

**MANAGEMENT PROGRAMME
(MP)**

Term-End Examination

June, 2025

**MS-29 : INTERNATIONAL HUMAN RESOURCE
MANAGEMENT**

Time : 3 Hours

Maximum Marks : 100

(Weightage 70%)

Note : (i) Attempt any **three** questions from
Section A. Each question carries
20 marks.

(ii) Section B is compulsory and carries
40 marks.

Section—A

1. What is strategic management process ?
Discuss the human resource strategies of
MNCs, when they opt for export strategies
with the help of examples.

2. What are the relative merits and demerits of the different approaches to the staffing of MNCs ? What are the different recruitment methods employed by MNCs ?
3. Describe briefly about any *three* compensation management approaches adopted by MNCs. What is meant by 'double taxation' ? What is the necessity of tax treaties between countries, from an expatriate's point of view ?
4. Explain the ethical concerns of company managers posted in a Multinational Company. Illustrate.
5. Explain the role of centers of excellence and shared service centers. Discuss intellectual and social integration by looking at the role that knowledge management and global networks play in developing IHRM professionals.

Section—B

6. Read the following case carefully and answer the question given at the end :

The Indian economy is booming, despite global slowdown and economic downturn in the USA (now recovering), and most of the European countries. Assuming India could be their future, many multinationals have set up their offices across the country. Such momentum further got accentuated with investor-friendly foreign policies of the Government of India. Many multinationals like joint ventures as their mode for business expansion, instead of setting their own bricks-and-mortar set-ups. Mike and his American associates felt excited to start a joint venture with reputed Indian jewellery exporters. Mike's company is a globally known commodity exchange business house, specialising in LOCO products. It is primarily a gold trading through options and futures company in

international commodity exchanges. Nemichand, the Indian partner is in gold jewellery business for more than 100 years and is a major exporter of gold jewellery in USA and in European countries. Even though primarily a closely held company, Nemichand's present generation of Directors and Board members believe in professionalism and business expansion through collaboration. Mike's offer was most lucrative for them. With a successful negotiation, both Mike's LOCOMIK and Nemichand entered into a joint venture agreement. As per the terms of the agreement, Mike will receive the list of Indian customers, who are prepared to invest in gold, like any other market instruments. As the trading is through international commodity exchanges, the minimum investment cap was fixed at ₹ 5 lakhs, which is about US \$ 10,000. Net Asset Value (NAV) of gold units are declared on a daily basis, and investors can purchase

and sell their gold units at NAV rate, with no entry and exit load.

Everything went right, excepting the decision-making culture in India. Mike gradually observed that, despite a series of meetings, decisions do not get finalized. Mike feels his Indian counterpart does not feel the need to close a deal which, as a result, delays the entire process. During every meeting, long discussions take place on the meeting objectives and the feasibility. However, decisions cannot be reached. Final vetting has to be done by the top boss, even after decisions are taken in the meeting—something Mike feels is too bureaucratic. Mike wonders why the people attending negotiation meetings cannot take the decisions to close the deal.

An annoyed Mike thought of bringing an end to this impasse, hastening the process of final decision-making in the meetings. Such postures by Mike were critically seen by Nemichand. Suddenly,

Nemichand started doubting Mike's intention. Nemichand wonders how a business deal can get finalized without examining the finer aspects of business issues ! Mike's aggressive persuasion made him appear rude and indiscreet. His informal way of addressing Nemichand's senior officials also made them feel disrespected. In the process, Mike lost his trust with Nemichand. To Mike also, Nemichand's capability to clinch the business deal was doubtful. Such mutual disrespect slowly impaired the joint venture between Mike and Nemichand.

The problem further mounted when the business volume through Nemichand was not very encouraging, despite the fact that high net worth individuals in India are well ahead of many countries of the world. Nemichand's analysis revealed that Indians buy gold but feel reluctant to invest in gold through gold units. For many Indians trading with gold in commodity exchanges is

more like trading with *Lakshmi*—the goddess of wealth.

An infuriated Mike stormed into the meeting room and started yelling “Let’s call it a day. For months together I have showed enough patience. I withdraw from this joint venture.” For Nemichand doing business with Mike or not makes no difference. Their jewellery export business continues to thrive in the US market for their special culture-fit designs. Over several months, Mike had made a huge investment. But now there is no way to recoup ! Mike considers it was his misadventure in India.

Question :

Read the case carefully and analyze why the joint venture between Mike and Nemichand failed despite initial success in negotiation to clinch the deal.

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