

PGDM (IB), Batch 2015-17
Organizational Behaviour and HRM
IB-107

Trimester-I, End-Term Examination, September, 2015

Time allowed: 2.5 Hours

Max Marks: 50

Roll No: _____

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

SECTION - A

[Marks:5*3=15]

There are 5 questions in this section. Attempt any 3 questions. Each question carries 5 marks.

1. Suppose you have to hire a new manager. One candidate has outstanding technical skills but poor interpersonal skills. The other has exactly the opposite mix of skills. Which would you hire and why?
2. Why is it important for the managers to be familiar with the concepts of group behavior?
3. Explain the various conflict handling styles?
4. How will demographic changes and increasing diversity in the workplace affect the ways that organizations manage their people?
5. Starbucks is opening new stores abroad every day, it seems. If you were in-charge, would you use expatriate managers or host country nationals to staff the new facilities? Give reasons.

SECTION - B

[Marks:2*10=20]

There are 3 questions in this section. Attempt any 2 questions. Each question carries 10 marks.

- 1.a. Studies suggest that heredity has a strong influence on an individual's personality. What are the implications of this in an organizational setting?
b. In order to motivate a workforce who is under performing, explain how you would go about applying any 2 motivation theories.
2. Employee resistance is a symptom, not a problem in the change process. What are some of the real problems that may underlie employee resistance?
3. a. In terms of the "attract – retain – motivate" philosophy, how do benefits affect employee behavior?
b. 'Inter-country differences affect HRM'. Explain.

SECTION – C

Analyze the case study and answer the questions that follow.

[Marks- 15]

The HRM Challenge in India

India is among the two fastest growing economies in the world registering impressive economic growth for the past several years. The Indian economy was also the quickest to recover from the global meltdown of 2008-'09

thanks to a robust regulatory structure and growing rural markets. Since liberalization of the economy in 1991, the Indian shores opened up to foreign direct investment and many multinational companies established manufacturing and service centers in India. Recently, many Indian companies have reversed this trend and have created establishments outside India. Tata Steel, Hindalco and the UB group to name a few have established their businesses outside India on the back of mergers with foreign firms. The age of the Indian MNC seems to have begun.

MNCs operating in India have discovered that replicating HR practices in toto is not very easy. Based on the Hofstede's cultural dimensions, India is characterized by high power distance, low uncertainty avoidance, masculinity, moderate collectivism and high long term orientation.¹⁴⁵ This means Indians are more open to inequality of power based on hierarchy, have moderate difference in the values of men and women and at the same time are more comfortable in situations of uncertainty. High long-term orientation indicates focus and perseverance. All these factors seem to impinge upon the HR practices in organizations that operate in India. For instance, employee referrals as a mode of recruitments is believed to work quite well in the moderately collectivist Indian culture. In case of performance appraisals it has been noticed that upward feedback is not very easy to implement in Indian organizations given the high power distance and natural acceptance of power inequality. All the same, Indian organizations are found to have stronger performance management practices than multinational companies operating in India.¹⁴⁶ Indian companies are less likely to focus on issues related to workforce diversity and indeed this may only be a recent phenomenon in Indian organizations. However, organizations like ICICI Bank have enabled women managers to successfully overcome the 'glass ceiling' as evinced by the significant number of women executives in the top management. Flexitime has been associated with greater productivity and job satisfaction but Indian organizations are found to be less receptive to flexitime though the notion has gained acceptance in the IT/ITES sector. While selecting employees, MNCs usually follow a strict regimen and try to ensure that questions around race, sex, disability, etc. are avoided. However, such norms are generally not prevalent in India and it is observed that women are asked questions about their ability to cope with demands of home and office. Employment-at-will, which is an accepted practice in multinationals is very difficult to implement in the Indian context.

The Japanese manufacturing giant, Honda Motor Company Limited (HMCL) found that operating in the Indian business environment presented complex challenges when it witnessed violent strikes in its Gurgaon factory in 2004 and 2005. The company established a wholly owned subsidiary, Honda Motors and Scooters India Limited in 1999 to manufacture and sell two wheelers in the Indian market. The management tried its best to stall the formation of a trade union and failed in its attempt. In India the legislation supports formation of trade union and the workers found support from all fronts in their attempt to form a union. In India bonuses are usually given to coincide with Deepavali the main festival in the country. However, in HMSI, employees were not covered by the Payment of Bonus Act, 1961 of India and this led to further disagreements over the annual bonus. There were also reported incidents of ill-treatment of workers by Japanese managers and this escalated the tension between both parties. Media reports indicated that the managers often followed the Japanese supervisory style and at times denied toilet breaks to workers. Similar issues led to demonstrations by the workers resulting in loss of property, operational breakdown and financial losses. Clearly, it seemed that inability to understand the Indian worker's needs was in some measure responsible for the incidents at HMSI.

Questions

1. Which specific HR functions are impacted by national culture? Please explain giving relevant examples. (7.5)
 2. What parameters should a multinational company in India consider while deciding the extent to which it can replicate its HR policies in India? (7.5)
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