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Subodh Management Institute

MBA IV Semester

M-432

**Cross Cultural Human
Resource Management
Sample Questions**

Part A: Short answer question (up to 25 words)

Part B: Analytical/ problem Solving questions

**Part C: Descriptive/ Analytical/ Problem Solving/
Case questions.**

PART A

Short Questions to be answered in 25 words

UNIT I

- Q1 What do you understand by IHRM
Q2 Is IHRM different from domestic HRM ?How?
Q3 What is an MNC
Q4 How is MNC different from trans national organization

UNIT II

- Q5 Define Culture
Q6 Who is a Global manager?
Q7 Do you think national Culture has greater impact or does organization culture have greater impact?

UNIT III

- Q8 Define Multiculturalism
Q9 What is a cross cultural work group?
Q10 Explain the concept of Cultural Intelligence
Q11 To what extent would the concept of multiculturalism pervade a virtual team and why?

UNIT IV

- Q12 Define an International Manager
Q13 What is the meaning of Parent Country?
Q14 Who is a host country national?
Q15 Who is a head hunter?
Q16 What do you understand by e-recruitment?

UNIT V

- Q17 Who is an expatriate manager?
Q18 What is HCN Training?
Q19 What is repatriate training?
Q20 Explain the concept of knowledge transfer.

UNIT VI

- Q21 Why is International Compensation different from domestic compensation?
Q22 What are the basic components of a compensation package?
Q23 Name 2 factors that influence a compensation package
Q24 What is the biggest challenge in creating a compensation package for a global company?

UNIT VII

- Q25 What do you understand by International Labour Relations?
Q26 Name a key issue in labour relations in MNC's
Q27 What do you mean by host country labour laws?

UNIT VIII

- Q28 Mention 2 HRM practices in USA
Q29 Mention 2 HRM practices in Japan
Q30 Mention 2 HRM practices in India
Q31 Mention 2 HRM practices in China
Q32 Mention 2 HRM practices in UK

PART B

Questions to be answered in under 100 words

UNIT I

Q1 Discuss the matching Model of IHRM.

Q2 How and why did the Internationalization of HRM happen?

Q3 What are the main challenges that confront IHRM?

UNIT II

Q4 What is culture? What are the dimensions of culture? Discuss how each of these dimensions is reflected in an organization's culture.

Q5 Write a note on the the impact of culture on business practices. Give examples to support your answer.

Q6 Discuss the challenges that a Global Manager/Leader faces.

Q7 What is the reason why organizations must focus on cross cultural management in the current scenario.

UNIT III

Q8 What are the challenges of managing multicultural/cross cultural workgroups and international teams?

Q9 Discuss cross cultural communications and negotiations.

Q10 How is decision making between diverse cultures different and how does it impact business decisions . Give examples.

Q11 What are the ethical dilemmas and social responsibility facing firms in different cultures

Q12 How can Cultural intelligence and cultural competence be built up?

UNIT IV

Q13 Discuss recruitment & selection in the International context.

Q14 What are the challenges faced by HR department with regard to international staffing.

Q15 Write a note on Selection criteria, and techniques and the use of selection tests and interviews used for International recruiting.

Q16 Discuss cross national advertizing. What are the points that should be kept in mind while advertizing a product in different countries and cultures. Give examples of cross cultural advertizing.

Q17 Write short notes on :-

a) e-recruitment

b) Recruitment using head hunters

UNIT V

Q18 Discuss the backdrop of International Training. What are the special elements that must be kept in mind when organizing training for the managers of an organization that has offices across the globe.

Q19 Discuss the components of a pre- departure training programme.

Q20 Discuss the process of developing international staff and multinational companies

Q21 How does knowledge transfer take place in companies and why is it so important?

UNIT VI

Q22 Discuss the forms of compensation and factors that influence compensation policy.

Q23 Discuss the key components of international compensation. What are the various approaches to international compensation.

Q24 What are the compensation packages across the countries and what are the related emerging issues?

UNIT VII

Q25 Write a note on the key issues of International Labour Relations.

Q26 How do Labour Unions respond to MNC's . Why? How can the MNC management –labour relations be smoothened?

UNIT VIII

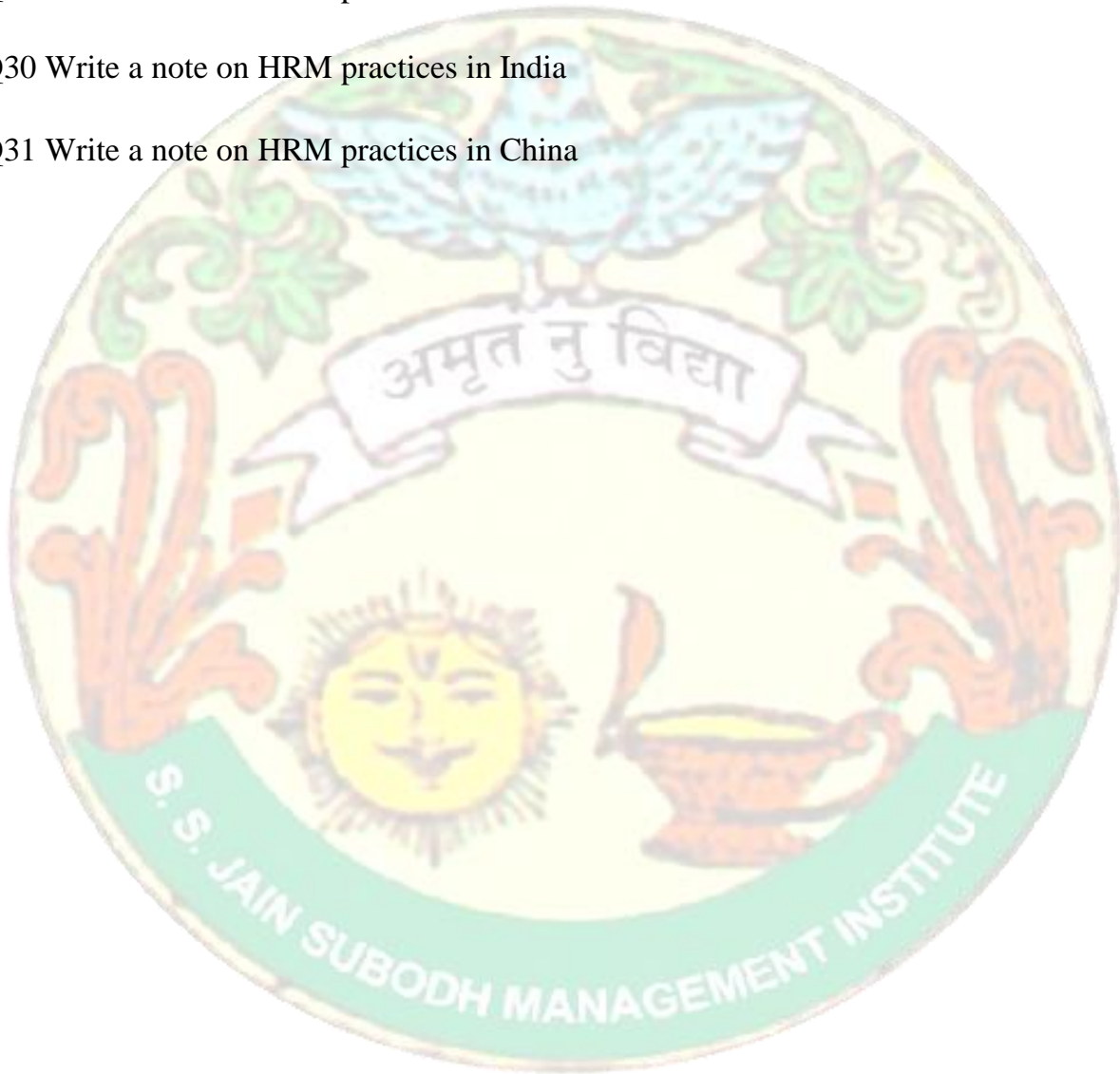
Q27 Write a note on HRM practices in Japan

Q28 Write a note on HRM practices in USA

Q29 Write a note on HRM practices in UK

Q30 Write a note on HRM practices in India

Q31 Write a note on HRM practices in China



PART C

Long answer questions or Case study (to be answered in great detail)

UNIT I

Q1

Mini-Case: Cross-Cultural Issues at Aero

Imagine that you have recently been hired as a human resources consultant by a Canadian multinational enterprise (MNE) called *Aero*. *Aero* designs, manufactures and sells commercial airplane engines and fuselages worldwide. It currently has over 1,000 employees in its three locations, including 500 at its global headquarters in Canada, 300 at a manufacturing plant in the U.S., and now over 200 at its newest manufacturing plant in Mexico.

The firm is having problems communicating and sharing its corporate values and policies with its newest employees in Mexico. The only experience *Aero* has had in opening a new subsidiary prior to Mexico was in the U.S., where corporate values and policies were taken up by American employees with little difficulty. The problems in the Mexican plant seem to centre around poor communications between the managers, who are mostly Canadian, and its new employees, who are mostly from Mexico.

“We want our corporate culture to be the same everywhere,” explains *Aero*’s CEO, Ms. Mary Avery, to you over lunch. “We want everything we do in Canada to be the accepted, standard practice across all of our locations, but that just doesn’t seem to be getting across to our employees in Mexico.” Avery continues by telling you that all new employees are trained in *Aero*’s corporate culture via discussions with their managers and corporate brochures/reading materials. She says that her Canadian managers in Mexico are frustrated with the Mexican workers’ abilities to learn *Aero*’s culture and that, as a result, productivity at the plant has been negatively impacted.

You investigate the issue by speaking with managers and employees at the new subsidiary in Mexico. The managers complain that employees at the new plant do not speak their mind very often, and often seem to stress harmony with each other over learning *Aero*’s culture. Managers are also frustrated that staff meetings frequently start late due to the lateness of employees. The employees, who are younger than their managers on the average, are frustrated that they are not told exactly how to do their tasks; instead, they are told to read their employee manuals for guidance. They are concerned that *Aero* managers are too impatient with them about learning the policies. They feel they have been left to their own devices to figure out how things work, which often causes them to stay late at work. What is more, staying late on their shifts often causes them to be late for staff meetings, where they are often berated by managers for not acting like “good Canadian employees”.

After your examination you become convinced that the problem *Aero* is experiencing relates to culture, and you prepare your report accordingly.

CASE QUESTIONS

Q1) What is the definition of culture? How is it typically measured in the context of international human resource management?

Q2) In your opinion, with its expansion into Mexico, at which stage of internationalization is Aero? Do you think Aero's management is taking a more standardized or a more localized approach to their human resources management? Why do you think this?

Q3) Select one of Hofstede's five cultural dimensions to explain to Avery the main differences between Aero's Canadian HQ and its Mexican subsidiary in terms of culture. Explain why you selected this dimension as the primary source of the problem between the Aero HQ and its Mexican plant.

Q4) In your opinion, what are three ways that Canadian managers could demonstrate higher intercultural competence at Aero's Mexican subsidiary?

UNIT II

Q2.

STARBUCKS EXPANSION INTO CHINA

This case examines Starbucks Expansion into China with an emphasis on Human Resource policies implemented by Starbucks. The case begins with an industry and company analysis of Starbucks in China. This is followed by a look at how Starbucks has succeeded in China by adhering to the cultural values of the country and subsequently, applying these values in terms of Human Resource policies that are relevant for employees in that region. The case concludes by looking at the potential Impact of the China specific policies and concludes by assessing the transferability to other markets and makes a recommendation on whether they should be implemented elsewhere.

Industry Analysis & Company Analysis

As Wang explains, China ranks low on coffee consumption (per-capita basis), but "total consumption grew at an average annual rate of 16% in the last decade, significantly outpacing the world average of 2%" (Wang, J, 2018). To add on, potential for growth is backed by statistics, as purchasing power and consumer base of the country is increasing, that is, "the population of China's middle class is on track to double to 600 million by 2022, while disposable income grew 8% a year in the past five years..." (Wang, J, 2018). In addition, the main customer force is the middle class, at around 75 percent, and among that 75 percent, 70 percent are female customers (Coffee Business Insider, 2018). In terms of taste preferences, Coffee Business Insider explains that "the beverage with notable major success is the latte— indeed the Chinese consumer has almost zero interest in beverages without milk and sugar" (CoffeeBi, 2018). However, much of the consumption is concentrated in major cities and as Wang explains, "the average annual coffee consumption in China is less than 5 cups per year each person, but in Shanghai, Beijing, Guangzhou and other first tier cities in China, the consumption of coffee per capita is 20 cups per year" (Wang, E, 2017). In comparison, Japan is 360 cups a year, while Europe and North America are around 400, which shows there is potential for

growth in China (Wang, E, 2017). This is very important for Starbucks as “many of these middle-class consumers reside in third- and fourth-tier cities, rather than Shanghai or Beijing...That means they have a lot of untapped potential, as consumers take some of their lifestyle cues from their peers in China’s more-established urban centers” (Wang, J, 2018). And it appears Starbucks has taken this information about the growing middle class into account as they project to enter 100 new cities in China by 2022 and increase store count to around 6000 from roughly 3500 currently and corresponds to a new store added roughly every day (Wang, J, 2018).

While Starbucks faces competition from Costa Coffee, Luckin Coffee, McDonald’s, Dunkin Donuts, and soon Tim Hortons, as they have announced plans to enter China, they have managed to create a stranglehold on the coffee market. Christensen explains, “China’s specialist coffee shop sector is valued at \$4.72 billion, and Starbucks dominates with a 58.6% market share” (Christensen., 2018). However, Starbucks faces increasing competition as newcomer Luckin Coffee is undercutting Starbucks pricing by providing a 20 percent cheaper large latte and are also attempting to steal away Starbucks staff by offering to triple salaries (Christensen, 2018). In addition, Costa coffee also plans to increase stores from 449 to 1200 by 2022 (Christensen, 2018). Nevertheless, according to Bloomberg, Starbucks expects to double operating profits in the country by 2022 and triple revenues there in the next five years (Bloomberg, 2018). In terms of payment, as Kowitt explains, Starbucks payment is 60 percent digital in China compared to only 40 percent in the US (Kowitt, 2018).

Starbucks Success In China

As Zakkour explains much has been written on Starbucks strategy in china which has led to their success such as the company’s long-term outlook, fruitful strategic partnerships, localization of items, adopting local technologies (such as mobile payment), and superior supply chains, but what made them stand out from other foreign firms was there fundamental strategy of “paying attention to and executing around Chinese culture” (Zakkour, 2018). In looking to establish their brand, Starbucks did not focus on coffee initially but rather, “It was about reviving a “tea house culture” that had existed for thousands of years. Starbucks’ global success was based on being the “third place” between home and work and brought that ethos to China — but with a modern, Western, upscale sensibility” (Zakkour, 2018). In addition, Starbucks focused on three pillars of Chinese society: Family, Community, and Status (Zakkour, 2018).

Family, Community & Status

As Zakkour explains, China’s Confucian values connect parents and children throughout stages of life and responsibility is a bond that is shared as family is seen source of security; parent engagement is high in all aspects, and in return it is expected that children will return the favor when parents age (Zakkour,2018). This cultural aspect of family was something Starbucks understood, and they made engaging parents a strategic part of their people operations in China (Zakkour,2018). In 2012, they started an annual Family Forum for partners (employees), and they also recently launched the Starbucks

China Parent Care Program in order build on their focus on family culture (Zakkour,2018). In terms of community, one key aspect Starbucks focused on was providing bigger spaces compared to North American locations with a more open format that is suitable for lounging and to better provide space for community engagement as many of the stores are up to 40 percent bigger (Zakkour,2018). To sum, “as Quartz’s Gwynn Guildford put it: In China, Starbucks doesn’t sell coffee to make its millions—it rents couches.”, which seems to complement their strategy of being a third place between work and home (Zakkour,2018). Lastly, in terms of status, Starbucks understood that, “Chinese place a premium on gaining and upholding reputation and status, especially for their family and community. Consequently, they want to be associated with brands and products that portray prosperity, success and upward mobility” (Zakkour, 2018). A few of the things Starbucks does in order to establish itself as a prosperous brand are: charges 20 percent higher prices in China, chooses expensive, high-end locations with high proximity to customers, labels imported products to establish premium quality, and as we discussed earlier, family forums which look to establish status for the company as a whole and the employees within the company and have provided an environment that both the community and employees can be proud of (Zakkour, 2018).

Human Resource Policies in China

Starbucks recently won the Aon Best Employers award in China for the fourth year which “...recognizes the company’s investments in building a warm and welcoming family culture, with deep respect for China’s unique culture.” (Web Wire, 2018). Part of this success can be attributed to the CEO of Chinese operations, Belinda Wong. As an external hire, who worked her way up internally for 18 years, from Marketing to Presidency, and finally as CEO of China, and with a 79-year-old dad who suffers from dementia, she has a great grasp on the internal aspects of the company and the cultural issues which are important to Chinese employees such as family values; taking care of the elderly as well as the community aspect which comes with understanding that she has to take care of the 50,000 and growing number of partners in China (Dahlstrom, 2018). As Belinda states, “I need to promote a store manager every day...I need to promote a district manager once a week and an area director once a quarter” (Dahlstrom, 2018). In the last seven years that she has been CEO and president (last 2 as CEO of China Starbucks) She has assisted in implementing the following Human Resource Policies outlined below which have looked to further build on the cultural values we discussed earlier (Dahlstrom, 2018).

Starbucks Partner Family Forum

In 2012, she helped start the first ever Partner Family Forum, “Starbucks China Partner-Family Forums have become extraordinary annual events that honor the special role family plays in the lives of Starbucks partners, while providing an engaging platform for partners and their loved ones to share their hopes and dreams.” (Web Wire, 2018). This builds on establishing Starbucks as a high-status organization, by showing prosperous career paths, it will be easier to attract workers if parents see it as a desirable career path with room for prosperity such as other high-status positions that Chinese people may value, for instance, doctors or lawyers.

Starbucks China Parent Care Program

In one of the partner family forums in Beijing in 2017, Starbucks announced the Starbucks China Parent Care program which allowed partners to add parents to the company's health insurance plan (Human Resources Online, 2017). This will provide employees who have been with the company for two years or longer the ability to provide their parents below the age of 75 who reside in mainland China critical health insurance (Human Resources Online, 2017) This was backed up by company analysis, that is, "70% of Chinese staff members are concerned about the health of their parents as they age. Moreover, the company found those who are single – about 80% of the retail staff – are especially worried about their financial ability to provide for their parents' long-term care in case of a critical illness" (Human Resources Online, 2017). To add on, the company added, "Supporting critical illnesses for aging parents exemplifies what we believe is our responsibility as a global public company and honors the family values deeply-rooted in the Chinese culture," (Human Resources Online, 2017). The company hopes this will have the impact of retaining more of their front-line staff, since retention is a key issue in a competitive service environment, and with the expected growth of competitors such as Costa, Luckin, and Tim Horton's, there will be a war for talent at all levels of the organization.

Housing Subsidies for Baristas and Shift Supervisors in China

As Paterson writes, Starbucks is offering Chinese employees who are full-time, a monthly housing subsidy which is intended to help hurdle financial challenges that are faced by potential employees looking to begin their career at Starbucks (Paterson, 2016). They are expected to cover roughly 50 percent of the monthly cost of housing for employees (Paterson, 2016).

Coming Home Program

This program has a focus on the family aspect we discussed earlier. As taking care of an aging population is both in the minds of employees and the government, this program allows for partners who have moved away for work a chance to relocate to be closer to their family members. We can see how this continues to build on the company's focus on easing family issues employees may face and further push their cultural awareness in that area.

Starbucks China University

This is "a cross-functional mobile learning platform, has been specially designed to allow its partners to personalize their individual training plans" (Web Wire, 2018).

Starbucks China Talent Exchange Program

This is a program which, "sent 16 employees to a one-year exchange program in Singapore" (Paterson. 2016). By providing international experience to employees, the company can provide better career development and give a chance to promote internally when looking to fill the increasing number of positions in China.

Potential Impact

Through, family forums, talent exchange programs, and the China University, Starbucks have created a working environment that is respectable and seen as high status by their Chinese employees and their families. Through engaging parents and making a commitment to their overall health, they have both helped remove some of the anxiety and uncertainty employees feel about their aging parents, and this will provide a competitive advantage in attracting talent which they will need as they look to add a large number of employees every year. By providing a chance for personal growth and advancement, parents and employees may be more willing to enter lower levels of the company and stay for development as they may envision themselves in a potentially high-status position in the future. In addition, the Parent Care program has a 2-year minimum requirement, and this could impact retention as employees may choose to stay longer in order to provide security for their parents. Starting with 10,000 and now with 14,000 partners signed up for the parent care program (Dahlstrom, 2018), it is still too early to discuss its long-term impact as it is only in the second year. Since it takes two years minimum for new employees to get into the program, it will be better to assess this program in another two years to see if retention numbers have significantly changed because of it.

Transferability

In terms of transferability, the University, the Talent Exchange Program, and the coming home program, seem to have the highest degree of transferability across borders. These are less based on culture, and more based on individual progression and as such, I expect Starbucks to provide some if not all of these in other countries they operate in. However, as far family forums and the Parent Care Program, I question how transferable they will be in individualistic cultures which do not put as high emphasis on family and taking care of the elderly. I think this will also depend very highly on the demographic of the population, and how much of a cultural issue, elderly health is in that region of the world. However, in a globalized working environment and with their worldwide presence, it is a fair to question if employees in certain regions will demand equal treatment in term of care for their parents and as such, Starbucks should carefully consider making it available to all employees through the globe.

Recommendation:

1. Extend Parent Care Program to all partners globally, in order to avoid future issues such division between Asia Pacific and North American subsidiaries. Avoid potential impact for employees wondering what makes Chinese employees eligible for parent care program, but not theirs which could lead to backlash as they may feel like they are treated differently based on race or location and have the perception that the Company seems to care more about Chinese employees.
2. Extend Housing Allowance globally based on cost of living. Cost of living should be considered as a means to attract talent to the company. Where cost of living is most prohibited by rising cost of rent, an allowance should make up for it to attract

premium talent for entry level positions and allow for better chance to promote internally. Alleviated issues with regards to housing can go a long way to convince people to move to a new location.

Case Questions

Q1) Discuss the aspects of Chinese culture that had to be understood by Starbucks management in order to enter the Chinese Market

Q2) Why do you think Starbucks was able to face the challenges confronting its entry into the Chinese market

Q3) Few suggestions are already given . Can you give some more suggestions and recommendations for the Starbucks management in China?

UNIT III

Q3.

CASE STUDY

It is common knowledge for the workplace to have people from different cultures interacting with each other. The Human Resources Department is no exception. It is imperative to have an understanding of cross-cultural issues so that conflict and misunderstandings can be mitigated. Individuals perceive communication differently when interacting with people of different cultures. It is therefore important to assess to what degree does culture impact the way how individuals apply, assess and perceive communication in Human Resources.

Q1) Discuss how cultural differences can impact communication, conflict and perceptions. Give examples to show these differences .

UNIT IV

Q4. Brunt Hotels, 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.

The organization has never owned 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.

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

Qii)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 and disadvantages of each group.

UNIT V

Q5. Case Study

Brunt Hotels, 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.

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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.

Q1) 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:

Main responsibilities of the new job.

The skills you are looking for in the position.

UNIT VI

Q6. As the HR manager of a large multinational company that has offices in Europe, Asia and Australia you have been asked to structure the compensation package for mid level managers in all three components. Suggest the components of the compensation packages and how they will differ for each continent.

UNIT VII

Q7. You have been appointed as the Industrial Relations Manager for the India based Manufacturing Plant of a Large MNC . Write a report to your top management based in Europe about the Labour laws and Trade Union situation in India.

UNIT VIII

Q8 Discuss how HRM practices in different countries are different. What advice would you give an Indian manager who has just been transferred to----

i) Shanghai, China

ii) New York, USA

iii) London , UK

iv) Tokyo, Japan

