

Question 1: Why are so many firms operating internationally?

Different firms are operating internationally for a variety of reasons with an overall goal of achieving company growth or expansion. A company may seek to search for new markets abroad or hire international employees. However, it is necessary for the company to implement international strategies during the diversification and expansion process. According to Harzing & Ruysseveldt (2004) the reasons for companies going international include:

- i. Growth- many firms may wish to expand their customer base, revenue and sales by looking into international markets for growth. An example is the coca-cola company. Having dominated the US market, it chose to expand globally in order to increase sales and profits.
- ii. Employees- companies may choose to go international with an aim of finding alternative sources of labor. Also, in seeking lower-cost manufacturing and services like technology assistance in order to maintain their competitive advantage.
- iii. Resources- a company may find it difficult in locating and obtaining resources in their local markets. Thus, they will seek to obtain them internationally at better prices.
- iv. Ideas- companies may be interested in obtaining new ideas or broadening their work force. This can be possible by setting a workforce that comprises of different backgrounds and cultural differences through which fresh concepts and ideas are brought into use. An example is IBM which has recruited employees from diverse background to make the firm achieve competitive advantage through their participation in innovative techniques.
- v. Diversification- different firms sell their products and services in many countries to reduce the firm's exposure to political and economic instability that it may experience if it operated in a single country.

What major challenges are these firms facing from a human resource perspective?

The change of the international environment forces many companies to develop strategies which will enable them to operate successfully in the international context. This poses a lot of challenges for the managers who need to implement these strategies. The most important challenge faced is the generation and transfer of knowledge in the organization and across networks (Gooderham & Nordhaug 2003). This influences the choice of human resource management, the degree and type of expatriation as well as organizational structure. Another challenge faced by the international firms is the attraction and the retaining of employees and also the focus on its ethical dimension. It becomes hard for the newly developed international firm to attract employees in the foreign countries. Finally, these firms face the challenge of creating meaning to employees. This has to be achieved by acquiring and maintaining the employees' legitimacy as well as keeping high ethical standards amongst them.

Question 2: What lessons may be drawn from the Gillette Singapore experience?

The Gillette Singapore experience shows how Global strategy impacts on local operations. It included the formation of a merger with Parker Pen. This experience illustrates on how global success in businesses can be achieved through the dependence on the adaptation to markets far from the home base of the company. It also shows that 'mergers and acquisition by global companies can involve local integration across divisions in order to create within country synergies' (Kanter & Detler 1998, p.60) In order to tap the global brands, the organizations should acknowledge the differences in the countries while respecting their local norms. This strengthens the local country as well as enhancing an international relationship.

List of References

Gooderham, P. & Nordhaug, O 2003, *International management: cross-boundary challenges*, Wiley-Blackwell, London

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Kanter, R. & Detler, T 1998, "'Global Strategy" and Its Impact on Local Operations: Lessons from Gillette Singapore,' *The Journal of Competitiveness and Global Leadership in the 21st Century*, Vol. 12, no.4, Nov., 1998, pp. 60-68

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