# Chapter 20 : International Human Resource Management

**Multiple Choice Questions**

1. Factors creating the global marketplace include all of the following except c

 Und

1. lowering of costs of doing business globally M
2. privatisation and globalisation of government services
3. growth in domestic businesses
4. satellites and computer technology
5. Someone who lives and works in a foreign country is a(n) a

 Fac

1. expatriate L
2. holiday maker
3. international jet-setter
4. immigrant
5. A major difference between International HRM and Domestic HRM is the a

 Und

1. increased complexities such as currency fluctuations, foreign HR policies H

 and practices, and differing labour laws

1. number of employees covered by the HR policies
2. ease with which employees adjust to new cultures
3. development of effective cross-boarder management styles
4. HRM as practised by multinational organisations is called d

 Fac

1. global HRM L
2. personnel management practices
3. domestic HRM
4. international HRM
5. The key questions to be asked when developing an international HRM policy is b

 App

1. who is going to coordinate the HRM functions? H
2. what type of organisation is desired?
3. how can cross-boarder training be designed?
4. when should the HR manager begin developing HR policies?
5. Whirlpool’s use of a performance management system worldwide is an example c

of App

 M

1. extended management control over employees
2. attempts to increase productivity in all its branches
3. an international HRM policy
4. a policy that has adopted a global village philosophy
5. To be effective in the international environment HRM policies must a

 Und

1. reflect an international view L
2. focus on domestic issues
3. accommodate differences in management styles
4. effectively transplant HRM policies and practices from the home country to all other offices
5. Organisations that do not adopt a strategic HRM approach and a global vision b

 Und

1. develop effective two-way communication M
2. are virtually guaranteed to fail
3. find it easier to implement traditional HRM activities
4. have much more flexibility in responding to environmental changes
5. When a person from one culture communicates with a person from another a

 culture they are engaging in Fac

 L

1. cross-cultural communication
2. two-way communication
3. multi-focus communication
4. verbal communication
5. Cultures where non-verbal communications and indirect language are used to d

 transfer meaning are described as Fac

 M

1. low-context cultures
2. medium-context cultures
3. context cultures
4. high-context cultures
5. Cultures where verbal communications are explicit and direct are a

 Fac

1. low-context cultures M
2. medium-context cultures
3. context cultures
4. high-context cultures
5. The Japanese have a high-context culture, and therefore prefer to communicate c

 App

1. by fax M
2. by email
3. face to face
4. both (a) and (b)
5. What is good and bad or right and wrong, or has to deal with moral duty and b

 obligation is referred to as Fac

 L

1. responsibilities
2. ethics
3. social expectations
4. standards
5. Fraud, bribery, graft and the payment of secret commissions and kickbacks is a

 Fac

1. corruption L
2. normal business practice
3. standard behaviour
4. an ethical dilemma
5. In the year 2000 the most corrupt economies in the world were listed as c

 Fac

1. Finland, Denmark and New Zealand M
2. Australia, the United Kingdom and Japan
3. Nigeria, Indonesia and Yugoslavia
4. United States, Korea and India
5. To help their managers deal with corruption in different countries BHP and b

 Telstra have App

 H

1. limited their business operations to countries that have similar business practices to those of their home country
2. produced a list of guidelines to help managers deal with the corruption quagmire
3. decided to judge business operations in other countries by their own standards
4. issued a blanket instruction to all managers not to enter into any arrangement that would be considered illegal or unethical back home
5. It has been recommended that companies take the following steps to ensure that d

 their responses to different cultural environments are appropriate and ethical, App

 with the exception of H

1. develop a clearly articulated set of core values as the basis for global policies and decision making
2. train employees to ask questions that will help them to make business decisions that are both culturally sensitive and flexible within the context of those core values
3. balance the need for policy with the need for flexibility or imagination
4. instruct managers to offer no inducements or incentives to win support for business developments
5. Developing the long-term business relationship needed in joint ventures requires a

 Und

1. the building of trust and commitment M
2. heavy financial investment
3. favourable foreign currency exchange
4. effective management skills
5. Trust is influenced by c

 Und

1. ethical standards H
2. personality
3. culture
4. philosophy of life
5. Australia and the United States are examples of b

 Fac

1. low trust cultures M
2. high trust cultures
3. no trust cultures
4. conditional trust cultures
5. The particular approach used by a manager to achieve goals through other c

 people is described as Fac

 L

1. leadership
2. situational behaviour
3. management style
4. achievement approach
5. In cultures that emphasise hierarchy and status employees expect the overriding d

 style of their managers to be Und

 M

1. participative
2. egalitarian
3. consultative
4. autocratic
5. Employees in countries such as Australia and the United States, expect to have a a

 much greater say in decision making and more autonomy in their work. These Und

 cultures have been described as having M

1. low power distance
2. high power distance
3. equality of status
4. cooperative work environments
5. In high power distance countries such as China and Korea employees expect b

 Und

1. to have a say in all decision making H
2. their managers to make the decisions and tell them what to do
3. to be asked their opinion about changes to work processes
4. managers to delegate a great deal of the decision making responsibility to their subordinates
5. Equal opportunity laws are c

 Und

1. rigidly enforced in all countries M
2. an attempt to monitor the organisation’s treatment of job applicants
3. the product of society’s social values
4. both (a) and (b)
5. HR issues that will require adaptation to fit different cultures include all of the d

 following except App

 M

1. training and development
2. performance appraisal
3. compensation
4. job analysis
5. In Thai firms performance evaluation is based on a

 App

1. the employee’s attitude towards the company rather than on actual job H

 performance

1. job performance and political attitudes
2. the quality of personal relations, political attitudes and output
3. standard of job performance
4. Which of the following was not suggested by Stone as a suitable criteria for the b

 evaluation of expatriate performance App

 H

1. technical skills
2. language proficiency
3. work performed
4. personality variables
5. All aspects of training and development in international organisations are c

 affected by all of the following except Und

 M

1. cultural differences
2. diversity of the work force
3. financial costs
4. language differences
5. Hong Kong Chinese managers and Western managers have different approaches b

 for all of the following except Und

 M

1. giving and securing feedback
2. identifying training and development needs
3. handling conflict
4. learning
5. Japanese firms stress the importance of what type of training d

 Fac

1. leadership M
2. communication
3. interpersonal skills
4. technical knowledge
5. When an organisation enters the international training and development area, the a

 HR manager needs to App

 H

1. be sensitive to local customs and expectations
2. identify costs of developing cross-boarded programs
3. develop programs that focus on enhancing technical skills and knowledge
4. ensure that training and development programs are clearly linked to compensation management
5. Cultures that value hierarchy and status differentials will have compensation b

 strategies that Und

 M

1. have an emphasis on individual achievements
2. promote and reinforce differentials
3. minimise status differentials
4. are based on group performance and individual seniority
5. Compensation strategies that reward individual performance and the acquisition a

 of individual skills and know-how are common in Fac

 L

1. individualistic cultures
2. egalitarian cultures
3. collectivist cultures
4. risk-averse cultures

40. Bureaucratic reward systems that emphasise fixed pay are preferred in c

 Und

1. individualistic cultures M
2. group-oriented cultures
3. risk-averse cultures
4. egalitarian cultures
5. Pay increases linked to inflation are given to all employees regardless of their b

 performance in which country Fac

 M

1. Australia
2. Thailand
3. Japan
4. United States
5. Unions that include workers who have a common skill are a

 Fac

1. craft unions L
2. industry unions
3. craft guilds
4. trades unions
5. Industrial relations in Japan and Singapore is characterised by c

 Und

1. a ‘them and us’ attitude M
2. militant unions
3. cooperation and employee identification with the company and its objectives
4. a feeling of exploitation and insecurity
5. When building employees working near a Chinese restaurant were paid an d

 allowance because the cooking aromas made them hungry it was called Fac

 H

1. hardship allowance
2. stress pay
3. danger pay
4. dim sim allowance
5. When implementing industrial relations practices overseas an Australian head b

 office should ensure coordination so that App

 H

1. policies are the same as in Australia
2. practices adhere to and reinforce strategic HRM philosophies and policies and are in harmony with the desired corporate culture
3. all employees belong to key trade unions in the industry
4. concessions are made in each country so that operations can run smoothly
5. What percentage of the Chinese labour market are illiterate? a

 Fac

1. 15 % M
2. 23 %
3. 32 %
4. 44 %
5. Foreign enterprises in China face HR challenges in all of the following areas d

except Und

 M

1. recruitment and selection
2. performance appraisals
3. compensation and benefits
4. human resource planning
5. Chinese enterprises rely heavily on which method of selection c

 Fac

1. personality testing M
2. assessment centres
3. interviews
4. psychological testing
5. A situation where an employee is guaranteed a job for their entire working life is a

 known as Fac

 L

1. lifelong employment
2. organisational loyalty
3. employee commitment
4. job security
5. Unions that only represent the interests of employees working for a single c

 employer or enterprise are Fac

 L

1. trade unions
2. craft unions
3. enterprise unions
4. industry unions

## True/False Questions

1. Differing national cultures have no impact on strategic business objectives, F

 corporate culture and the way companies operate. Und

 M

1. The development of the global marketplace and global organisations has been T

 influenced by work force mobility. Und

 M

3. There is no difference between domestic and international HRM. F

 Fac

 L

5. When a person from one culture communicates with a person from another T

 culture they are engaging in cross-cultural communications. Fac

 L

1. Chinese and Japanese negotiators use silence in their business meetings and T

 negotiations. App

 M

1. Establishing and maintaining ethical standards in an international business T

 setting can be difficult because of the different views of what is right and wrong, Und

 a moral duty and an obligation. M

1. According to the 1997 United Nations World Development Report, 15 % of all T

 companies in industrialised countries have to pay bribes to win and retain fac

 business. H

1. The sharing of a set of moral values so that expectations of regular and honest T

 behaviour are created leads to the development of trust. App

 M

12. Effective managers use one consistent style of management in all situations. F

 Und

 M

1. All countries have anti-discrimination laws and have legislation in place to F

 ensure that they are enforced. Und

 M

1. Companies that operate internationally find that transplanting an existing F

 performance appraisal system from head office is very effective. App

 H

15. It may be necessary to use different criteria from that used at head office to T

 evaluate expatriate performance. Und

 M

1. When an organisation enters the international training and development area T

 the HR manager must consider issues of ethnocentricity. App

 H

18. National culture does not have any impact on compensation strategies. F

 Und

 M

1. US company Lincoln Electric found that its incentive program based on the T

 belief that all employees would be willing to work harder to increase their Fac

 incomes was highly successful in the United States, Canada and Australia but a M

 failure in Germany because of employee attitudes towards risk taking.

1. Unions have considerable economic and political clout in Hong Kong and F

 Taiwan. Fac

 L

22. Performance appraisal in China focuses on performance, skill achievements and F

 merit. Fac

 M

1. In Japan, a seniority system exists, where the length of time that an employee T

 has worked with an organisation is given recognition and priority for promotions Fac

 and salary increases. M

24. Unions that only represent the interests of employees working for a single F

 employer or enterprise are industry unions. Fac

 L

1. In international business, the underlying impact of culture is evident in the way T

 people interact with and manage others. Und

 L

**Essay Questions.**

1. Critically discuss how culture impacts upon HRM activities in an international organisation.
2. As an HR manager you are responsible for developing a training program to familiarise staff with the company’s new objectives and work processes. What issues would you need to consider when providing this training in several different countries? Why is it important to address these differences?
3. Explain the difference between high and low context cultures and how this impacts upon cross-cultural communication.
4. Choose two countries and examine the different management styles that are used. What difficulties might an expatriate manager face when trying to impose an unfamiliar management approach on employees of a different culture?