

Explain and provide examples

[Business](#), [Management](#)



Introduction: This paper seeks to explain and provide examples for the difference between domestic human resource management and international human resource management (HRM) in U. K.

This paper will include the following issues in discussing the distinction between the two: additional activities, increased complexities, increased involvement in the employee's personal life, more complex employee mix as a more significant part of the workforce, more complex external influences, increased risks, human resource managers and organizations which fail to comprehend this new internal orientation and its complexities are unlikely to ever realize the full potential of their overseas ventures.

Analysis and discussion: Using the work of Edwards, C. & Zhang, M. on Human Resource Management Strategy in Chinese MNCs in the UK: A Case Study with Six Companies, this paper attempts to explain the differences of the domestic from international human resource management. As to whether additional activities is applied international HRM as compared to domestic, the study revealed that the Chinese MNCs would recruit and train employees for local staff up to managerial positions in their UK subsidiaries.

The names of the Chinese MNCs are only described by the authors as China's leading and largest state-owned enterprises their UK subsidiaries which all located in London include four from the financial sector and two are in international trade with employees ranging from range from 30 to 200. Recruitment and training would be considered as additional activities because of the need to adapt to the local culture and to comply with local

laws of UK. As to whether there are increased complexities in international HRM at UK, the Chinese the UK subsidiaries are believed to have the same.

Also read: Scientific Management Examples McDonalds

The increased complexities could be found in localization strategies adopted in the strategies. This fact was confirmed by the six companies as interviewed by the authors. The subsidiaries wish to learn and use UK management practices as they saw positive benefits in adopting UK HRM rather than merely a requirement to comply with local regulation and practice despite the differences with Chinese practices. The localisation strategy was seen as the only way for the subsidiary to retain the local expertise it required.

The increased complexities as discussed above must also result in increased involvement in the employee's personal life. The differences in the culture between the two countries will have to find common grounds to work together and this will need going into some personal life of the employees to find linkages from history and other relationships as a way of promoting better relationship. As to whether the international HRM in UK will result to a more complex employee mix as a more significant part of the workforce, this paper can only confirm as indicated for the requirement to localization strategy of the company.

In regard to whether there will be more complex external influences from international HRM in UK, the same should be expected in the case of the these Chinese MNCs. The study by Edwards, C. & Zhang, M. revealed in the

adoption of UK local strategy, UK middle managers and key staff were asked for their opinion on the similarity of the company's practices to UK local companies, and Chinese expatriates working in UK subsidiaries were also asked to assess on the differences company's practice from the parent company. Although this appears to be asking only the opinion the comparison and corresponding external influences are inevitable.

As to whether there are increased risks in investing with UK, the study failed to mention a categorical fact. But theoretically international operations must be generally presumed to exist for one extending to operate outside its home based to lack of familiarity of the of foreign country's business culture. However, in the case of UK and China, it could be inferred that UK economy is not necessarily more risky. On the contrary, being more a first world country, making investment UK may be less risky than in China.

Internationalization is presumed to involved greater risks as far the Chinese SMC is concerned but subject to the stability of the economy of UK, the country hosting the foreign subsidiary of Chinese MNC. Using the experience of the Chinese MNCs in their UK subsidiaries, as a rule, the same may be said to apply to McDonalds, which a US company with subsidiaries in many part of the world including UK. The company's business is in the form of franchise from which the foreign subsidiary earns franchise fees in addition to rent since in most cases where the restaurant is located, the subsidiary owns the place.

With the independence of each restaurant, including that in UK, the recruitment and training also involves hiring from local people. Hence, the

issue of additional activities, increased complexities, increased involvement in the employee's personal life, more complex employee mix, more significant part of the workforce, more complex external influences are likely to be observed also like in the case of six UK subsidiaries of Chinese MNCs. The increased risk would mostly like be governed by the general rule that going to UK is more risky for McDonald since both US and UK are considered to be both developed economies. Conclusion:

There is a difference between domestic human resource management and international human resource management in U. K. as found in this paper. Internationalization does not necessarily require the carrying into effect the culture and management practice of the parent company. In this paper, what was clear was the need to localization strategy that recognizes the unique characteristics of the foreign market. It could then be stated that human resource managers and organizations which fail to comprehend this new internal orientation and its complexities are unlikely to ever realize the full potential of their overseas ventures.

Work Cited: Edwards, C. & Zhang, M. Human Resource Management Strategy in Chinese MNCs in the UK: A Case Study with Six Companies, Research and Practice in Human Resource Management, 11(1), 1-14. , 2003 <http://rphrm.curtin.edu.au/2003/issue1/strategy.html>, Accessed August 5, 2007 The 100 Times, McDonalds Case Study- Recruiting, Selecting and Training for Success, nod. {www document} URL, http://www.thetimes100.co.uk/downloads/mcd/mcd_10_full.pdf, Accessed August 5, 2007.