

# International Human Resource Management

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**Abstract:** The purpose of this journal is to explore the factors that need to be considered when entering a new market and how they can affect an organization's entry into a new market. This essay will focus on ten different topics to bring out the relevant factors. Although there are several factors that impact the wide domain of international Business, however for the purpose of this study, these ten topics are sufficient. The ten topics and their encompassing factors are analyzed while drawing inferences from adjacent works. The results from the analysis reveals that Culture, politics, laws and regulations, marketing strategies and the overall business environment have a big impact on the success of an organization; aiming to enter into globally trading companies. Thus, A company needs to employ effective marketing and successful supply chain distributions, and have a thorough understanding of the international countries laws, culture, language and economic indicators

**Keywords:** International Business, Trade Theories, Politics and Ethics, Marketing Strategies, Supply Chain Management.

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## I. INTRODUCTION

The world has become highly integrated, where the countries are no longer stand alone Geographical units, rather their policies and economic systems have been linked through trading interactions and enhanced technological cooperation. Several factors have contributed to the increase in relationship and interaction between different regions in the globe. Improvements in technology, telecommunications infrastructure have paved the way for countries to work together and trade. Heterogenous cultures, political climate, rules and laws, marketing strategies and chain strategy require organizations that endeavor in the global market to thoroughly study and understand the new environment [1].

## II. THE BODY

### **International Business and Rapid Growth:**

Companies can potentially increase their revenues targeting international consumers, while diversifying the risk of targeting only the domestic market. Moreover, Politics plays a significant part in the world today and through international trade, political relations are improved by the countries partaking in the business [2].

Technology also plays a pivotal role as far as international trade is concerned. Technology, leads to better communication, and faster modes of transport to allow cross country migration. However international businesses have a flip side with negative consequences. Outsourcing of positions can cause labor fluctuation and labor migrations are likely leading to brain drain.

### **Culture and International Business:**

Culture, values and beliefs are unique with regards to different regions of the world. Moran emphasizes that cultural diversity in an organization ensures that infusion of various cultures through various experiences [3].

Learning the local language and understanding the religious influences is intrinsic; organizations that master the local language and understand the conflicting religious ideologies have an advantage over its competitors. Different cultures have their ways of affiliations which can be acquired or ascribed. Affiliations can be determined based on age, ethnic, family nationality and profession. Different employment practices are defined by a culture of a given country. Workers in different cultural set up are motivated by different things including materialism, motivation, achievement and power. Understanding the culture of a given market helps in determining the marketing strategy and the product or service to be manufactured for the consumers.

### **Politics and business ethics:**

The role of government institution is significant for a society as its rules impact the business environment. There are countries that have a democratic political system while others have a totalitarianism environment. The democratic environment is best because it allows for a widespread involvement by the citizens when it comes to decision making [6]. On the other hand, the totalitarianism environment is strict and does not permit civic engagement, which is risky for any business.

Business ethics refers to the morals of the workplace. There is much misconduct that can be experienced in a work environment including sexual harassment, and theft etc. To deal with such cases, it is important that an organization develop a code of ethics that will guide the employees in the company.

### **Economic and Emerging Markets:**

Refer to fig. 1. A countries economic environment is analyzed through gross national income. This is the income that is generated by the total domestic production and the international production activities. The other aspect of the economic environment is gross domestic product; the GNP is the total value of all final goods and services produced in a year by a nation irrespective of their geographical location.

### **Trade theories:**

Policy makers have the responsibility to ensure that there is balance of trade for a country. There are several theories that can help a manager or government policy makers to ensure that they trade balance. Refer to the table 1 for details on the trade theories.

### **Economic Integration government trade interventions:**

International businesses have bodies that seek to regulate and ensure precise procedures. Economic integrations can take different approaches such as bilateral integration with tariff reduction. Regional integration consists of groups of the country in the same region coming together and work regarding business. Global integration consists of countries all over the world working and; they do so through WTO (World Trade Organization). WTO has the sole mandate of regulating international trade. The organization is responsible for overseeing dispute settlement between countries. Moreover, there are regional trading groups include European Union, Africa Union and North American Free Trade Agreement.

### **Exporting and Importing Strategies:**

Exporting is the sale of goods and services produced by a company in the home country to customers living in another country. Subsequently importing refers to buying of products made by a corporation based in a country from a seller that lives in another country.

### **Marketing Globally:**

Effective Marketing is a viable tool to compete with highly competitive international organizations. Marketing is the selling of the product or service to the customers accounting for price, quality and availability. The international marketing strategy depends on the target audience and the marketing orientation. There are different ways that companies can reach their target audience such as advertising on television, social media; Facebook etc. To reach the right customers in the most efficient way, segmenting the target market is necessary. The customers can be separated regarding countries, global segment, or multiple criteria. In the end, effective marketing depends upon understanding the consumers need and effectively fulfilling it.

### **The strategy of international business:**

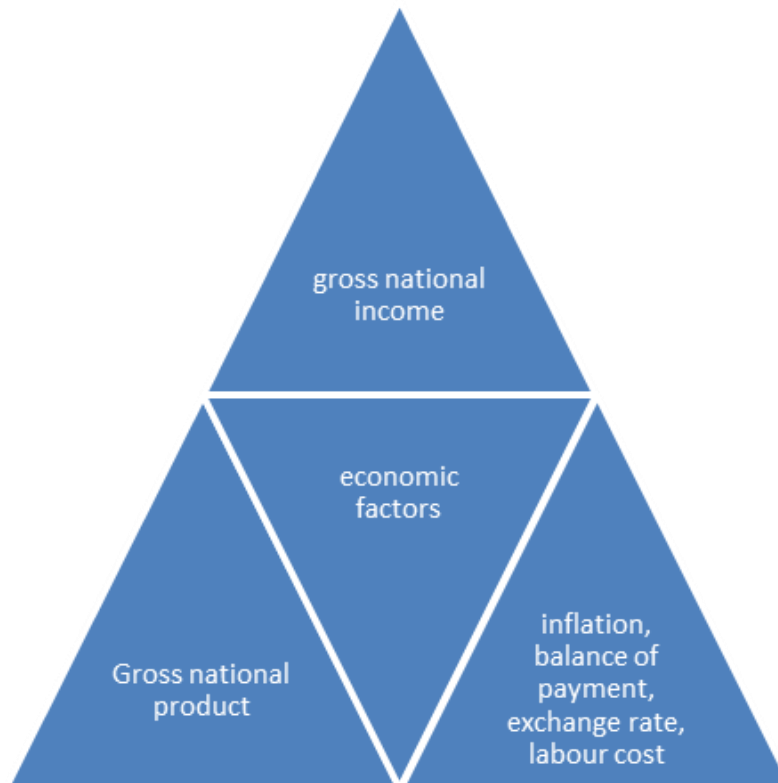
Strategy plays a significant role because it helps in creating value and achieving the intended organization performance. Refer to fig.2 below for the factors impacting strategy.

### **Global manufacturing and supply chain management:**

As the world market continues to be more competitive, more organizations in the past decade have adopted new manufacturing strategies that have taken the competition to a new level [4]. The new strategies, however, have seen drastic drop in employment in the manufacturing industry. When choosing, a production process the issues to be analyzed include the production facilities, manufacturing capacity, technology and distribution.

The supply chain is the network and process involved in the production and distribution of commodities to the consumer [7]. The activities involved in the supply chain include purchasing, manufacturing, logistics, distribution, transportation and marketing. Organization needs to purchase the materials and services needed to accomplish the goals set. The process of making the products available for the customer consumption is called distribution.

**Figures, Graphs and Tables:**



**Fig.1**



**Fig. 2**

**Table. 1**

Theory Type	Explanation
Mercantilist theory	Focuses on encouraging a balance of trade. Exports>imports Through import quota and subsidy
Free trade theory	Neither understates imports nor overstate exports. In this case, consumers need dictate availability of product
absolute advantage theory	Developed in 1776 by Adam Smith Smith believed importing products maximizes consumer welfare [5].
comparative theory	With no trade restriction, competitive advantage can be gained. To produce more efficient output, a country must give up less productive input.
Trade pattern theories	Focus on the country size, factor proportion theory, country similarity theory and product life cycle theory.

### III. CONCLUSION

Several countries are getting into the international business, and the global market is becoming more competitive. The above factors have a big impact on the success of an organization aiming to enter into international business. Understanding the culture of the new market, the political environment, laws and regulations can help an organization conduct lucrative business in the new market. Through various economic amalgamation and government trade interventions, trading between the various countries can be further monitored and controlled. Moreover, Manufacturing strategies have been changing over the past decade with speed, quality, efficiency flexibility and innovation making the difference. Selecting the best supply chains, the appropriate marketing and manufacturing strategy and understanding the new market can assist an organization to achieve its set goals and objectives. Moreover, Understanding the market will make sure that every department are engaged and contribute towards achieving the company’s goals and objectives.

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