

CHAPTER 1: Introduction

TRUE/FALSE

1. An inpatriate is an employee transferred out of the home base into the firm's international organization.
ANS: F PTS: 1 TOP: Defining International HRM
2. The HR department is the major user of language translation services.
ANS: T PTS: 1
TOP: Differences between Domestic and International HRM
3. The IHR department does not get involved in the employee's personal lives such as marital status and children when considered for assignments.
ANS: F PTS: 1
TOP: Differences between Domestic and International HRM
4. Less developed countries tend to have cheaper labor but more government regulations.
ANS: F PTS: 1
TOP: Differences between Domestic and International HRM
5. Culture shock is a phenomenon experiences by people who move across cultures.
ANS: T PTS: 1 TOP: The Cultural Environment
6. A domestic HRM is involved with employees within one national boundary.
ANS: T PTS: 1 TOP: Defining International HRM
7. Compensation and benefit programs are not an activity of internal human resource management.
ANS: F PTS: 1 TOP: Defining International HRM
8. Awareness of cultural differences is not essential for the HR manager at corporate headquarters. It is only important for expatriate employees as well as those at the host location.
ANS: F PTS: 1 TOP: The Cultural Environment
9. Multidomestic industries is one in which competition in each country is essentially independent of competition in other countries.
ANS: T PTS: 1 TOP: Industry Type
10. Multinational organizations need to strive for consistency in the ways of managing people on a worldwide basis in order to build, maintain and develop their corporate identity.
ANS: T PTS: 1 TOP: Industry Type

11. Cultural awareness is reflected by knowing that local employees feel an obligation to employ extended family even if they are unqualified for the position.
- ANS: T PTS: 1 TOP: The Cultural Environment
12. If a firm is in a multidomestic industry, the role of HR department will most likely be more domestic in structure and orientation.
- ANS: T PTS: 1 TOP: Industry Type
13. A large home market is one of the key drivers for seeking a new international market.
- ANS: F PTS: 1
TOP: Extent of Reliance of the Multinational on its Home-Country Domestic Market
14. Local HR activities, such as human resource planning and staffing, changes as a foreign subsidiary matures.
- ANS: T PTS: 1
TOP: Differences between Domestic and International HRM
15. The nationality of an employee is not a major factor in determining the person “category” in an international firm.
- ANS: F PTS: 1 TOP: Defining International HRM
16. Human considerations are as important as financial and marketing criteria in making decisions about multinational ventures.
- ANS: T PTS: 1 TOP: The Changing Context of IHRM
17. Global mindset is necessary for the success of an international company.
- ANS: T PTS: 1
TOP: Attitudes of Senior Management to International Operations
18. The US had 8 companies in the top 30 multinationals ranked by the transnational index.
- ANS: F PTS: 1
TOP: Extent of Reliance of the Multinational on its Home-Country Domestic Market
19. Cross- culture management is examining human behavior within organizations from an international perspective.
- ANS: T PTS: 1 TOP: Scope of the Book
20. The way diversity is managed within a single national context should transfer to a multinational context without modification.
- ANS: F PTS: 1 TOP: Defining International HRM

21. It is a correct assumption that culture is usually used as a synonym for nation or national difference represents culture differences.

ANS: F PTS: 1 TOP: The Cultural Environment

MULTIPLE CHOICE

1. An expatriate:
- Is an employee transferred out of their home base to the firm's international operation
 - Is an employee transferred into a parents organization
 - Is an employee who understands international business operations
 - Is an employee who has works in more than one country

ANS: A PTS: 1 TOP: Defining International HRM

2. Which of the following is not a category of an employee in an international firm?
- Third –country national
 - Host-country national
 - Parent-country national
 - Multi-country national

ANS: D PTS: 1 TOP: Defining International HRM

3. Which department of an organization is the major user of language translation services?
- Tax
 - Shipping
 - Human resources
 - Operations

ANS: C PTS: 1
TOP: Differences between Domestic and International HRM

4. Tax equalization policies concerning expatriates are designed to :
- Ensure no tax incentives are associated with any particular international assignment
 - Ensure taxes are paid
 - Ensure employees are aware of tax responsibilities
 - Keeps records up to date

ANS: A PTS: 1
TOP: Differences between Domestic and International HRM

5. The direct costs of international assignment failures can be as high as ___times the costs of those for similar failure in a domestic assignment:
- Five
 - Three
 - Ten
 - Eight

ANS: B PTS: 1
TOP: Differences between Domestic and International HRM

6. One major difference between domestic and international HRM is:
- Staff training
 - Tax equalization
 - housing relocation
 - risk

ANS: B PTS: 1
TOP: Differences between Domestic and International HRM

7. Which of the following is not a function of internal resource management?
- Staffing
 - Training and development
 - Government regulations
 - Compensation

ANS: C PTS: 1 TOP: Defining International HRM

8. Which of the following is not a major external factor that influences IHRM?
- The state of the economy
 - Type of government
 - Generally accepted practices of doing business
 - Regulatory requirements

ANS: D

PTS: 1

TOP: Differences between Domestic and International HRM

9. Cultural difference is not necessarily equivalent to:
- Social Factors
 - Values and beliefs
 - National Differences
 - Shared and recognized ways of looking at the world

ANS: C

PTS: 1

TOP: The Cultural Environment

10. A multidomestic industry is:
- One in which competition in each country is essentially independent of other countries
 - One in which a firm competitive position in one's country is significantly influenced by its position in other countries.
 - One in which domestic products are not sole
 - One in which many products are sold

ANS: A

PTS: 1

TOP: Industry Type

11. Examples of a global industry include all of the following except:
- Commercial air craft
 - Semi-conductors
 - Copiers
 - Insurance

ANS: D

PTS: 1

TOP: Industry Type

12. Series of linked domestic industries in which rivals compete against each other on a worldwide basis is:
- Multidomestic industry
 - Global industry
 - Conglomeratic industry
 - Automobile industry

ANS: B

PTS: 1

TOP: Industry Type

13. Emnic refers to which kind of specific aspect of concepts or behaviors?
- Language
 - Culture
 - Country
 - History

ANS: B

PTS: 1

TOP: The Cultural Environment

14. What is a key driver for firms seeking international markets?
- A small home market
 - Tax regulations
 - Large home markets
 - Managerial incompetence

ANS: A

PTS: 1

TOP: Extent of Reliance of the Multinational on its Home-Country Domestic Market

15. Which ratio is not part of "index of transnationality"?
- Foreign assets to total assets
 - Foreign sales to total sales
 - Foreign debt to total debt
 - Foreign employment to total employment

ANS: C

PTS: 1

TOP: Extent of Reliance of the Multinational on its Home-Country Domestic Market

16. Which of the following is a global mindset?
- Focus on domestic issues
 - Minimize differences between international and domestic environments
 - Transferability between domestic and international HRM practices
 - To formulate and implement HR policies that develop globally oriented staff

ANS: D PTS: 1

TOP: Attitudes of Senior Management to International Operations

17. An asymmetric event is:
- Terrorist attack on 9/11
 - London 2012 Olympics
 - HR activities
 - Weekly staff training

ANS: A PTS: 1 TOP: Applying a Strategic View of IHRM

18. All of the following is a difference between international and domestic HR except:
- Risk exposure
 - More external influences
 - More HR activities
 - Less involvement in employee lives

ANS: D PTS: 1

TOP: Differences between Domestic and International HRM

19. What activity in international human resource would not be required in a domestic environment?
- Staff orientation
 - Tax equalization
 - Terrorism considerations
 - Relocation assistance

ANS: B PTS: 1

TOP: Differences between Domestic and International HRM

20. As foreign subsidiaries matures the local HR activities:
- Have broadening responsibilities
 - Revert to the home office
 - decrease as government relations are understood
 - Stay largely the same

ANS: A PTS: 1

TOP: Differences between Domestic and International HRM

21. Which three dimensions are presented in Morgan's model of IHRM?
- Types of employees, countries and industries
 - Types of employees, countries and human resource activities
 - Types of products, industries and human resource activity
 - Types of employees, labor problems and human resource activity

ANS: B PTS: 1 TOP: Defining International HRM

22. Differences between domestic and international HRM include:
- The cultural environment, the extent of reliance of the multinational on its home country or domestic market and the attitudes of senior management
 - The industry, the technology employed and communication capabilities
 - The cultural environment, the industry and the technology employed
 - The cultural environment, the attitudes of senior management and the organizations authority structure

ANS: A PTS: 1

TOP: Variables that Moderate Differences Between Domestic and International HRM

23. Senior managers with little international experience:
- Are very successful in multinational operations
 - Assume that there is no transferability between domestic and international HRM practices
 - Assume that there is a great deal of transferability between domestic and international HRM practices
 - Are usually very eager to take on international responsibilities

ANS: C

PTS: 1

TOP: Attitudes of Senior Management to International Operations

24. Successful internationalizing the HR function require all except:
- International mindset of senior management
 - Right people to manage
 - Global mindset
 - International taxation procedures

ANS: C

PTS: 1

TOP: Attitudes of Senior Management to International Operations | Applying a Strategic View of IHRM

25. In Porter's value-chain model:
- HRM is described as a primary activity
 - HRM is described as a support activity
 - HRM is not mentioned as an activity
 - HRM is described as an incidental activity

ANS: B

PTS: 1

TOP: Industry Type

26. HRM in the multinational context contains an overlap between elements of:
- Cross-cultural management and leadership
 - Cross-cultural management and strategic management
 - Strategic management, comparable human resource and industrial relations systems
 - Cross-cultural management, comparable human resource and industrial relations systems

ANS: D

PTS: 1

TOP: Scope of the Book

27. A Japanese citizen working in Hong Kong for a Japanese multinational would be classified as:
- A host country national (HCN)
 - A third country national (TCH)
 - A parent country national (PCN)
 - A related country national (RCN)

ANS: C

PTS: 1

TOP: Defining International HRM

28. Human Resource Management (HRM) activities include all of the below EXCEPT:
- Human resource planning
 - Performance management
 - Personal family planning
 - Training and development

ANS: C

PTS: 1

TOP: Defining International HRM

29. International HRM is reflected in:
- The need for a narrower perspective
 - The need for a short term perspective
 - The need for a judgmental perspective
 - The need for a broader perspective

ANS: D

PTS: 1

TOP: Differences between Domestic and International HRM

30. As a foreign subsidiary matures:
- The local HR unit's responsibilities for planning, training and compensation would broaden
 - The responsibilities of planning, training and compensation would narrow
 - The local HR unit's responsibilities for planning, training and compensation would stay the same
 - The local HR unit's responsibility for planning, training and compensation would end

ANS: A

PTS: 1

TOP: Differences between Domestic and International HRM

SHORT ANSWER

1. What are the 3 broad approaches for international human resource management and how do they relate to each other?

ANS:

Cross cultural management, comparative industrial relations and multinational context.

PTS: 1

TOP: Scope of the Book

2. What are the 3 categories of employees in an international firm?

ANS:

Host –country nationals (HCN), parent country national (PCN) and third country national (TCN)

PTS: 1

TOP: Defining International HRM

3. What are at least 2 types of risk exposure that international companies incur that domestic companies are not as liable to incur?

ANS:

Human and financial consequences of failure are more severe due to under-performance and high cost.

Terrorism impacts planning meetings and assignments and the cost of terrorism protection. Emergency evacuations procedures for volatile assignments locations.

PTS: 1

TOP: Differences between Domestic and International HRM

4. Why is an awareness of cultural differences important in an international company?

ANS:

It facilitates work performance for the employee in a different cultural context. It helps the worker's family adjust and enjoy the international assignment and hence the likelihood that the employee will stay in the assignment for the duration is enhanced.

PTS: 1

TOP: The Cultural Environment

5. What is the difference between a multidomestic industry and a global industry?

ANS:

A multidomestic industry is one in which competition in each country is independent of the competition in other countries. A global industry is one in which competition in one country is linked or dependent on the position of the firm in other countries.

PTS: 1

TOP: Industry Type