

ACKNOWLEDGEMENTS

Preface Acknowledgements **SECTION I** 1. GLOBAL PERSPECTIVE Opening Case: Globalisation—Winner and Loosers 2 Nature of Globalisation 3 Drivers of Globalisation 3 Ripple Effects of Globalisation 10 India Beckons 17 Plan of this Book 22 Summary 23 Closing Case: Global Human Resource Management at Coca-Cola 23 Kev Terms 25 Review Questions 25 Assignments 25 References 25 2. MULTICULTURALISM Opening Case: Seventh Heaven 28 Nature of Culture 29 Effects of Culture 29 Multiculturalism 30 Cultural Predispositions 31 Cultural Dimensions 34 Managing Across Cultures 44 Technology 57 Culture annd Performance 65 Summary 67 Closing Case-1: Troubled Team 67 Closing Case-2: Waiting in New Delhi 68 Key Terms 69 8. STAFFING OF INTERNATIONAL BUSINESS Review Questions 69 Assignments 69 References 69

Opening Case: HRM at Colgate-Palmolive Co. 72

3. NATURE OF IHRM

IHRM Compared with Domestic HRM 73

71

CONTENTS

| | Growing Interest in IHRM 78 New Dimensions 79 | Key Terms 188 | |
|------|--|--|-------------------------|
| | Summary 90 Closing General Hymney B. | Review Question 188 Assignments 189 | |
| | Closing Case: Human Resource Practices at Disney 90 Key Terms 93 | References 189 | Vita movement |
| | Review Questions 93 | WASTLAND AUGUST AND AUGUST AND AUGUST AND AUGUST AU | |
| | Assignments 93 | 7. TRAINING AND DEVELOPMENT | 19 |
| | References 94 | Opening Case: Konica Minolta: Using Learning to Create a Unified Cult Training Strategies 193 | |
| 4. | STRATEGIC IHRM | Franchista Trainia 104 | |
| | Opening Case: Building Strategic HIPM C. 1994 | TI | |
| | Opening Case: Building Strategic IHRM Capabilities 96 Understanding Strategy 99 | TIONITE ' ' AAA | |
| | Nature of Strategic HRM 101 | TCN Training 214 | |
| | Organisational Context of IHRM 104 | Emerging Trends in Training for Competitive Advantage 214 | |
| | Dimensions of Strategic International HRM 110 | Summary 219 | |
| | Summary 122 | Closing Case-1: Training of McDonald's 220 | |
| | Key Terms 122 | Closing Case-2: Doing Business in India: A Cultural Perspective 221 | |
| | Closing Case: A Study in Corporate Foreign Expansion, Fura Dianas, 122 | Key Terms 223 | |
| | | Review Questions 223 | |
| | Assignments 125 | Review Questions 223 Assignments 224 | |
| | References 126 | References 224 | |
| K | HDM IN CDOCG DODDED | 8. PERFORMANCE MANAGEMENT | 22 |
| J. | HRM IN CROSS-BORDER MERGERS AND ACQUISITIONS 127 | Opening Case: Performance Management—Getting It Right from the St | |
| | In conversation: Rethink the Value of Joint Ventures 128 | Steps in the Global PMS 230 | |
| | Nature of Mergers and Acquisitions (M&As) 130 | | |
| | Motives Behind M&As 132 | | |
| | Extent of M&As 133 | Summary 247 | |
| | HRM Comes into the Picture 136 | Closing Case: "The Culture of Appraisal" 247 Key Terms 248 | |
| | HR Interventions 141 HR Role—A Checklist 140 | Key Terms 248 | |
| | | Review Questions 249 | |
| | | Assignments 249 | |
| | 5 case. More Problems than Solutions 132 | References 249 | |
| | Key Terms 153 Review Questions 153 | 9. INTERNATIONAL COMPENSATION MANAGEMENT | |
| | Assignments 154 | | Male months mich |
| | References 154 | Opening Case: Corporate Critique 251 | |
| | Closus Camer Trumbled ferm 08 | Objectives of Compensation 252 | |
| | SECTION III | Compensation Philosophy 253 | |
| 8 9 | STAFFING OF INDEPNATIONAL COLORS | Theories of Compensation 253 | |
| O. L | STAFFING OF INTERNATIONAL BUSINESS 155 | Compensation Strategy 254 | |
| | Opening Case 156 | Components of Compensation 258 Variables Influencing Compensation 265 | DE CHA EURITE D |
| | Human Resource Planning 156 | Compensation Packages 267 | |
| | Recruitment and Selection 157 | Compensation Administration 270 | |
| ľV | Recent Trends in International Staffing 181 | | U. Later V. samp? |
| | Summary 186 Closing Cases The Office For its angular transfer of the Office For its angular tran | 1 | Rome of Patrice in Bank |
| | Closing Case: The Office Equipment Company 187 | | |
| | (1988) Computed with Domestic PRSI 23 | | |

SECTION IV

12. ETHICS AND SOCIAL RESPONSIBILITY

Opening Case: Nike in Southeast Asia 327 Ethics 328 Source of Ethics 328 Role of Ethics in Business 330 Myths about Business Ethics 331 - Comment of the specific states and the specific states are specific states are specific states and the specific states are specific states a Perception of Corporate Ethics 334

Assignments 324

References 325

Ethical Dilemmas 335 Ethical Initiatives in MNCs 341 Social Responsibility 345 Social Responsibility and IHR Manager 348 Summary 351 Closing Case-1: Conscience or the Competitive Edge 351 Closing Case-2: A True CSR 352 Kev Terms 354 Review Questions 354 Assignments 354 References 354

13. FUTURE OF IHRM

Closing Case 371

Review Questions 373

Key Terms 373

References 374

355

Contents xv

Opening Case: Global Leadership — Numbers are not Enough 356 Developing and Retaining 'A' Players 358 Workforce Rationalising 359 Evolving Nature of International Employment 360 Gender Diversify 363 Maintaining Competitiveness 367 Building Service-Oriented Organisation 368 Technology Savvy 368 Organisational Redesign 369 Putting all Together 371

14. HRM PRACTICES IN DIFFERENT COUNTRIES

375

Opening Case: Cultural Guidelines for Doing Business in Europe 376 HRM in China 380 HRM in Japan 385 HRM in the USA 388 Closing Case: Cultural Characteristics of Africans 389 Kev Terms 393 Review Questions 393 References 393

Index

11. Garge Ferrary, The Collment Dimension of Informational Business Pears and 2007, Acid S. 12. Manuals, Inna, Series of the Keyets Separation Comparison Success, Mathematik, 1986; p. berner Name of the Party States and Associated States and States and States and States and States and Seathern Days Chinages, Date of 1975 varies allevel frameway Seasons in Court Calver of Season

THE PARTY OF THE P

INDEX

| THE PROPERTY MANUAL STREET | twards Demany 118 |
|--|--|
| 14 rat commy management 77, 150 | |
| 'A' players 358-350 | Code of conduct 341 |
| A abjoyrement 42 | Colgate Palmolive 72 |
| Aditya Birla 130 | Collectivism 41,387 |
| Aditya Birla 130 | Commuter assignments 361 |
| Agency meet on compensation (see | Compensation 252 |
| ATDC 220 | objectives 252 |
| Allowances (see compensation) | philosophy 253 |
| Amalgamation 151 | theories 253-254 |
| A | strategy 255 |
| A 1 Advisor 111 | components 258-267 |
| 40 | packages-267269 |
| Autus Zamasa 127 | administration 270-273 |
| AT 0-T 277 | issues 273-278 |
| A 1 T 1C Turning Co 192 | Competitive advantage 163,389 |
| 1 D 1 CO | G C ' ' 200 |
| | Confusianism 380 Contingency theory of compensation (see |
| B LL E W = 1 | compensation) |
| Balance sheet approach (see compensation) | Crompton Greaves 54 |
| Devector (and administration) | Cross-cultural training (see training and |
| D1 - 4 F 122 | development) |
| | Cultural Revolution 381 |
| Boston Consultancy 5 BPO 7,303, 364 | Cultural sensitivity 56 |
| Deibore 241 | Culture 29,142 |
| | effects 30 |
| Duddleigns 200 | creating 144 |
| n ' | hr intervations146 |
| Conference during and managed to great and an arranged to the conference of the conf | Culture shock 171 |
| International Engine Corporation 18 and Co. | |
| C All China Federation of Trade Unions 384 | D W Me majorimerage |
| Compagie Steel Co. 130 | Daewoo 334 |
| Carnegie Steel Co 130 Catalyst Report 63,179 | Daimler Benz 147 |
| Cartra of Excellence 84 | Daimler Chrysler 133,147 |
| Centre of Excellence 84 | Dave Ulrich 79,145 |
| Chamical Wanners Convention 9 | Defender strategy 111 |
| Chemical Weapons Convention 9 | Department of Science & Technology 19 |
| Cliff Labour 12,516 | Depression 4 11-01 wanthadgu |
| Christopher Bartlett 102 | Didactic training 202 |
| | Diversity 177, 181-182,363 |
| Ciba – Geigy 148 | Dual career couples 185 |
| CISCO 45 | |

Coca Cola 23-24,102,179

| E | 3273117 |
|--|---|
| E U 4,315 | LP LOLAN |
| Eastman Kodak 82 | |
| E-commerce 184 | |
| Edwards Deming 1118 | |
| Employee stock options (se | e compensation) |
| Empowerment 65,145 | Codexal conduct 143 |
| Equity theory of compensat | tion (see compensation) |
| Ethics 328 | |
| source 328-330 | |
| role 330-331 | |
| myths 331-333 | |
| corporate 334 | |
| dilemmas 335-341 | |
| initiatives 341-344 | |
| Ethnocentricism 32 | |
| Evnatriates 162 | |
| failure 169-171 | ediciliani 2 matematica |
| managing 171-174 | |
| female 174-181 | |
| Experiential training 202 Exxon Mobile 137 | |
| Exxon Mobile 137 | |
| Empire 1/200100 1-1 | |
| F | Cromplen Grange 54 |
| F Factor conditions 59 | and Thirtman result to 5 - 5 miles in |
| FDI 9, 17 | |
| Flexi time 365 | Cultural Revolution 381 |
| FTAA 4 | Cultural generative six |
| riaa + | Chings 29,141 |
| G | |
| GAATS 9 | |
| GAIL 133 | la mierzaniona (19 |
| GAIL 133 GE 130 | Culture sheet: 171 |
| | in the second |
| Geocentricism 33 Glass ceiling 64 | |
| Global careerists 360 | Danwoo 134 Danier Bew 147 |
| | compensation) |
| | |
| Globalisation | Dave Ulneh 79,145 Defender itmiege 111 |
| nature 3 | |
| drivers 3-9 | Department of Science & Depression 4 |
| ripple effects 10-17 | |
| GLOBE 49, 50 | Diductic running 202 |
| Going rate approach (see | compensation) |
| Goodyear Tyre & Rubber | Co. 304 |

| H | |
|----------------------------|--|
| Geert Hofstede 64 | |
| HCL 8, 10, 11 | |
| High context language 53 | ₹. |
| Hofstede's cultural dimen | |
| Host country nationals 77 | ,159 |
| HP 15,113 | A. phiggan \$5843.50 |
| HRIS 83 | Achievement 42 |
| HSBC India 196 | Addition Hinter 139 |
| Human capital 143 | and the control of the control of |
| Human Resource Champi | ons 79 |
| Human resource planning | 74,156-157 |
| TT doi: 121 | |
| men | |
| I | |
| I Gate 149 | |
| IBM 7, 45,102, 365 | |
| ICICI 63,365 | Assurption 42 |
| Idea Cellular 133 | Villa Zateta 137: VII. & T. 277 |
| TT O 10 14 | |
| ILO314, 320, 382 | Wise Life Institute Co 1 Vals Hink G3 |
| Immigrants 360 | |
| Impartation 293 | |
| | |
| T. 41 Darram 122 | litance speet approach rise |
| Indira Noovie 180 | lestellis (see usungensation ileunt Forge 133 |
| Individualism37, 41 | |
| Industrial relations 299 | Imton Consultincy 5 000 7,303, 361 |
| approaches300-301 | The American |
| key players304 | William Afronou 123 |
| Inequalities –15-16 | total standard and |
| Infosys 19 | |
| International citizens app | proach (see compensation) |
| International Finance Co | rporation 18 |
| International Human Res | source Management |
| nature 73 | |
| compared with domes | tic human resource |
| management 73-78 | course of Eurethence 34 |
| growing influence 78 | EEE Instruction |
| 11 1 70 0 | |
| International Trade Secr | etariats 314 |
| ISRO 19 | El ToA: wodu.1 fili/4 |
| ITES 364 · | Total taling and and and |
| | The example value of |
| J - | (18CC) 45 |
| Jack Welch 145 | 001 Coln 23-24 102 170 |
| | ALTERNATION CZ HING NOW |

| Job discrimination (see ethic | |
|-------------------------------------|---------------------------|
| John Deere 163 | |
| Joint ventures 128-130 | |
| | |
| K 40 labora | Terre deplementation ? |
| Kaizen 38 | |
| Keireton 131 | |
| Kellogg 102 | |
| Konica Minolta Business So | |
| Itoliiou Ivilliova Dabiliebs ve | Throny Y ID |
| L (13) | |
| Language skills 168S | |
| Language skins 1003 Laxmi Mittal54 | |
| | |
| | MI III augumik |
| Lenova 138 | |
| Leveraged buyouts 132 | |
| | |
| LIC 182 | |
| Life time employment 386 | ELETZ NUL |
| Low context language 53 | |
| | |
| M | 3. |
| M & M 54 | f neuronary avaidance |
| Mao Zedong 55 | SHE CEVE SHIP |
| Masculinity 38 | |
| MERCOSURE 4 | |
| Mergers and acquisitions 13 | |
| motives 132 | |
| extent 133-136 | V |
| Max New York Life Insuran | ce 182 |
| McDonald's 220-221 | Sat money Individe |
| Menden Hall 205,208 | 55 unotation |
| Merit awards 243 | |
| Marxist approach (see indus | strial relations) |
| MNCs 3, 5,6,98,228,305 | arran relations) |
| | Wil Mart 102 520/323 |
| Motivation 46 | Watt Digner 90-91, 12 |
| | |
| Multicultural organisation | O United School Assembled |
| Multicultural teams 61-63 | WILLEG DRATES |
| Multiculturalism 30-31,379 | |
| | |
| N | ERC'S PELLEN |
| NAFTA 4,312 | |
| Net present value 132 | |
| Nissan 152 | |
| | |
| | |
| | |

JIT 386

Non-verbal communication 55 Non-waged employees 312 O Oddou 206 OECD 311,314 On-boarding 83 ONGC 20 Organisational structure division structure 104 functional structure 104 area structure 105 product structure 106 matrix 106-107 Outsourcing 85,183 man to second beam comment P & G 102 Parent country nationals 159 Parent country nationals 77 Paris Convention 9 months and part of the second se Particularism 40 Patni Computers 149 Pepsi 102,175 Performance appraisal 228,338 Performance management 228 system 229 organisational strategy 230 goals 231 variables affecting performance 232 appraising 235-238 feedback 238 . We look a least mild Leading to issues 239-247 pluralistic approach (see industrial relations) picketing 313 Poison pills 131 Polycentricism 33 POSCO 45 Power distance 35, 36 Privacy (see ethics) Product ownership model 109

R

Radhakrishnan S 55

Rapidly developing economies 5

Ranbaxy 20

| RBI 693 | Tata Motors 34 |
|--|------------------------|
| Rayman's Technology Inc 96 avolums happy now | Tata Tea 134 |
| Reactors strategy 111 | Tax equalisation (see |
| Possitment and selection 157 | Tax protection (see co |
| Regiocentrisism 33 | TCS 7,8,282-283 |
| Relational skills 165 | Team Argumentation |
| Reliance Industries 133 | Technical skills 167 |
| Ponotriation La Dome | Technology 57,368 |
| nature 284 | Tetley Tea 134 |
| benefits 285 | Theory X 10 |
| challenges 285-286 | Theory Y 10 |
| process 286-288 | Third country nationa |
| managing 288-292 | Time dimension 43 |
| Percurce Argumentation Model 109 | TQM-386 |
| Resource based theory of compensation (see | Training and develop |
| compensation) | strategies 193-194 |
| Reverse merger 141 | expatriate 195-203 |
| Rosali Tung 204 | female workers 20 |
| | HCN 209-213 |
| Parent estably mationals 77 | TCN 214-219 |
| Salary bands (see compensation) | Treaty of Rome 9 |
| C | Company Market |
| Sorbanes Oyley Act 336 | U |
| Sexual harassment 64,177,337 | Uncertainty avoidance |
| Shared Services Centre 83 | UNCTAD 305 |
| Social institutions 59 | Union tactics 313-31 |
| Social responsibility 345 | Unitary approach (se |
| 3/15 | Universalism 40 |
| IHR manager 348-350 | |
| Spectra Mind 149 | V Vill minutes 3104 |
| Stalin 55 | Virtual assignment 3 |
| Standard Chartered Bank 63 | Virtual teams 362 |
| Stereotyping 64 | Vodafone 133 |
| Strategic HRM | married and Fina |
| nature of strategy 99 | W case (Applitudes 4 |
| nature of strategic HRM 101-104 | Wages 12,337 |
| dimensions 110-118 | wal Mart 102,320 |
| Subsidiary performance 245 | |
| Sumantra Ghosal 102 | |
| Sunil Mittal 352-353 | WIPRO 07,149 |
| million - pip Lisbort ettiggapwo:landur | Work values 64 |
| T dropping | World Bank 14 |
| Talent retention 144 | |
| Taniam 380 | O. |
| anbaxy 20 | |
| aphilly developing economists a | 8 men Sould 145 |

| Tata Motors 54 | |
|---|------------------------|
| Tata Tea 134 | tob discontinuiton (p |
| Toy equalisation (see compens | ation) |
| Tax protection (see compensat | ion) establish mud |
| TCS 7,8,282-283 | |
| Team Argumentation Model 10 | 09 |
| Technical skills 167 | Carren 33: |
| Technology 57,368 | DEL moreoreal |
| Tetley Tea 134 | Sellingg 107 |
| Theory X 10 | Conscil Margin Busin |
| Theory A 10 | |
| Theory Y 10 Third country nationals 159 | |
| Third country harronals 139 | angunge skilly 1685 |
| Time dimension 43 | heranda irosu |
| TQM-386 | nyoff 340 |
| Training and development | RE1 myune |
| strategies 193-194 | Lemoyad baganya |
| | 0.45,131 |
| female workers 204-208 | |
| HCN 209-213 | ifo rime unplaymen |
| | Allergani txamed we |
| Treaty of Rome 9 | |
| | |
| U | 48 M S4 |
| Uncertainty avoidance 35,37 | |
| UNCTAD 305 | un Zedony 55 |
| Union tactics 313-314 | 81, yelqilarasii |
| Unitary approach (see indust | rial relations) |
| Universalism 40 | |
| | F.C. I. SUANISHI |
| W/ | extent 133-136 |
| Virtual assignment 361 | at shew York Life In |
| Virtual teams 362 | |
| Vodafone 133 | |
| W Wages 12 337 | ENE advanta las |
| W (Applitudes Inchesibal) | and dungroup library |
| | |
| Wal Mart 102,320-323 | 2 h point (19) |
| Walt Disney 90-93, 122-23 | TITL AUTOMOSPICE |
| Warsaw Convention 9 | DEPENDENT OF STREET |
| WIDDO 07 140 | La entrico brustificio |
| Work values 64 | Harditteralism Mess |
| World Bank 14 | |
| WTO 4, 9,383 | |
| ., | SHUNATA |
| | ZET PHILES HANGONE, |
| | |





International **Human Resource Management**

Second Edition

The second edition of International Human Resource Management continues to explain the concepts and principles with contemporary business examples from multinationals across the globe. This book incorporates the changes occurring in the field of Human Resource Management at the international and Indian level. Rich in pedagogical inputs, the book has a logical progression and a simple format which keeps the reader engaged. Two new chapters on Future of IHRM and HRM Practices in Different Countries add to the topical discussions as do the expansion of selected topics and new case studies.

K Aswathappa is former Director, Canara Bank School of Management Studies, Bangalore University. He has nearly three decades of teaching experience and has served several universities as member of board for MBA and M.Com courses. A prolific writer, he has authored many articles and 15 books including Human Resource Management and International Business.

Sadhna Dash is an alumnus of Xavier Institute of Management, Bhubaneswar with over 20 years of diverse experience in HR industry. Her first association was with Steel Authority of India (SAIL) for ten years. She has also worked in the ITES and IT software companies for over ten years with organisations such as Microsoft Corporation, IDS Software Solutions and Aris Global Pvt. Ltd. Currently she is on the Board of Studies of Sikkim Manipal University and also is a member of the Governing Council of MLA Academy of Higher Learning, Bangalore.

www.mhhe.com/inthrm2e

The McGraw Hill Companies

Mc Graw Hill Higher Education

Visit us at: www.tatamcgrawhill.com

