



**EASTERN UNIVERSITY SRI LANKA**

**FACULTY OF COMMERCE AND MANAGEMENT**

**Final Year Second Semester Examination in Bachelor of Business**

**Administration (Specialization in Human Resource Management) –**

**2014/2015 (November 2016)**

**Proper**

**HRM 4063 International Human Resource Management**

**Answer all 5 questions**

**Allocated Time: 03 hours**

Q1. Read the following case study and answer the questions below:

**Introduction – Sun Micro Systems**

This company is well known for having pioneered performance management and individual development practices. Most of the information provided in this document relates to Sun Microsystems Corp. in US, and does not apply necessarily to Sun's wholly-owned engineering centers and profit center offices elsewhere in the world, where local human resource rules apply for the most part. As mentioned at the beginning, Sun's human resource approaches to performance management and people development practices have contributed their part to Sun's reputation as a "hot," company with an innovative culture. The media, from Fortune and the Harvard Business Review to the San Jose Mercury News, covered Sun's career program because it was new and progressive at that time. They helped spread the word that Sun, in addition to providing the chance to work on cutting-edge technology, is a company that takes care of its employees in "cool" ways such as offering internal career counseling. But since the dot-com era collapse in 2001, this image has changed significantly. It seems to me that Sun has poorly managed the issuing economic downturn from a workforce management standpoint, and lost its competitive advantage drawn from an exceptionally loyal and skillful high tech workforce. Layoff after layoff the company has lost steam along with many employees losing faith in Sun and motivation for their job. The outsourcing of the company's global human resource operations to Hewitt HR BPO in 2004, and

the delocalization of Sun Dial, the employees' human resource service-desk, may be an indication of a change of era where rationalization and cost-cutting policies have superseded commitment to breakthrough human resource management practices.

### **Management of Performance and People Development**

One great strength of Sun's approach to employee development and empowerment is long-term commitment to continuously evolve and improve its human resource management processes to support employees in becoming self-reliant in their career. Sun made significant investments to understand what attracts employees to the organization and what will retain them. Among the top drivers to attraction and motivation are: Work Challenge, Career Development, Financial Opportunities, Work Variety, and Organizational Commitment to People. Sun succeeded in fulfilling these expectations for a majority of the employees. The first support mechanism that was implemented for employee development is called the Career Services. Later on in 2001, the Technology Office, along with the support of human resources, launched the Sun Engineering Enrichment & Development (SEED) program. Among the usual employee benefits plan, Sun rewards individual performance by a corporate bonus that is attributed on a quarterly basis. The corporate bonus may account for a significant percentage of the salary. The amount varies upon personal, group and corporate goal achievements. The following sections further investigate the specific aspects of the Career Services and SEED programs.

### **The Bad**

Actual situation with regard to Sun's human resource management and people development is not that rosy. Things have changed quite a bit since the start of Sun's decline, which followed the Internet bubble burst. For instance, the Career Services is no longer provided by a counselors, but delivered as a web-based application. One might wonder about the true effectiveness of this substitute compared to the analytic listening of a professional. Additionally, Not only human resource practices. In fact, both programs were initiated and sponsored by organizations outside of human resources. In an effort to reduce costs and

“rationalize” transactions, Sun outsourced its global human resource business processes to Hewitt Associates in October 2004. This includes workforce administration, recruitment, compensation administration, performance management and learning. It is hoped that enough human resource personnel remained in the company to continue maintaining innovative programs and inventing new ones.

On a final note, continuous and repeating layoffs that have struck the company for over six years now, have had a disastrous impact on the morale and motivation of an exceptionally talented and loyal workforce. It is like employment is now bound to the resilience of the project people are assigned to, regardless of the individual's performance and skills. This management policy has a destructive effect on the company's overall performance, both from an execution and innovation standpoint. Bottom line, employees feel insecure because there is no way they can control their future, whether they have been performing outstandingly or poorly. In this context, people are more preoccupied by maintaining their employment capacity or jumping on the next “big thing” that will keep them afloat for another year, rather than finish the job that should make the current project successful. Also, employees have become more risk averse and reluctant to change. They have a tendency to stick with the “stable” projects even though stability in that context is elusive and sometimes artificially maintained.

**Questions:**

- i) List out the Problems in the Sun Micro System in the operation of International Human Resource Management. **(05 Marks)**
- ii) Analyze about the Management of Performance and People Development in the Sun Micro system. **(07 Marks)**
- iii) Briefly analyze the negative things in the case study with the appropriate quotation from the case study. **(08 Marks)**

**(Total 20 Marks)**

- Q2. a) *"IHRM refers to the HR policies and practices applied by an international firm across all its subsidiaries located in different countries".*

Briefly elaborate the dimensions in the International Human Resource Management.

(05 Marks)

- b) *"Multi National Corporations are using four basic strategies to compete in the international environment".*

Briefly elaborate any one of the strategy with examples.

(07 Marks)

- c) *"The matrix structure emerges when one design is superimposed on top of an existing, but different form".*

Briefly state the strength and weakness of the Matrix Structure in the International Human Resource Management.

(08 Marks)

(Total 20 Marks)

- Q3. a) *"Managing multiculturalism or cross-cultural management is of considerable significance as it offers the potential benefits".*

Elaborate this statement with examples.

(05 Marks)

- b) *"When to expatriate, is a tough task for an IHR manager because, many overseas assignees fail and come back to the home country before completing their respective assignments".*

Develop few guidelines would help identify potential expats by the International Human Resource Managers.

(05 Marks)

- c) Briefly discuss how you can minimize, the expats failure in the International Human Resource Management.

(04 Marks)

- d) *"Some common stress factors faced by female executives and the resulting symptoms of strain will lead to failure of female expats."*

Elaborate this statement with the support of common stress factors.

(06 Marks)

(Total 20 Marks)

04 a) Briefly discuss the methods of Training in Cross Cultural Training Programme.  
(04 Marks)

b) *“Computer based Training is becoming as an emerging issue in the Training in the International Human Resource Management.”*

Enlighten this statement.

(06 Marks)

c) *“The criteria for assessing performance should be clear, relevant, practical and reliable if assessments were to be meaningful”.*

Explain the categories of performance criteria in the International Human Performance Management.

(05 Marks)

d) *“Culture has significant impact on designing and implementing Performance Management System in different cultures”.*

Comment on this statement.

(05 Marks)

(Total 20 Marks)

05. a) Briefly elaborate any three (03) components of compensation in the International Human Resource Management.

(06 Marks)

b) List out key issues are associated with a benefits programme in International Compensation.

(06 Marks)

c) *“Compensation administration involves establishing salary bands, developing rates of pay for jobs, linkages to performance appraisal, starting salary for new employees and salary increases/reviews”.*

Briefly discuss any two (02) issues in compensation administration.

(08 Marks)

(Total 20 Marks)