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| **Trim: Jan-Mar 2025**  **Maximum Marks: 50 Examination: ETE Exam Date: 03/04/25 Duration: 3 hours** | | |
| **Programme code: 01**  **Programme: MBA** | **Class:** SY | **Semester/Trimester: VI** |
| **College:**  **K. J. Somaiya Institute of Management** | **Name of the department/Section/Center:**  HR Minor | |
| **Course Code: 217P01M636** | **Name of the Course: Cross Cultural Management and HRM in M&A** | |
| **Instructions: There are 2 sections in this paper. Answer the two sections separately in the same   answer booklet**  From section A- Q1 is compulsory. Answer any 2 from the remaining 4   From section B- Q6 is compulsory. Answer any 1 out of the remaining 2 | | |

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| **SECTION A** | | |
| **Question No.**  1. | Write short notes on any 1 from the following two**:**   1. Cultural Intelligence 2. Trompenaars’s ascription versus achievement orientation | **Max.**  **Marks**  (5) |
| 2. | "Global Pharma," a multinational pharmaceutical company based in USA, recently acquired a smaller biotech firm in Japan. Post-acquisition, there has been a significant increase in employee turnover within the Japanese subsidiary.  Analyse the potential reasons for this increased turnover from a cross-cultural HR perspective. Consider factors such as differences in performance management, reward systems, and career development expectations. | (10) |
| 3. | A multinational marketing team, comprised of members from Japan, Germany, and Brazil, is tasked with developing a global advertising campaign for a new beverage in all regions across the world based on the GLOBE country clusters.  Using your understanding of communication across cultures, explain two potential communication challenges this team might face. Suggest two specific strategies to overcome these challenges. You may choose any 3 out of the 10 GLOBE country clusters. | (10) |
| 4. | Discuss the challenges and benefits of managing global teams. Evaluate the effectiveness of different strategies for fostering collaboration and cohesion in culturally diverse teams. Provide examples to support your arguments. | (10) |
| 5. | A technology company is sending a group of employees on international assignments to establish a new office in Saudi Arabia.  Design a comprehensive pre-departure training program for these employees, focusing on cultural adaptation, communication skills, and practical considerations. Your program should include specific activities and learning objectives. | (10) |
| **SECTION B** | | |
| 6. | Design a comprehensive talent retention strategy for a domestic merger scenario, focusing on retaining key talent from both the acquiring and acquired companies. Your strategy should include specific initiatives for identifying, motivating, and retaining high-potential employees. | (15) |
| 7. | "Consolidated Retail," a large chain of department stores, recently acquired "Discount Emporium," a smaller but rapidly growing competitor. Post-acquisition, there has been a noticeable decline in employee morale and productivity within the former "Discount Emporium" workforce.  Analyse the potential HR-related factors contributing to this decline. Consider factors such as changes in compensation, career paths, and performance management systems. How might the integration of HR systems contribute to this issue? | (10) |
| 8. | The acquisition of Merrill Lynch and Countrywide Financial by Bank of America during the 2008 financial crisis presented significant HR challenges. While financial due diligence was heavily emphasized, the cultural and human capital aspects were arguably less thoroughly assessed.  Bank of America, historically a traditional commercial bank, had a more conservative and hierarchical culture. Merrill Lynch, an investment bank, had a culture that was more entrepreneurial, risk-taking, and performance-driven, particularly in terms of compensation. Countrywide Financial, at the time, had a sales driven culture that was very aggressive. The differences in these cultures were not properly assessed.   There were significant differences in communication styles, decision-making processes, and employee expectations. For example, Merrill Lynch's high-earning traders were accustomed to significant autonomy and bonuses, which clashed with Bank of America's more structured compensation and control systems.   Countrywide Financial had a very aggressive sales culture that may have conflicted with the other two company's ethical standards.  Merrill Lynch's variable compensation structures, particularly for investment bankers, posed a significant risk to Bank of America's overall compensation philosophy. A thorough assessment of these structures was crucial to anticipate potential employee dissatisfaction and retention issues. Countrywide Financials’ HR practices, particularly regarding loan origination and employee incentives, needed to be reviewed for compliance and ethical considerations, given the context of the subprime mortgage crisis. The due diligence did not properly assess the morale of the employees of the acquired companies. Many employees from the acquired companies felt that their value was not taken into consideration. The assessment of the talent pool was not performed correctly, leading to the loss of key personnel. The assessment of the current HR information systems, and the amount of work required to combine them, was not fully realized.  Discuss the importance of conducting thorough HR due diligence, considering the detailed areas above. Evaluate how a more comprehensive HR due diligence process could have mitigated some of the post-merger challenges faced by Bank of America. What lessons can be learned from these mergers regarding the critical role of HR due diligence in M&A success?" | (10) |