour Relations.	Chalk and Board	1
31	HRM Practices In Different Countries practices Across The Countries	Group Discussion	1
32	Emerging Issues In Compensation Management.	PPT	2
33	Cases		1
	Total		45

Minutes of Course Review Meeting

Details of Meeting No -	
Date of Meeting	
Member's Present	
Signature of Member's	
Remarks	
Details of Meeting No -	
Date of Meeting	
Member's Present	
Signature of Member's	
Remarks	
Details of Meeting No -	
Date of Meeting	
Member's Present	
Signature of Member's	
Remarks	

Unit Wise Questions (With different Levels of thinking – Blooms Taxonomy and Course Outcomes)

Unit-I

- 1) Discuss various terms and concepts related concerning international human resource management?(CO1-L2)
- 2) Explain the Scope of International Human Resource Management?(CO1-L2)
- 3) Differentiate between Domestic HRM and International HRM? (CO1-L4)
- 4) Define IHRM? what are the characteristics International Human Resource Management?(CO1- L1)
- 5) Illustrate the different drivers of internationalization of business? (CO1-L2)
- 6) Explain the different setting of International Human Resource Management?(CO1-L2)
- 7) Explain the Culture and employee management issues in IHRM(CO1-L2)
- 8) Discuss the Development of International Human Resource Management?(CO1-L6)
- 9) Illustrate the impact of Country culture on IHRM? (CO1-L2)
- 10) Explain the different activities of involved in International Human Resource Management? (CO1,L2)

Unit-II

- 1) Explain different international expansion strategies?.(CO2-L2)
- 2) Discuss the organizational strategies for managing workforce diversity?(CO2-L6)
- 3) Explain the Culture and employee management issues in IHRM(CO2-L2)
- 4) Discuss the national and international strategies for managing workforce diversity? (CO2-L6)
- 5) Write about culture and various factors that contribute to the formation of culture?(CO2,L1)
- 6) Explain the different Challenges of Localization in IHRM? (CO2,L2)
- 7) Outline about issues involved in Global Integration?(CO2,L3)

- 8) Explain the issues of standardization and localization in general for MNEs and how do they particularly manifest themselves in IHRM activities? (CO2-L2)
- 9) Explain the glass ceiling and how does it take place for women employees and employees belonging to minority groups? (CO2-L2)
- 10) Discuss about the Socio-cultural context in International Human Resource Management? (CO1-L6)

Unit-III

- 1) Describe the formation process of cross-border mergers, acquisitions and international joint ventures. What are the major differences? (CO3,L2)
- 2) Explain the development phases of an M&A and the respective HR implications?(CO3,L2)
- 3) Examine the What are some of the typical challenges for HRM in internationalized SMEs?(CO3-L4)
- 4) Illustrate in which way do cultural and institutional differences impact the HR integration in M&As and in IJVs?(CO3-L3)
- 5) Explain the concept Expatriation and issues involved in it?(CO3,L2)
- 6) Outline the development phases of an IJV and the respective HR implications? (CO3-L3)
- 7) Explain the Institutional & Structural Context in International Human Resource Management? (CO3-L2)
- 8) Discuss the difficulties in Managing Alliances and Joint ventures?((CO3-L6)
- 9) Analyze HR challenges in Cross Border Integrations.? (CO3,L4)
- 10) Examine the role of expatriate in M&A in International Human Resource Management? (CO3,L4)

Unit-IV

- 1) Outline the Legal issues in global workforce management?(CO4,L3)
- 2) Explain the Staffing in International context?(CO4,L2)
- 3) Analyze the Issues in International Performance Management?(CO4,L4)

- 4) Discuss about Appraisal of Expatriate, Third and Host country employees? (CO4-L6)
- 5) Analyze the most important factors involved in the selection decision? (CO4-L4)
- 6) Explain about the training in International context?(CO4,L2)
- 7) Outline the main characteristics of the four approaches to international staffing? (CO4,L3)
- 8) Explain the necessity to include hard, soft and contextual goals when assessing managerial performance? (CO4,L2)
- 9) Discuss the major factors associated with appraisal of expatriate managerial performance? (CO4,L2)
- 10) Explain the key challenges faced in training expatriate managers? (CO4,L2)

Unit-V

- 1) Explain different approaches to International Compensation?(CO5,L2)
- 2) Discuss Composition of International Compensation?(CO5,L6)
- 3) Explain the Emerging Issues in International Compensation ?(CO5,L2)
- 4) Illustrate HRM Practices In Different Countries practices Across The Countries?(CO5,L2)
- 5) Outline the Social Security Systems Across Countries? (CO5,L2)
- 6) Explain about the International Labor Relations?(CO5,L2)
- 7) Identify Emerging Issues In Compensation Management? (CO5,L4)
- 8) Explain the main differences in the Going Rate and Balance Sheet Approaches to international compensation (CO5,L2)
- 9) Analyze the key differences in salary compensation for PCNs and TCNs? Do these differences matter? (CO5,L4)
- 10) Explain the main points that MNEs must consider when deciding how to provide benefits?? (CO5,L2)

Model Paper

ANURAG GROUP OF INSTITUTIONS

(Autonomous)

School of Business Management

II-M.B.A-I-Semester End Examinations,

Subject: International Human Resource Management

Time: 3 Hours

Max.Marks:75

Section – A (Short Answer type Questions) (5X5=25 Marks)

- Answer all questions, each question carry equal marks.
- 1. *Explain the Scope of International Human Resource Management?*
- 2. *Discuss the organizational strategies for managing workforce diversity?*
- 3. *Explain the concept Expatriation and issues involved in it?*
- 4. *Outline the Legal issues in global workforce management?*
- 5. *Discuss Composition of International Compensation?.*

Section – B (Essay Questions) (5X10=50 Marks)

- **Answer all the questions**
- 6. a) *Illustrate the different drivers of internationalization of business?*
OR
b) *Differentiate between Domestic HRM and International HRM?*
- 7. a) *Explain the glass ceiling and how does it take place for women employees and employees belonging to minority groups?*
OR
b) *Write about culture and various factors that contribute to the formation of culture?*
- 8. a) *Describe the formation process of cross-border mergers, acquisitions and international joint ventures. What are the major differences?*

OR

b) *Discuss the difficulties in Managing Alliances and Joint ventures?*

9. a) *Analyze the Issues in International Performance Management?*

OR

b) *Outline the main characteristics of the four approaches to international staffing?*

10. a) *Analyze the key differences in salary compensation for PCNs and TCNs? Do these differences matter?*

OR

b) *Explain the Emerging Issues in International Compensation?*

Tutorial Sheet

Unit-I Topics Revised
Topic Name
Unit-I Topics Revised
Topic Name
Unit-III Topics Revised
Topic Name
Unit-IV Topics Revised
Topic Name

Unit-V Topics Revised
Topic Name

Course Assessment Report

Batch:

Academic Year/Sem:

Course Name:

Course Number:

Course Attainment (75 of Direct + 25 of Indirect)

Remarks and suggestions:

Course Coordinator

Direct Course Assessment Sheet

a) Internal Examination

Course assessment sheet Ass1

Hall Ticket No	S1	S2	TOT
1			
2			
3			

Course assessment sheet Mid1

Hall Ticket No	S1	S2	S3	S4	S5	L1	L2	L3	L4	L5	TOT
1											
2											
3											

Course assessment sheet Ass2

Hall Ticket No	S1	S2	TOT
1			
2			
3			

Course assessment sheet Mid2

Hall Ticket No	S1	S2	S3	S4	S5	L1	L2	L3	L4	L5	TOT
1											
2											
3											

b) External Examination

Hall Ticket No	Total Marks

Indirect Course Assessment Sheet

Tools:

a) Case Study

S.No.	Hall Ticket Number	Rubric Assessment
1		
2		
3		

b) Course End Survey Report

Add-ons(Guest Lecture/Video Lecture/case study discussion /Poster Presentation.... etc.)

PPT's & Lecture Notes

INTERNATIONAL HUMAN RESOURCE MANAGEMENT

□ What are reasons that encouraged global organizations to develop international HR strategies?

Global competition and differences in organizational environment across nations.

TYPES OF INTERNATIONAL ORGANIZATIONS

1. International Corporations
2. Multinational Corporations
3. Global Corporations
4. Transnational Corporations

International Corporations

- Domestic firms that build on its existing capabilities to penetrate overseas market.

Example : Honda, General Electric, P&G

Multinational Corporations

- MNCs have operating units (subsidiaries) located in foreign countries
- Subsidiaries function as autonomous units

Examples : Shell, Philips, Xerox

Global Corporations

- Maintains control over its worldwide operations (subsidiaries) through a centralized home office.
- They treat the entire world as a single market

Examples : Matsushita

Transnational Corporations

- Provides autonomy to independent country operations but bring these operations together into an integrated whole through networked structure
- They combines the local responsiveness of an MNC and the efficiency of a global corporation

Examples : Ford & Unilever

INTERNATIONAL HUMAN RESOURCE MANAGEMENT

- Simple definition is 'the process of managing people in international settings'
- Scyllion (1995) defined IHRM as 'the HRM issues and problems arising from the internationalization of business, and the HRM strategies, policies and practices which firms pursue in response to the internationalization process
- IHRM is the management of HR in business operations in atleast two nations

DIFFERENCES BETWEEN IHRM & DOMESTIC HRM

IHRM	Domestic HRM
• Address a broad range of HRM activities	• Address a narrow range of HRM activities
• HR issues relate to employees belonging to more than one nationality	• HR issues relate to employees belonging to single nationality
• Greater involvement of HR manager in the personal life of employees	• Limited involvement of HR manager in the personal life of employees

IHRM vs Domestic HRM

IHRM	Domestic HRM
• Greater exposure to risks in international assignments	• Limited risks in domestic assignments
• Has to manage several external factors such as government regulations of foreign country	• Limited external factors to deal with.

External environment & IHRM

- Political Environment
- Cultural Environment

IHRM Practices

- International staffing
- Pre-departure training for international assignments
- Repatriation
- Performance management in international assignments
- Compensation issues in international assignments

International staffing

- refers to the process of selecting employees for staffing international operations of an MNC

MNCs can be staffed using three different sources

- Home country or Parent Country National (PCN)
- Host Country Nationals (HCN)
- Third Country Nationals (TCN)



- PCN

Employees of an organization who are citizens of the country in which the headquarters of the company is located

- HCN

Employees of an organization who are the citizens of the country in which the foreign subsidiary is located

- TCN

Employees of an organization who are the citizens of the country other than the country where the organization is headquartered and the country that is hosting the subsidiary



Approaches to staffing subsidiaries

- Ethnocentric

foreign subsidiary has little autonomy. All strategic decisions are made at the headquarters. PCNs staff key positions at quarters as well as the foreign subsidiary

- Polycentric

staff foreign subsidiaries of the firm with HCNs and headquarters consist of PCNs

- Geocentric

staff may be PCNs, HCNs or TCNs
ability and not nationality is the key to staffing



Pre-departure Training for International Assignments

- To make it easier for the employee to assume job responsibilities and be effective in the foreign country as soon as possible
- To facilitate cultural adaptation as quickly and as effectively as possible



3 elements of T&D programme

- Language training
- Cultural training
- Managing personal and family life



Repatriation

- It is the process of bringing an expatriate home after he/she has completed the international assignment.

Organizations can follow 3 practices

- Create knowledge and develop global leadership skills
- Ensure that candidates have cross-cultural skills to match their technical abilities
- Prepare people to make the transition back to their home offices



Performance Management in International Assignments

Performance is the combination of several factors

- > Compensation Package
- > Task Assigned to the Expatriate
- > Headquarter's Support
- > Environment
- > Cultural Adjustment



Compensating Managers in International Assignments

Components of expatriate compensation

- Home leave and travel allowances
- Children's education allowance
- Currency differential payments
- Relocation allowance
- Housing allowance
- Cost of living adjustment
- Payments to protect from negative tax consequences



Case 1 Establishing a branch of a family business in China

A family-owned carbon steel company from Germany has extended its business to Hong Kong. The owners bought a small traditional Chinese firm and decided to copy the successful structure they had developed at home. This structure was headed by three general managers who equally shared the responsibilities for the business activities of the firm. The consequences were as follows.

1 Now the Chinese employees were assigned tasks by people they have never seen before and whom they did not understand. Many misunderstandings occurred, some were quite costly.

2 The employees back in Europe were only concerned with whether the assigned tasks were completed and did not consider any other obligations to the Chinese employees, such as taking care of the relationships with the Chinese government, banks, etc.

3 Eventually, the local employees became frustrated and were ready to leave the company.

The result was that the management model was changed again and a single managing director of the subsidiary was accountable for all business activities in Hong Kong.

Discussion Questions:

1 Relate the described situation to one of the cultural dimensions identified by Hofstede. How can you explain it?

2 How does this situation compare to comparable situations in your home country? What are the limits of a cultural explanation?

CASE-2

WHOM DO YOU SATISFY? EXPATRIATE OR NATIONALS

Hi-Tech Electronics Limited was established in 2006 in Kuala Lumpur, Malaysia. It produces and markets all types of electronics goods in most of the Asian and Pacific countries. It has been one among the top five companies as for the level of technology and one among the top three Companies regarding marketing of the products in Malaysia. The company's policy and practices concerning human resource management are top in the country. The company's salary administration policies and practices were taken as guidelines not only by the other companies but Also by various wage boards and pay commissions in the country. But this company has

been struggling a lot because of a minor problem relating to administration of salary and benefits. The problem is stated hereunder.

The company employed nearly 400 national young graduate and post graduate engineers and 20 expatriate engineers. These employees form the cream of the company's present human resource. The expatriate employees occupied higher positions in all the departments including Human Resource Department. The company's salary policy and benefit policy were formulated mainly on the basis of the expatriate employee's desire. The base salary of the company is the same for both the expatriate and national employees. But expatriates receive additional allowances like international market allowance, educational allowance, settling-in allowance, car allowance, housing allowance and entertainment allowance. Thus, expatriates receive nearly 250% more salary than the nationals doing the same job. The national employees demanded the management to pay equally with that of expatriates immediately. According to them, the pocket frustrates them severely.

- (a) What is the crucial issue in this case?
- (b) If you were the HR manager of the company, whom do you satisfy?
- (c) What are the factors contributing to Expatriate's Failure?

Case Study 3-HR in the DaimlerChrysler merger -The merger

The merger between Chrysler and Daimler Benz was one of the largest in history. Both companies had started to screen the automobile industry for partners in 1997. In early 1998 Jürgen E. Schrempp, CEO of the German-based Daimler Benz company took the initiative and suggested a merger to Robert J. Eaton, CEO of the American-based Chrysler corporation. The merger contract was signed in May 1998. HR in the different phases of the M&A At the beginning of the merger 'soft' people skills were not an important issue to consider. Even in the second phase when the merger was negotiated HR issues continued to play a minor role. Negotiations were dominated by legal and financial aspects. Due to the strict secrecy at this stage, the corporate HR directors from both companies were not informed nor involved. In the integration planning phase in August 1998, management teams from both firms developed strategies for the merged company. These teams identified a number of issues that had to be dealt

with during the post merger integration. With respect to HR one important challenge was to solve the remuneration problem: The German top managers earned much less than their American counterparts. The contrary was the case for the lower management levels. It was decided that the salaries for those German top managers who had international responsibility would be raised to US level. For a broader group of German managers a component of their salary would be linked to the company's profit and its share price. At this stage all employees were informed using various media such as letters, the intranet or films. Furthermore, there was a first awareness about cultural issues in the merger. The new board was composed by 18 members including both, Schrempp and Eaton as chairmen, 8 board members from Chrysler and the same number from Daimler-Benz plus 2 from the Daimler subsidiaries Dasa and Debis. During the post merger integration phase mixed teams worked on more than 1000 projects identified by the post merger integration coordination team. Only 43 projects were in the area of HR. They addressed topics such as corporate culture, employee profit-sharing, leadership styles, labor relations, global job evaluation, exchange programs, and management development. The board member responsible for human resources was not included in the 'Chairman's Integration Council', the core of DaimlerChrysler's management structure during the post merger integration phase. Within the first 2 years of the merger DaimlerChrysler lost about 20 top executives, especially from the Chrysler side. There is little evidence about a systematic retention program for this level. During the information campaign for the other levels the focus was on job security. Only two years after the merger DaimlerChrysler executives had admitted cultural problems. Examples included inappropriate humor, political correctness, perceived excessive formality, sexual harassment, private relationships, and documentation of meetings. The company offered intercultural training for executives and management exchange programs. Long-term effects In 2000, profitability at Chrysler had sharply dropped and there was a 20 per cent decline in the DaimlerChrysler share price. At that time, the market capitalization of DaimlerChrysler was little more than that of Daimler-Benz before the merger. Some years later, at the beginning of 2007 and after important financial losses mainly on the Chrysler side, media is discussing the possibility of a separation of Daimler and Chrysler. Although Chrysler had to close several production plants and had cut down around 40 000 jobs during the first years following the

merger it has to admit important economic problems for the third time after the merger endangering the overall success of the combined company.¹⁶ This seriously affected the success of the merger between Daimler and Chrysler and led to a separation of the two partners in due course.

Case 4 Role playing: Intercultural competence

You have been assigned to Mexico for a two year international assignment. Your task is to support the development of a new subsidiary. During the first weeks of your stay in Mexico you experience again and again that your Mexican employees as well as your suppliers and customers are never on time. Now you are sitting in a restaurant and you are waiting for the Sales Director of one of your Mexican suppliers. Your meeting was at 12.30 but it is already 13.00 and the person you were waiting for did not show up. As you have another appointment at 13.30 you ask for the bill, still hungry! Exactly at this moment the Sales Director shows up – half an hour late. How do you react? What reaction do you expect from your Mexican partner? Which reactions would be interculturally competent and which would not be?

Case 5 A rainy expatriate performance appraisal

Richard Hoffman, a Que´be´cois Chemical Engineer working for a Canadian-based energy firm, was given a three-year expatriate assignment in Venezuela as a technical liaison and environmental protection project manager. His local project supervisor was Jean, a French engineer who had lived in French Guiana and then Venezuela for over 20 years. Richard thought that as a Francophone from Quebec, he and Jean would be able to build a quick working relationship. Rich sent Jean an early email (in French, and not the usual corporate English) containing what he thought of as the five most significant goals associated with his assignment – similar to the management by objectives section of the more or less standard performance appraisal forms he had filled out for years during earlier assignments in Edmonton, Toronto and at corporate headquarters in Montreal. After several months with no response from Jean, Richard caught Jean in the hallway between meetings and asked him about the email and his progress to date. ‘Don’t worry about that’, Jean responded blandly, ‘Just keep working to the deadlines and I will check with your coworkers and the other project managers on your work. Where did you go to engineering school by the way?’ Richard waited another six months and was becoming

increasingly anxious as the firm's annual review week approached. He finally caught up with Jean on a rainy Friday in the lobby of the office building as they both waited for their drivers to arrive. When asked about the upcoming performance review, Jean snorted and said. 'C'est tout fini, it's all been taken care of. Make an appointment with my assistant Louisa next week and we can go over the report we have sent to Montreal'. As Jean stepped gingerly into the rainy Caracas parking lot, Richard thought back to the last few weeks with his team, the sometimes loud disagreements with his fellow project managers, and wondered if it was too late in the day to call his old supervisor in Toronto.

Activites

Background of the information

Brunt Hotels, PLC, owns more than 60 hotels throughout the United Kingdom. They recently acquired a small hotel chain headquartered in France. Brunt's chief executive decided that half of the new hotels in France would be retained and rebranded as part of the Brunt Hotels Group; the other half will be sold. This will support Brunt's strategic objective of growing the organization slowly to make sure that new ventures are well supported and opened on time and on budget. Brunt's hotels are considered budget accommodations; they are functional, clean and reasonably priced.

Most guests stay for one to three nights and are a combination of business and leisure travellers. The hotels are typically situated in downtown locations that are easily accessible by mass transit. Tourists are attracted to these hotels in popular visitor destinations where the many local attractions mean that they will not be spending much time in their hotel rooms.

The organization has decided to use an ethnocentric approach and send some of their existing UK-based managers to France to lead the changeover of the new hotels and then manage them after they re-open. If this new overseas venture is successful, Brunt may decide to acquire other small hotel groups in other European countries. The organization would like to own 150 hotels in the next five years. Their 10-year plan is to own 300 hotels across Europe. This is an ambitious target, so it is important that the organization finds an effective formula to operate successfully in other countries.

Case Study-Part one

The organization has never owned any hotels outside the UK before, and has hired a team of independent management consultants to advise them on how to proceed. They provided the consultants the following information during their initial meeting:

- A majority of their existing managers said they would like a chance to work abroad.
- None of their existing managers speak French fluently.
- They will allow four weeks to rebrand the hotels. The new hotels must be ready to open after that time.
- They expect to recruit a large number of staff for the new French hotels, because more than 70 percent of the employees from the acquired organization left.
- They will require their managers to be flexible and move between countries if any problems arise.

Activity A (5 minutes)

Based on the information you have to date, what do you think the key priorities should be?

Activity B (15-20 minutes, including presentation of ideas)

The hotel management asked you if they should look only at internal candidates who are parent country nationals (PCNs) or recruit host country nationals (HCNs). The class should be divided into three groups; each group should prepare a 3-minute argument based on the following:

Group 1 believes that only PCNs should be hired.

Group 2 believes that only HCNs should be hired.

Group 3 believes that a combination of PCNs and HCNs should be hired.

Present the advantages of the approach your group was allocated to the class.

Note to instructors: You might want to refer to the PowerPoint slides for more detail on PCNs and HCNs.

Case Study—Part Two

Brunt management decided that because this is their first venture into a country outside the UK, they want to use PCNs to set up the new hotels and that only internal candidates should be considered. They think that this is important so they can incorporate the organization's values. However, they believe that once the hotels are up and running, HCNs could be hired. The management vacancies must be filled as soon as possible.

In their company literature, the organization states that their core values are to:

- Provide excellent levels of customer service to all guests.
- Provide a clean and comfortable environment for guests and staff.
- Recruit and retain excellent staff.
- Support and develop staff so they can reach their full potential.
- Continuously strive to improve all aspects of the business.
- Ensure that all hotel buildings, fixtures and fittings are well-maintained in a proactive manner.

It is important that the management consultants for this project take these core values into account when making their recommendations.

Activity C (15 minutes)

Write a recruitment advertisement for the new positions which can be sent to existing managers by e-mail. Your advertisement should include, at a minimum, the following information:

1. Main responsibilities of the new job.
2. The skills you are looking for in the position.

Case Study—Part Three

The management team liked your recruitment advertisement, but realized that they did not consider the salary for these new positions! Since the organization has never hired managers to work outside the UK before, they do not know how to start determining the compensation. They provide you with the following information that they found on the Internet:

1. Existing salary for managers is £30,000 (45,000 Euros) plus bonuses.

2. Surveys show that the average salary for hotel managers in France is 60,000 Euros with no opportunity to earn bonuses.

The directors want to have a consistent approach as to how they compensate expatriates because they expect their overseas business to expand in the future. They also want existing employees to be enticed into working abroad and want to have a good range of incentives.

Activity D (20 minutes)

Design a compensation package for the hotel management position. Explain the rationale for your design. You may also include non-financial benefits.

Case Study—Part Four

The management eventually approves the advertisement and the compensation package and distributes both internally. Interested candidates are asked to write a letter to the CEO to explain why they think they are the best person for the job. Thirty managers apply for one of the new positions (there are 10 positions available), which means there will be 20 unsuccessful candidates still working for the organization.

The management team acknowledges that the application letters were not helpful with making decisions and that they need a more robust selection process. There must be a strong sense of fairness in the selection process because they do not want to de-motivate any of these existing employees. They want to select the right candidates because it is essential that the new hotels are successful and up and running quickly and efficiently. The senior managers know all of the candidates quite well (personally and professionally). They would like you, as independent consultants, to design an appropriate selection methodology.

The management team advises you that they do not want to take into account the marital or family situation of the expatriate candidates; they are concerned that this may fall afoul of UK equal opportunities legislation.

Activity E (20-30 minutes)

Each management consultant group must design a selection process for the candidates.

There is no budget limit for the development of the process; the senior management team knows that it is important to get the right person for the job. However, because the new hotels must be

up and running quickly, they ask you to design a selection process which will take a maximum of two days.

You are in competition with the other management consultant groups and have five minutes to present your ideas. You must be able to justify why each method is appropriate.

Case Study—Part Five

The management hires six candidates to work overseas because they did not feel that the other candidates were qualified. They feel confident that these six can successfully open the new hotels. The success of these managers is vital to the success of setting up the new business, so management wants to ensure they provide effective support for them in terms of training and development. They believe that the best option is to divide training into two parts: pre-departure training and on-the-job training in the new country. Since the organization has never sent employees abroad before, they are not sure about what should be included in these training programs. The only mandatory area that must be included is an introductory language section (including basic business French) so that the managers have a basic grasp of the French language by the time they open the new hotels. However, they hope that the managers will enjoy their introductory language course and will continue to attend more advanced language classes when the new hotels are open.

Activity F (20-30 minutes)

The organization knows that training is important; but despite looking at what other companies offer, they cannot decide what the key training areas should be.

They would like all three management consultant groups to design the content and structure of these training programs and allocate two managers to each of the groups (as indicated below). Because of the large investment they are making in the managers, they provide you with some details on each of them so that the training can be tailored to their needs. Please refer to page 17 for this information.

Group 1 will design the training programs for Managers A and B.

Group 2 will design the training programs for Managers C and D.

Group 3 will design the training programs for Managers E and F.

Complete the work tool shown in the following.

Training Program Proposals

	First Manager (A, C or E)	Second Manager (B, D or F)
<p>Details of Pre-departure Training This should include:</p> <ul style="list-style-type: none"> ■ How long the training will take (bearing in mind that the hotels must be opened in one month). ■ Who should deliver it. ■ Where it should take place. ■ How it should be structured. ■ The topics that should be covered. ■ The training methods that should be used. 		
<p>Details of On-the-Job Training in the New Country This should include:</p> <ul style="list-style-type: none"> ■ When the training should begin. ■ Who should deliver it. ■ How long it should take (and over what time-span). ■ Where it should take place. ■ How it should be structured. ■ The topics that should be covered. ■ The training methods that should be used. 		
<p>How will the training be evaluated?</p>		