

PROBLEM BASED TEMPLATE

COURSE IDENTITY	
Course:	International HRM
Subject:	International Human Resource Management
Sub Subject:	International Pay and Compensation
CPMK	After completing this course, students are expected to be able to explain the concepts and functions of Human Resource
Sub CPMK	Understand the reward and compensation system by adjusting the contributions made by employees.
Case/Problem:	Balancing global strategic alignment and local conformances pressure in a Pharmaceutical MNC

SCRIPT – INTRODUCTION/ORIENTATION WITH THE PROBLEM
Defining the Problem (Open ended problem/Real life Problem)
Healthcare, a European pharmaceutical company, shifted from adapting its pay and HR systems to each country to a more global approach while retaining some local flexibility as competition grew. Managers now receive a standard bonus based on personal performance (50%), team/unit performance (25%), and company performance (25%), along with stock options tied to their position, while base pay and benefits adhere to local laws and market standards. This blend of global consistency and local adaptation enables Healthcare to remain fair, competitive, and efficient across different countries.
SCRIPT – PROBLEM ANALYSIS

1. Each Group Brainstorming
Incik: Recommends 70% personal, 20% team, 10% company to balance individual and team contributions effectively. Davin: Proposes 80% personal, 15% team, 5% company to identify top performers and encourage team effort for bonuses.

Maretha: Suggests adjusting to 75% personal, 15% team, 10% company to better reward individual effort and address fairness concerns.

2. Alternative Solution

Compensation is a key part of human resource management that helps attract, retain, and motivate employees through fair financial and non-financial rewards. In an international context, companies must design pay systems that balance global fairness with local needs, considering differences in laws, culture, and market conditions. A successful international compensation strategy ensures internal equity, adapts to local environments, and supports the company's overall performance and competitiveness across borders.

SCRIPT-PROBLEM SOLVING ACTIVITES

3. Gathering information and Solution Development

Analyze Bonus System

- Objective: Understand Healthcare's bonus structure.
- Information: Healthcare, a European pharmaceutical MNC, uses a standardized bonus system for managers: 50% based on personal performance, 25% on team/unit performance, and 25% on company performance. This reflects a focus on individual accountability while linking rewards to broader organizational success. Stock options are also granted based on managerial hierarchy, with base pay and benefits adjusted to local market standards and legal requirements.
- Task: Discuss why these bonus weights (50%, 25%, 25%) were chosen and how they align with Healthcare's goals.
- Output: Write a 100-word summary.

4. Presentation (Sharing) dan Presentation of Work Results



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SCRIPT-REFLECTION AND FOLLOW-UP

Reflect on Healthcare's bonus system (50% personal, 25% team/unit, 25% company), balancing global and local needs. Cultural differences may challenge uniformity, needing policy and cultural tweaks.

Individuals – Share regional feedback.

Organizations – Test bonus adjustments.

Policymakers – Update HR guidelines.

Follow-up: Add wellness incentives to boost motivation, trial in one region, and adjust based on results.

Validate

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