



INSTITUTE OF AERONAUTICAL ENGINEERING

(Autonomous)

Dundigal, Hyderabad - 500 043

MASTER OF BUSINESS ADMINISTRATION

TUTORIAL QUESTION BANK

Course Title	STRATEGIC HUMAN RESOURCE MANAGEMENT				
Course Code	CMBB40				
Programme	MBA				
Semester	III				
Course Type	PROFESSIONAL ELECTIVE -III				
Regulation	IARE-R18				
Course Structure	Theory			Practical	
	Lectures	Tutorials	Credits	Laboratory	Credits
	4		4	-	-
Chief Coordinator	Dr. K. Vijaya Sekhar Reddy, Assistant Professor				
Course Faculty	Dr. K. Vijaya Sekhar Reddy, Assistant Professor				

COURSE OBJECTIVES:

The course should enable the students to:

I	Understand the significance of international management and human resource planning.
II	Know the cultural literacy and human resource information system in global business
III	Examine the qualities, communication abilities and interpersonal relations of Global literate leader.
IV	Identify the role of scientific management, humanistic psychology, organic theories of management and the practice of HRM in American organizations..

COURSE LEARNING OUTCOMES:

Students, who complete the course, will have demonstrated the ability to do the following:

CMBB40.01	Understand and gain knowledge in nature and scope of international human resource management, cultural and reality shock.
CMBB40.02	Examine the international human resource management models, concept, pool's adaptation of Harvard model, the Brewster and Bournois model and comparative employment policy.
CMBB40.03	Explain the significance of Convergence theory, Marxist theory, the cultural approach power distance (PDI), uncertainty avoidance (UAI),
CMBB40.04	Use and explore the social environment and human resource practices, international recruitment, selection, training, hiring policies
CMBB40.05	Use and explore the human resource information, designing of human resource information system, computerized skill inventories
CMBB40.06	Analyze the characteristics of global companies, difference between domestic and global companies, H.R.
CMBB40.07	Determine the development of global managers, concept, essential qualities of global literate leader, communication and interpersonal Relations
CMBB40.8	Describe the characteristics importance, limitations and the seniority wage system in japans employee management
CMBB40.9	Demonstrate the scientific management, organic theories of management and the practice of HRM in American organizations.
CMBB40.10	Describe the encouragement of union avoidance, transforming unionized industrial relations

TUTORIAL QUESTION BANK

S.No	QUESTION	Blooms Taxonomy Level	CourseOutco me (COs)
UNIT-I			
INTERNATIONAL HUMAN RESOURCE MANAGEMENT			
PART-A(SHORT ANSWER QUESTIONS)			
1	Define Human Resource Management.	Remember	CMBB40.01
2	Differentiate between HRM and IHRM.	Understand	CMBB40.01
3	Define IHRM	Remember	CMBB40.02
4	Define uncertainty avoidance.	Remember	CMBB40.02
5	Define cultural shock.	Understand	CMBB40.01
6	Define about the four models of HRM.	Understand	CMBB40.01
7	Write about the reality shock.	Understand	CMBB40.02
8	Write the concept of warwick model.	Understand	CMBB40.02
9	Write about the concept of masculinity.	Understand	CMBB40.01
10	Write about marxist theory.	Understand	CMBB40.01
11	Define home country employees.	Remember	CMBB40.02
12	How the global HRM is useful in organization?	Remember	CMBB40.02
13	Define about third country employees.	Understand	CMBB40.01
14	Write about host country employees.	Understand	CMBB40.01
15	Write about the global human resource management.	Remember	CMBB40.02
16	Discuss any two objectives of global human resource management.	Understand	CMBB40.02
17	Write about comparative employment policy.	Understand	CMBB40.01
18	Define risk.	Remember	CMBB40.01
19	Define staffing policy.	Remember	CMBB40.02
20	Examine the masculinity.	Analyze	CMBB40.02
PART-B (LONG ANSWER QUESTIONS)			
1	Define international human resource management. Write about its scope and its objectives.	Remember	CMBB40.1
2	Describe about the concepts of cultural and reality shock.	Remember	CMBB40.1
3	Write in detail about Brewster and bournois model.	Remember	CMBB40.1
4	Explain about the Marxist theory in detail.	Remember	CMBB40.1
5	Explain various models of international human resource management.	Understand	CMBB40.1
6	What do you mean by uncertainty avoidance.	Understand	CMBB40.1
7	Explain in detail about pool's adaptation of harvard model.	Understand	CMBB40.2
8	Explain comparative employment policy.	Analyze	CMBB40.1
9	Describe the importance of convergence theory, marxist theory.	Understand	CMBB40.1
10	Explain in detail about cultural approach power distance(PDI).	Understand	CMBB40.1
11	Explain about the Organizational Effectiveness and Development	Understand	CMBB40.2
12	Write about workforce Management	Analyze	CMBB40.1
13	Describe Your Experience With Care Plan Conferences?	Understand	CMBB40.1
14	What are some of the underlying strategies for the entry of an international business/firm?	Understand	CMBB40.1
15	What are the ways in which international business and its managers can ensure that ethical issues are considered in business decisions?	Understand	CMBB40.2
PART-C(PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)			
1.	The organization has never owned hotels outside the UK before, and has hired a team of independent management consultants to advise them on how to proceed. They provided the consultants the following information during their initial meeting: A majority of their existing managers said they would like a chance to work abroad. One of their existing managers speak French fluently. They will allow four weeks to rebrand the hotels. The new hotels must be ready to open after that time. They expect to recruit a large number of staff for the new French hotels, because more than 70 percent of the employees from the acquired organization left. They will require their managers to be flexible and move between countries if any problems arise. Based on the information you have to date, what do you think the key priorities should be?	Understand	CMBB40.3

S.No	QUESTION	Blooms Taxonomy Level	Course Outcome (COs)
2.	<p>Brunt management decided that because this is their first venture into a country outside the UK, they want to use PCNs to set up the new hotels and that only internal candidates should be considered. They think that this is important so they can incorporate the organization's values. However, they believe that once the hotels are up and running, HCNs could be hired. The management vacancies must be filled as soon as possible. In their company literature, the organization states that their core values are to:</p> <p>Provide excellent levels of customer service to all guests.</p> <p>Provide a clean and comfortable environment for guests and staff. Recruit and retain excellent staff. Support and develop staff so they can reach their full potential. Continuously strive to improve all aspects of the business.</p> <p>Ensure that all hotel buildings, fixtures and fittings are well-maintained in a proactive manner.</p> <p>It is important that the management consultants for this project take these core values into account when making their recommendations.</p>	Remember	CMBB40.2
UNIT-II			
SOCIAL ENVIRONMENT AND STAFFING			
PART-A(SHORT ANSWER QUESTIONS)			
1	Define about the social environment.	Understand	CMBB40.3
2	What is meant by computerized skilled inventories.	Remember	CMBB40.3
3	Define staffing.	Understand	CMBB40.3
4	List out any two external Factors that affect human resource management.	Understand	CMBB40.3
5	Explain any two objectives of cultural literacy.	Understand	CMBB40.3
6	Explain about streamlining selection.	Remember	CMBB40.3
7	Define about the vendor selection.	Understand	CMBB40.3
8	Define the concept of selection.	Understand	CMBB40.3
9	Explain about the conflict management Skills.	Understand	CMBB40.3
10	What do you mean by human resource information systems?	Remember	CMBB40.3
11	What do you mean by selection method?	Remember	CMBB40.3
12	Explain about the culture awareness.	Understand	CMBB40.3
13	Write about four essential components for skills inventory management.	Remember	CMBB40.4
14	Write about the internal transfers.	Remember	CMBB40.4
15	Explain about the methods of selection.	Understand	CMBB40.4
16	Explain about the staff retaining.	Understand	CMBB40.4
17	Explain about the cultural literacy.	Remember	CMBB40.4
18	Define HRIS.	Remember	CMBB40.3
19	Write about the concept of international recruitment.	Understand	CMBB40.3
20	Explain about the cultural skills.	Remember	CMBB40.3
PART-B(LONG ANSWER QUESTIONS)			
1	Explain in detail about the staffing and selection process.	Understand	CMBB40.3
2	Write in detail about the HRIS.	Understand	CMBB40.3
3	Describe in detail about the designing and managing a human resource information system.	Understand	CMBB40.3
4	Describe in detail about the international recruitment.	Understand	CMBB40.3
5	Discuss about the cultural literacy and human resource information system in global business.	Remember	CMBB40.3
6	What are the advantages of cultural skills cooperative?	Understand	CMBB40.3
7	Describe about the uses and limitations of HRIS.	Understand	CMBB40.3
8	Explain about the designing of human resource information system.	Understand	CMBB40.3
9	Write about the computerized skill inventories.	Understand	CMBB40.3
10	What are some benefits of employers investing in an applicant tracking system?	Understand	CMBB40.3

S.No	QUESTION	Blooms Taxonomy Level	Course Outcome (COs)
PART-C(PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)			
UNIT-III			
BUSINESS MANAGEMENT OF GLOBAL COMPANIES			
PART-A(SHORT ANSWER QUESTIONS)			
1	Define training?	Understand	CMBB40.5
2	Give any example of domestic company.	Analyze	CMBB40.5
3	Explain about the domestic companies.	Understand	CMBB40.5
4	List out the essential qualities of Global literate leader.	Remember	CMBB40.5
5	Write two characteristic features of global company.	Remember	CMBB40.5
6	Describe about the global company.	Understand	CMBB40.5
7	List out the HRM approaches in global companies.	Remember	CMBB40.5
8	Discuss the executive development programmes.	Understand	CMBB40.5
9	Describe the various methods of training?	Remember	CMBB40.5
10	Do You Know What Is The Master Of Social Work (msw) Degree?	Remember	CMBB40.5
PART-B(LONG ANSWER QUESTIONS)			
1	Write about the HR strategy planning.	Understand	CMBB40.6
2	Describe about the training process.	Remember	CMBB40.6
3	Give examples of global company.	Understand	CMBB40.6
4	Describe about the career development.	Understand	CMBB40.6
5	What is meant by self assessment?	Remember	CMBB40.6
6	Write about the global literate leader.	Remember	CMBB40.6
7	Explain about the succession planning.	Remember	CMBB40.6
8	Write any two differences between global and domestic company.	Remember	CMBB40.6
9	Do You Know What Is The Mission Of Social Work?	Remember	CMBB40.6
10	Why Do You Want To Work As Social Worker?	Remember	CMBB40.6
11	What are two important theorems of factor endowment? Heckscher-ohlin Theory?	Understand	CMBB40.6
12	List out the Investment Theories?	Remember	CMBB40.6
13	Define International strategic planning?	Understand	CMBB40.6
14	What is meant by strategic management	Understand	CMBB40.6
15	What is economic Imperative?	Remember	CMBB40.6
PART-B(LONG ANSWER QUESTIONS)			
1	Differentiate between global company and domestic company.	Remember	CMBB40.5
2	Write about the communication and interpersonal Relations of Global literate leader.	Understand	CMBB40.5
3	Explain about the HRM approaches in global companies.	Understand	CMBB40.5
4	Write the characteristics of global companies..	Understand	CMBB40.5
5	Explain about the HR strategy planning for global organizations.	Understand	CMBB40.5
6	What are the approaches require to formulating & implementing the strategy? There are four main approaches to strategic planning.	Remember	CMBB40.5
7	Write about meaning of Global strategy?	Understand	CMBB40.5
8	Explain the term Multinational Corporation?	Understand	CMBB40.5
9	What are the approaches to control?	Understand	CMBB40.5
10	What is the role of the corporate culture in foreign markets access?	Understand	CMBB40.5
PART-B(LONG ANSWER QUESTIONS)			
1	Describe about the succession planning.	Understand	CMBB40.6
2	Explain in detail about managerial stimulation's.	Understand	CMBB40.6
3	Explain in detail about H.R. strategy planning for global organizations.	Understand	CMBB40.6
4	Explain about the essential qualities of global literate leader.	Understand	CMBB40.6
5	Explain how the global managers are developed.	Understand	CMBB40.6
6	Describe about the career development and training.	Remember	CMBB40.5
7	What are the different stages of Self development? Explain	Remember	CMBB40.5
8	Describe the Components Of A Care Plan For A Resident With Depression?	Understand	CMBB40.6
9	Why Should I Consult A Social Worker?	Understand	CMBB40.6
10	Do You Know Where Do Social Workers Practice?	Remember	CMBB40.5
11	How Do You Give Report To A Health Plan Case Manager?	Remember	CMBB40.5
12	What is comparative advantage?	Understand	CMBB40.6

S.No	QUESTION	Blooms Taxonomy Level	Course Outcome (COs)
13	Write short notes about TRIPS?		
14	Discuss about export – import policy?		
15	Discuss the Important features of URUGUAY round agreements?		
UNIT-IV			
HRM IN EUROPE AND JAPAN			
PART-A(SHORT ANSWER QUESTIONS)			
1.	List out the parliaments of EU.	Understand	CMBB40.7
2.	Write about the European council.	Understand	CMBB40.7
3.	Describe about the council of ministers.	Understand	CMBB40.7
4.	Explain five categories of council of ministers.	Understand	CMBB40.7
5.	Describe about European court of auditors.	Remember	CMBB40.7
6.	Define seniority wage system.	Remember	CMBB40.7
7.	Write few limitations of life employment.	Understand	CMBB40.7
8.	Write about European commission (EC).	Understand	CMBB40.7
9.	Write a short note on background of E.C.	Remember	CMBB40.7
10.	Write a short note on parliament in E.C.	Understand	CMBB40.7
11.	Write any two characteristic of European union.	Remember	CMBB40.7
12.	Describe about the term life time employment.	Remember	CMBB40.7
13.	Write a short note on Japanese management.	Understand	CMBB40.7
14.	Explain and illustrate the problems to avoid in appraising the performance.	Understand	CMBB40.7
15.	What Is Grievance Policy?		
PART-B (LONG ANSWER QUESTIONS)			
1	Describe in detail about the Europe history.	Understand	CMBB40.8
2	Explain about the institutions of the European Community (E.C.).	Understand	CMBB40.8
3	Define life employment. Explain about its features.	Understand	CMBB40.8
4	Describe in detail about the seniority wage system.	Understand	CMBB40.8
5	Write about council of ministers in European Community (E.C.).	Understand	CMBB40.8
6	Write in detail about the Employee management.	Understand	CMBB40.8
7	Describe in detail about the Europe history.	Understand	CMBB40.8
8	Explain about the institutions of the European Community (E.C.).	Understand	CMBB40.7
9	Write in detail about relevance of Japanese Management in Indian Context.	Understand	CMBB40.7
10	Define life employment. Describe about it's the limitations.	Understand	CMBB40.7
11	Define life employment. Explain about its features.	Understand	CMBB40.7
12	Describe in detail about the seniority wage system.	Understand	CMBB40.7
13	Discuss the various compensations plans.	Understand	CMBB40.7
14	What are The Components of a Comprehensive Biopsychosocial Assessment?		
15	Where do Social Workers Work?		
PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)			
1.	<p>A Case study of Japanese MNCs</p> <p>It has long been argued that Japanese firms have an ethnocentric orientation with regard to staffing of foreign subsidiaries. Compared with their rivals from U.S. and Europe, they strongly prefer to fill key positions in foreign subsidiaries with Japanese expatriate managers. Recognizing the downside of an ethnocentric staffing orientation, Japanese firms have begun to change their staffing policies to better exploit talent of local managers. However, this raises a question: does localization really improve the performance of subsidiaries? Few studies have empirically examined the effect of localization. Thus, this study explores whether subsidiary performance increases by replacing Japanese expatriate managers with local managers. Localization can have both positive and negative effects on subsidiary performance. Whether the positive effect outweighs the negative effect may depend on conditions under which subsidiaries operate. Thus, this study assumes a non-linear relationship between localization and subsidiary performance and focuses on moderators that strengthen a positive or negative effect of localization. Using a panel dataset consisting of foreign subsidiaries owned by Japanese multinational corporations, the analysis</p>	Understand	CMBB40.7

S.No	QUESTION	Blooms Taxonomy Level	Course Outcome (COs)
	<p>finds that localization itself has a positive effect on subsidiary performance. Regarding interaction effects, it demonstrates that the relationship between localization and subsidiary performance is positively moderated by the degree of local managers' competence. It also shows that in the case where host countries are economically less developed than the home country, the effect of localization is negatively moderated by difference in economic development between the host and home countries.</p> <ol style="list-style-type: none"> 1. What do you understand the differences between host and home countries? 2. What do you know about the Localization and its Implications for subsidiary performance? 		
2	<p>A Case Study of Japanese Joint Ventures in India Many cultural models claim that hierarchy is strong in Asian communities and this gets reflected in the business environment. But in aberration, Japan has promoted an egalitarian work culture in their factory system, resulting in incremental innovation, curtailing of waste and above all, a highly motivated human resource at work place. Today, the egalitarian environment promoted by Japanese management is considered an important link to creating a productive and efficient system. Economic liberalization in India opened doors to foreign investment, and the Indian government encouraged Japanese companies to invest in India. Among other things, Japanese human resource management was of great attraction because it embodied a disciplined, diligent and motivated workforce. Since liberalization policy was implemented in India, Japanese companies have been in operation in form of joint venture. The presentation will seek to understand how far Japanese joint ventures in India have been successful in promoting egalitarianism within their companies. Egalitarianism comes from following certain practices which serves to break barriers between supervisor and subordinates enabling creation of a conducive work environment. Encouraging inter and intra department communication; developing a sense of belongingness among shop floor workers; allowing a career track for a blue collar worker to move to white collar assignments/positions are some of the key issues. The presentation will show case Japanese joint ventures-Honda Seil (automobile), Kansai Nerolac (Paints) Denso Kriposkar (auto-parts). In so doing, the presentation will address the communication system, promotion system, training programmes and delve into how they work in India. How Egalitarian are Japanese Firms in India?</p>	Remember	CMBB40.7
UNIT-V			
THE AMERICAN APPROACH TO HRM			
PART-A(SHORT ANSWER QUESTIONS)			
1	Define scientific management theory.	Remember	CMBB40.10
2	Define employee satisfaction.	Remember	CMBB40.10
3	Write few principles of international compensation.	Understand	CMBB40.10
4	Explain about cognitive psychology.	Understand	CMBB40.10
5	What do you understand about the organic theories of management?	Understand	CMBB40.10
6	Define international compensation.	Remember	CMBB40.10
7	List out the organic theories of management.	Remember	CMBB40.10
8	Describe about biological psychology.	Understand	CMBB40.09
9	Write few methods of International Compensation.	Understand	CMBB40.09
10	Describe any two practices of International Compensation.	Remember	CMBB40.09
11	Define Psychodynamic Perspective.	Remember	CMBB40.09
12	Describe about transforming unionized industrial relations.	Understand	CMBB40.09
13	Write a note on encouragement of union avoidance.	Remember	CMBB40.09
14	Write about Evolutionary Psychology.	Understand	CMBB40.09
15	Describe about American organizations.	Understand	CMBB40.09
PART-B(LONG ANSWER QUESTIONS)			
1	Explain in detail about the scientific management theory.	Understand	CMBB40.10

S.No	QUESTION	Blooms Taxonomy Level	Course Outcome (COs)
2	Define international compensation? Explain about its principles.	Analyze	CMBB40.10
3	Explain in detail about the employee satisfaction.	Understand	CMBB40.10
4	Write about the Methods and practices of International Compensation.	Understand	CMBB40.09
5	Describe about the organic theories of management.	Remember	CMBB40.09
6	Explain about the transforming unionized industrial relations.	Understand	CMBB40.10
7	Describe the practice of HRM in American organizations.	Understand	CMBB40.10
8	Write in briefly about behavioral an humanistic psychology.	Remember	CMBB40.10
9	Which of the following is an environmental challenge faced by modern HR managers?	Understand	CMBB40.10
10	Which of the following is NOT true of the Internet Revolution as it relates to HRM?	Remember	CMBB40.10
PART-C (PROBLEM SOLVING AND CRITICAL THINKING QUESTIONS)			
1	<p>HRM is a category of management which is distinctively American both in its genesis and its present practice. It was influenced by American behavioral psychology and by the labor market in the United States earlier in this century.(Springer and Springer, 1990) It developed in a legal environment supportive of the American values of individualism, free enterprise and property rights. These early influences continue to shape the field today. HRM specialists engage in the following tasks: hiring personnel, job classification, management development and designing compensation and fringe benefit packages. Each of these tasks is shaped by the requirement that personnel practices be objective and without discrimination in regard to sex or race. Standardization, validation, scientific are attributes which practitioners seek in their work. Many specialists in Europe regard HRM with suspicion and as a distinctly American import.</p> <p>Disputes among advocates of the different concepts fill the pages of relevant European journals and supply panel topics at conferences. (See for example Thurley, 1989 or Adams, 1995) According to Richard Hyman, the dynamic for HRM in the United States has been anti-unionism. For this reason, HRM has had little appeal in northern Europe, in particular, where collective bargaining is highly developed and labor/management relations is institutionalized. (Hyman, 1995 pp. 35-38) European specialists argue that American HRM is too mechanistic making a science of a field that should be treated as an art. They assert that HRM is based on assumptions drawn from American culture that do not necessarily apply in Europe. Others criticize American HRM as still influenced by Taylorist approaches and lacking humanity. Europeans discuss concepts such as Taylorism, Fordism, or lean production much more commonly in their scholarly writings than do their American counterparts. The differences are a reflection of the tendency in the United States to regard the employee as an individual with an economic relationship with the firm. Pay and promotion are key concerns. In Europe, the tendency is to regard employees as a class or group with general interests.</p> <p>Three topics are popular in HRM literature in the United States today. They are employee involvement programs, the status of HRM and globalization. The interest in employee involvement programs stems from serious worries about productivity. Such programs as total quality management and team building are management initiatives to involve employees in discussions regarding improvements in the workplace. They do not involve the transfer of authority or are they mandated by law. They are sometimes advocated by consultants as part of an anti-union strategy. In regard to the status of HRM, practitioners believe that their work is not a highly valued field of management. Ambitious, young managers are advised to avoid HRM as a stepping stone to higher management. Many authorities, as well as corporate executives, argue that the status of HRM should be raised in order to make American firms more competitive in the</p>	Understand	CMBB40.10

S.No	QUESTION	Blooms Taxonomy Level	Course Outcome (COs)
	<p>global economy. The reality remains, however, that human resource managers have little status in the corporate hierarchy.</p> <p>Globalization is a popular word in business literature. When used in reference to HRM, it refers to the establishment of uniform HRM practices for an entire MNC in order to facilitate the effective utilization of personnel. Positions are to be filled by the best qualified individual without regard to nationality. In the jargon of the field, personnel practices are to change from ethnocentric or polycentric to geocentric. Ethnocentric practices are those in which the norms of the United States dominate and high level positions are reserved to American nationals. Expatriates staff the higher positions in subsidiaries of a MNC and policies are made in the home country headquarters. Polycentric MNCs are highly decentralized. HRM policies are determined nationally with little oversight from headquarters. Expatriates are replaced by local managers.</p> <p>Geocentric HRM is characterized by universal standards, the movement of the "best" people to positions without regard to nationality, the establishment of world-wide objectives and close collaboration between headquarters and subsidiaries. (Deresky, 1994, pp.252-261) Geocentricism currently is regarded as the best form of HRM for international corporations. (Kobrin, 1994)</p> <p>Identify the topics which are more popular in HRM literature in the United States today.</p>		
2	<p>American businesses opposed adoption of a policy on worker participation in the EU. A number of MNCs, under the leadership of Ford, formed a group in the early 1980s to oppose the famous Vredeling proposal for information and consultation of employees in MNCs. Some American consultants conducted scare campaigns against proposals in the European Community on employee rights. The hostility against EU social proposals became almost palpable in meetings of HRM managers. The proposals were considered to be a threat to traditional managerial prerogatives. Managers also argued that the proposal would increase both the cost and the complexity of doing business in Europe. Some leaders warned that American firms would disinvest in Europe if new social proposals were adopted. The strident tone created a backlash against American tactics among some Europeans in Brussels.</p> <p>The response among US managers arose from philosophical as well as strategic difference between the business environment in the US and Europe. These differences are deeply ingrained and they will make it difficult for American MNCs to adopt the new Works Council Directive. The differences start with the fundamental differences between American and European capitalism which many scholars have noted and they lead to different approaches in HRM. (See for example Hodges and Woolcock, 1993, pp. 329-344) Works council are a 'natural' extension of continental labor practices, but appear to be an infringement on the 'natural' operation of the market to many American managers. American managers have few restraints on their authority to determine pay levels, lay-offs, plant relocations or 'down-sizing'. Neither labor unions nor legislation seriously inhibit their right to manage. In contrast, the majority of European employees have their pay determined by collective bargaining compared to about twenty percent in the United States. (Adams, 1995, p. 55) Many European employees must also be informed and consulted regarding plans to lay-off, relocate or 'down-size' an operation. The employee participation programs, which are popular in the United States, are not equivalent because they are a management prerogative and not a legal requirement as they are in Europe.</p>	Understand	CMBB40.10

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	<p>The ratification of the Maastricht Treaty, with its opt out provision on social policy, made the adoption of the Works Council Directive a certainty. In that new era, American managers in the EU apparently changed their strategy. They did not openly oppose the proposal but rather left the initiative to UNICE, the European employers association. They rightly determined that UNICE would be able to gain concessions in the final version of the directive even if they could not block it.</p> <p>Since the adoption of the directive, the American managers have been quiet. More importantly they appear to be doing little to take advantage of the three year period in which they may negotiate voluntary agreements. Officials from both the Commission and the American Chamber of Commerce in Brussels agree on this point. Consequently American firms will have to institute works councils as directed by law in 1999.</p> <p>What are the responses of American people on the European works council directive?</p>		

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