

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA– SEMESTER -III-EXAMINATION – WINTER-2023**

**Subject Code:2539331****Date: 11/12/2023****Subject Name: International Human Resource Management****Time:10:30 AM TO 1:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1** Explain the terms: **14**
- a) Cross-cultural training
  - b) Virtual teams
  - c) Localization
  - d) Going Rate approach
  - e) Dual Career Couples
  - f) Geocentric approach
  - g) Transnational
- Q.2 (a)** How do cultures differ from each other? Explain with the help of an example differentiating the culture of two different countries? **07**
- Q.2 (b)** What is International HRM? What are the barriers to effective global HRM? **07**

**OR**

- Q.2 (b)** How cultural factors influence cultural formation and thereby behavior. Explain in detail. **07**
- Q.3 (a)** What are the main similarities and difference between domestic and international HRM? **07**
- Q.3 (b)** Elucidate the job related factors and social factors in the re-entry process of expatriates. **07**

**OR**

- Q.3 (a)** What are the approaches to multinationals' staffing decisions? **07**
- Q.3 (b)** What are the types of cross-cultural training? Is it necessary that such a training be given to family members? **07**
- Q.4 (a)** Explain the "Local Plus" approach and the "Balance Sheet" approach. **07**
- Q-4 (b)** What are the variables that influence performance of expatriates? **07**

**OR**

- Q.4 (a)** What are the factors that influence multinationals in industrial relations? **07**
- Q.4 (b)** What are the areas of developments of international business and the challenges they raise for HR professionals? **07**
- Q.5** Wagonriders is a Germany-based automaker that has operations and manufacturing bases across the globe. The company has a great history and is a pioneer in developing mid-range passenger cars. Its product range includes hatchback, MUV, SUV, sedan and estate, and supermini type vehicles and recent development is its foray into manufacturing and marketing blueTEC clean diesel engine cars. The company has also entered into collaboration with two other prominent German luxury automobile

manufacturers to strengthen marketing of their respective products mutually. Wagonriders is facing a steep challenge from Japanese and American car manufactures in the North American market. The company sales are falling dramatically for the past four years. The volumes have dropped from about 857,000 units of sales in 2013 to 279,672 units in 2016. The car maker's analysis of its poor performance in sales has revealed two primary reasons as key contributors for this fall. These are as follows: (a) American and Japanese manufactures are able to compete due to lower prices and (b) these companies offer better sales compensation and sales incentives to their staff in North America than Wagonriders. As a result, the company has lost some of its star performers in the sales department over a period of time. Compensation and incentive practices of the company are largely socialistic that are not able to motivate employees in North America. The management consulting firm engaged by the automaker has come up with similar findings and recommends redesigning its compensation approach in order to address the sagging morale of its front-end sales staff. The company's approach towards compensation has so far been effective with majority of staff, working in various countries and is time tested. The company is reluctant to expose its employees' compensation to market fluctuations and individual employee performance levels since it is largely team-based work. In fact, in all these years the company has taken pride in the fact that its compensation model insulates employees from volatility and promotes collective work. However, the consulting firm has argued that sales will decline further if the issue of pricing and sales incentives is not addressed on war footing.

- (a) Explain the challenges faced by Wagonriders in the North American market. Discuss the factors contributing to the decline in sales from 2013 to 2016. **07**
- (b) Describe Wagonriders' compensation approach and its historical effectiveness. Explain why the company is reluctant to change its compensation model despite the recommendations from the management consulting firm. **07**

**OR**

- (a) Are the consulting firm's recommendations regarding the redesign of Wagonriders' compensation approach appropriate? What are the potential benefits and challenges of exposing employees' compensation to market fluctuations and individual performance levels? **07**
- (b) Suggest alternative strategies that Wagonriders could consider to address the declining sales and the loss of star performers in its North American sales department. Explain how these strategies align with the company's organizational values and global operations. **07**

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