*Chapter 1* **Revision questions**

1. Describe a HR activity that a HCN could possibly do better than a similarly trained PCN.  
     
   Any of HR planning, staffing, performance management, training & development, compensation & benefits, or industrial relations would work.  
     
   The reason a HCN would be better at any of these activities is because they grew up in the given country and know its customs & culture better than any foreigner would, even after many years of immersion. If most employees being hired are from the host country, a HCN vested in the MNE organizational culture and processes would be better than a PCN or TCN at just about all HRM activities.  
   See pp. 6-7.
2. Explain the difference between a TCN and a PCN.  
     
   A TCN is an international employee not from the country where the MNE is based.  
   A PCN is an international employee from the country where the MNE is based.  
   Both TCNs and PCNs live and work in a country not their own.  
   See p. 3.
3. Explain why the psychological contract between the MNE and an international assignee also includes his or her immediate family.  
     
   The international assignee’s family gets uprooted from their home culture while the assignee works abroad. Therefore, the family has additional needs such as education and language training that need to be met before the assignee will want to accept the international job.  
   See pp. 6-7.
4. What equity issues arise when HCNs and PCNs work side by side?  
     
   PCNs generally get paid an expatriate premium to live abroad. PCNs may get paid more than HCNs, even if it is for the same work. This can cause friction between these two types of employees.  
   See p. 6.
5. Why are asymmetric events so difficult for MNEs to plan for?  
     
   Asymmetric events are designed to offset, work around, or negate what in other contexts are an MNE’s strengths. They are unusual in that they don’t occur every day. They constitute unique problems that require unique solutions. An MNE can have a ‘What to do in the event of an employee kidnapping’ policy in place, but it is hard to capture all such possible asymmetric events in policies. See pp. 15-16.
6. Give an example of an organizational factor and explain how it affects strategic IHRM in MNEs.  
     
   Consider an MNE that wants to move into foreign markets. Its headquarters executives’ international orientation and ‘global mindset’ will have a huge impact on the success of new foreign subsidiaries.  
   See pp. 15-16.
7. Give an example of an external factor and explain how it affects strategic IHRM in MNEs.  
     
   The type of host government can dictate how many employees at a foreign MNE subsidiary are HCNs.  
   See pp. 8, 14-16.
8. Explain why global standardization and local responsiveness can be a problem in IHRM.  
     
   One problem is with consistency in the application of the MNE’s organizational culture. In some countries, for example, employees may need to be union members, despite a given MNE’s inclination away from unions.  
   See pp. 13, 16.
9. What are Laurent’s 5 steps for true IHRM?
10. MNE recognizes its HRM reflects assumptions & values of its own home culture.
11. MNE recognizes its own ways are not inherently better or worse than others’ ways abroad.
12. MNE recognizes its foreign subsidiaries may prefer other ways to manage people.
13. Headquarters is willing to discuss cultural differences and take steps to make them more usable.
14. All parties believe that cross-cultural learning invites more creative and effective HRM.

See p. 12.

1. Explain why an oil company would be considered a global industry.  
     
   Petroleum products such as gas or diesel are used by cars, airplanes, and boats all over the world. These have been standardized, so the oil company’s petroleum refining produces the same products no matter where in the world these are delivered. An oil company’s drilling and marketing activities worldwide must be integrated in order to gain competitive advantage.  
   See p. 11.