

**KADI SARVA VISHWAVIDYALAYA**  
International Human Resource Management (HS 431)  
End Term Examination

MBA II Semester IV  
Time: 1.30 – 4.00 PM

Date: 13/05/14  
Marks: 40

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**Q 1. (A)** Explain the advantages and disadvantages of recruiting host country nationals for the subsidiary? [4]

**Q 1. (B)** What are the factors influencing repatriate adjustment? [4]

**OR**

**Q 1. (B)** Define polycentric and ethnocentric approaches. [4]

**Q 2. (A)** Differentiate the Going rate approach and balance sheet approach of compensation. [4]

**Q 2. (B)** What are the main readjustment challenges faced by repatriate? [4]

**OR**

**Q 2. (A)** What are the determinants of the balance of standardization and localization in human resource management in MNEs? [4]

**Q 2. (B)** Explain the stages of internationalization in detail. [4]

**Q 3. (A)** Discuss the key issues in international Industrial relations? [4]

**Q 3. (B)** What is Geocentric approach? Explain briefly. [4]

**OR**

**Q 3. (A)** What is the role of Expatriate in host country? [4]

**Q 3. (B)** What is Expatriate failure? Explain cost associated with it. [4]

**Q 4. (A)** Differentiate Expatriates and Non-expatriates with suitable example. [4]

**Q 4. (B)** Explain the phases of cultural adjustment in new country. [4]

**OR**

**Q 4. (A)** What are the selection criteria for expatriate? [4]

**Q 4. (B)** What are the variables affecting expatriate performance? [4]

**Q 5** Read the following case and answer the questions.

David Smith is an electrical engineer working for an MNC based in Detroit, Michigan. Although U.S. and European companies like David's are more inclined to post their Asian third-country nationals on assignments in China, this more economical approach to recruiting managerial talent and deploying expatriates is still limited due to talent scarcity and national laws and regulations inhibiting full mobility. When his company asked him to go to China a couple of years ago for an expatriate assignment, he was not really excited about the offer. Although China has recently achieved remarkable economic



growth and frequently made newspaper headlines, he knew very little about the country. He has never studied Mandarin or the history of China. But David's family liked Chinese food and enjoyed watching Chinese movies. For this assignment, David was required to stay at least three years in China until Chinese managers fully learned how to operate the newly opened factory. Furthermore, David's family was faced with two other important family issues that made their decision more difficult: David's wife, Linda, an accountant making a decent income, would have to quit her job. In addition, they would need to find a good private school for their son, Christopher, a second-grader.

David's company insisted that this assignment would provide him with a great opportunity to climb the corporate ladder. After a long deliberation, he decided to take the offer. When David's family arrived at their new house in Shanghai, China, they could not believe their eyes—it was very much like the one they lived in on the outskirts of Detroit. Access to the compound is through a guarded checkpoint. The specially treated water, unlike nearly any other place in China, is pure enough to drink from the tap. Even the garbage is sterilized. David said, "My Company is paying \$23,000 a month rent for this house."

As a growing number of MNC executives are being brought to China because of their companies' commitment to globalization, more and more are moving to a complex like the one where David's family is living: a recreated American suburbia with rolling lawns, two-car garages, ranch-style homes, and its own school, shopping mall, and golf course—all only ten minutes away from the new international airport. After being in Shanghai for almost two years, David and his family members do not really feel like they are in China. David can totally concentrate on his work at the office, without worrying about his wife at home. On the other hand, he started to worry that living in a complex like an exclusive enclave will only emphasize the division between expatriates and the Chinese community and the markets he is supposed to be learning about. He began to ask to himself, "Am I doing the right thing?"

## QUESTIONS

1. What are potential reasons why David's company would desire to send its own home country expatriate instead of using a local Chinese manager or a third-country national? [3]
2. Can you identify the main family issues facing David's family? [3]
3. Do you see any longer-range pitfalls in the approach used by David's company to carry out its HR policy to attract the most qualified expatriates? [2]