

International Human Resource Management

allowance; Relocation allowance; Setting in and setting out allowance; Medical allowance; Hardship and danger allowance; Exchange rate protection allowance; Insurance allowance; Stock option; Bonus; Gratuity; Pension; Social security benefits etc.

9.6 Executive Compensation.

MNCs across the world pay attractive compensation for executives to attract and retain the best talent in order to enable them to craft and implement most appropriate strategies. They, however, pay different levels of compensation for executives in different countries e.g. in the year 2007, MNCs paid highest compensation to expatriates from the US and lowest to those from India.

9.7 Approaches to International Compensation Management.

Different MNCs follow different approaches to compensation determination, revision and adjustment. They are 1] Salary Level in host country approach, 2] Negotiation and Bargaining approach, 3] Lumpsum approach, 4] Buffet approach, 5] Cluster systems approach, 6] Global approach, 7] Performance based compensation approach, 8] Double home country salary and living compensation at the host country approach and 9] Balance Sheet approach.

It is still a fact that HCN and the expatriate carrying the same job in the same company in the same city receive varied salary package. MNCs should carefully design compensation to reduce level of dissatisfaction of HCN caused by this discrimination.

The End