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INTERNATION MANAGEMENT

International management requires the understanding of crossing cultures, multinational corporations' interactions, global perspectives, and corporate issues. Not only does international management rely on core business competencies, but also it requires the knowledge and skills necessary to operate and succeed in an international business arena.

Internationalmanagementhasneverbeenassignificantasitistoday. Manyoftheworld'slargestfirmsaretrulyglobal, andeventheirsmallercounterpartsincreasinglyparticipatein cross-borderactivitiesby subcontracting—having customersandjointventurepartnerscollaboratewiththemaroundtheglobe. Thearenaofinternationalmanagementhasneverofferedsomanyopportunitiesandchallengestoindividualmanagers, businesses, governments, andtheacademiccommunityalike. Theexpansionoftheglobalmarkethascreated a needformanagerswhoarefamiliarwiththeproblemsofinternationaltradeandfinancesuchasculture, politicalstructure, foreignexchange, geographicalterrain, time, food, andtechnology. Wewouldneedtoapproachthisthemecarefully; slogansseemtotriumphoverreasonableassessments[3].

Noting that managers are multicultural is necessary not only when they work with people from other countries but also with people from the same country, who speak the same language, have the same national heritage and yet, have different ways of looking at the world. In fact, international management involves planning, organizing, leading, and controlling of employees and other resources to achieve organizational goals across unique multicultural and multinational boundaries. An international manager is someone who must handle things, ideas, and people belonging to different cultural environments while ensuring that allocating and directing of human resources achieves the goals of the organization, while respecting the beliefs, traditions, and values of the native or host country [3]. This is a non-current definition but it still gives a revealing discernment of this complex subject.

There are many aspects of international management including the need for flexible strategies and matching global scenarios with strategic options. International managers are responsible for developing strategies, deploying resources, and guiding their organization to compete in this global environment. To understand the notion of international management better, it is logically necessary to first define management and international independently. There are many viewpoints as to the definition of management and for this book we will define management as the collective functions of planning, organizing, leading, and controlling the resources of an organization within its national borders to efficiently achieve its objectives.

Internationalisation is an incremental process. It means that a company starting its operations on international markets changes over time as its internationalisation deepens. These changes take a form of some patterns and are driven by internal and external selection pressures. Internationalisation influences the selection forces. The internal selection factors arise from an increasing scale, a growing complexity, an internal diversity, and an incremental need for coordination of international operations. The external selection factors are rooted in the international environment: home and host countries, internationalisation of industries and the influence of international institutions. The internal and external selection factors pressure the organization to adapt if it is to survive in the international environment [5].

Economic integration is most pronounced in the triad of North America, Europe, and the Pacific Rim. The North American Free Trade Agreement (NAFTA) is turning the region into one giant market. In South America, there is an increasing amount of intercountry trade, sparked by Mercosur. Additionally, trade agreements such as the Central American Free Trade Agreement (CAFTA) are linking countries of the Western Hemisphere together. In Europe, the expansion of the original countries of the European Union (EU) is creating a larger and more diverse union, with dramatic transformation of Central and Eastern European countries such as the Czech Republic, Poland, and Hungary. Asia is another major regional power, as reflected in the rapid growth shown not only by Japan but also the economies of China, India, and other emerging markets. Countries in Africa and the Middle East continue to face complex problems but still hold economic promise for the future. Emerging markets in all regions present both opportunities and challenges for international managers [1].

Managing international activities means managing separate functions, like human resources, marketing, finance, production, research and development, etc. The first two are culturally sensitive in particular. Thus the EPRG attitudes can also be observed in human resources management practices and marketing decisions. In the ethnocentric approach the headquarters make all the key decisions in personnel management and all significant positions in foreign affiliates are held by the parent country nationals. In the polycentric approach the foreign subsidiaries gain control over human resources management, although the headquarters may still make strategic decisions. Host country nationals usually hold top jobs in foreign subsidiaries. A geocentric attitude to human resources management assumes that a firm relies on the ability and performance when selecting international staff, regardless of their nationality. A regiocentric philosophy derives from both, geocentric and polycentric. The employees can move from one country to another in a particular region but the employment decisions are based on the skills, abilities and performance of potential staff [2].

One of the most beneficial things an international manager can bring to a global organization is the transfer of knowledge he or she will impart on the other country. The international environment, especially its cultural dimension, plays a dominant role in shaping the effectiveness of internationalised business.

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