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Article Number: 1300998BV

Differences and Similarities between Domestic and Multinational Human Resources Management and Multinational Organization`s Performanc

Introduction

Human resources management (HRM) remains crucial to both domestic and international organizations and small and medium- sized firms as well as the achievement of strategic structure and is at the heart of many important aspect, including economic, cultural, political and social issues. Simultaneously, human resource management seek to add value organization`s performance and the well- being of employees through the adaptation of best practice in the management of people and activities. Initially, both international human resources management and domestic human resource management seek to find promising practices, theoretical basic in terms of psychology, sociology and critical disciplines (Armstrong, 2009; Bandler and Burke, 2012; Beer and Spector, 1985). However, it can be argued that according to the Spiro Business Guides (Rowley, 2003) some changes in HRM`s operating environment has made human resource management more important, diffuse and widespread. As a matter of fact, domestic human resources and international human resources management have many similarities they have some very important differences in terms of HR strategy planning, recruitment, performance appraisal, training, employee relation, employee communication and engagement and role of the human resources specialist.

This paper will define key terms of both domestic and international human resource management and consider several definitions, also will outline the similarities and differences between international and domestic human resource management with difference examples. The aim of this work is to outline the importance of HRM process, recruitment, managing people, performance evaluation, training and motivation to both domestic and international HRM.

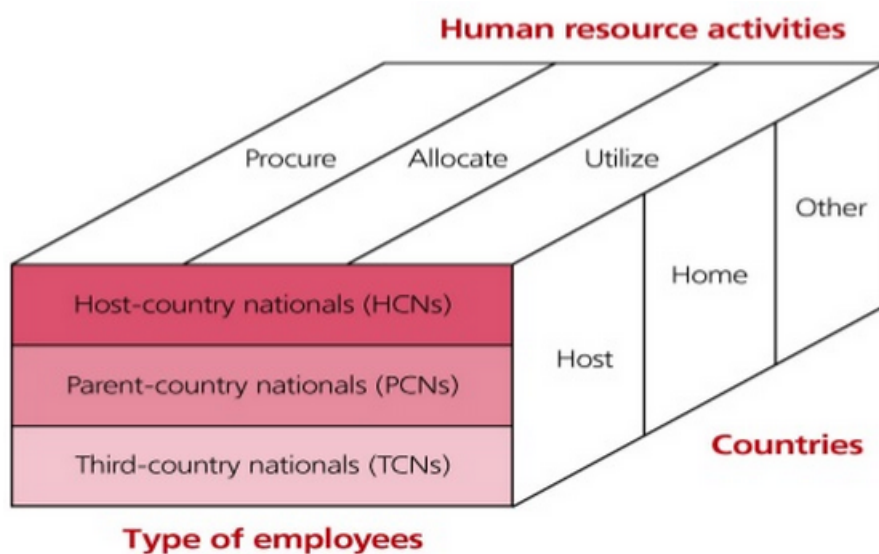
Defining International and Domestic Human Resources Management

Before defining international HRM, general field of human resource management should be defined. Typically, human resource management (HRM) considered as the process of manage people within firm`s activities. These activities would include: the planning of human resource, activities management, staffing, development and training, benefit and compensation, and industrial relation (Atkinson, 2004; Bandler and Burke, 2012; Dowling et al. 2008). Here, international human resource management is the process of allocation, procuring and utilizing human resource in international business (HR Management, 2012). However, Armenakis and Bedein (1999) argue that once HRM goes international, the problem is of course HRM activities should change.

International human resource management broadly cover all related issues people management in an international context. Therefore, IHRM covers a wide range of human resource management in terms of MNCs in different organizations and companies all over the world (Boudreau et al., 2003).

Figure 1 illustrates that the model of IHRM: the procurement, allocation and utilization of IHRM activities easily stand for six activities. Moreover, an international firm`s employees include host-country nationals (HCNs), parent-country nationals (PCNs) and third country national (TCNs). As a matter of fact, weather international human resource management activities or its development are important part international development field.

Table1: A model of IHRM



Source: Marion et al. (2008)

Differences between International and Domestic HRM

The noticeable difference between international and domestic human resources management is HRM activities and processes change to different international environment and foreign performance. Initially, different countries have different employing operation (Scullion and Collings, 2006; Tarique et al., 2006). For instance, compare to the domestic human resource management, international human resources can be attributed differently: one example for this, Apple company in Australia has to Australian business law, which is related to framework trade fair for businesses and customers as well as. In addition, Australian government legislation takes responsibility of customer protection. But however, in China, some companies produced Apple legally. Therefore, government has no legislation as Australian government.

HR activities

Dowling, Festing and Engle (2013) outline that a variety type of human resources activities in an international environment that would not be same as domestic environment, for instance, government taxation policy, orientation, government policy-regulation, international relocation, administrative service, transportation and even language.

The activities of HRM of fast food industry have been changed recent years. Therefore, firm's selection and recruitment are getting different from each other. Moreover, government policy and regulations are becoming quite strict. Same restaurant based on the China and UK, they seem to have different HR activities and process. Last few decades, Chinese restaurant easily set up their business in UK, but nowadays, government also created many regulation and policy against them.

Home country and host country tax liabilities are not same. Therefore, government's policy and regulations are quite complicated by the different type of tax law and regulation among countries. Smart phone industry, for example, in terms of different countries tax rate, has tax for the host government and home country. International tax structure of Apple- iTax- established different type of model in 1980: Apple operation international (AOI), Apple sales international (ASI) and Apple operation Europe (AOE). Another example is based on the social network industry; Alibaba is the online corporation group, which earned \$60000 less than ten years. Alibaba has different type of HR activities, which target China itself market and Europe market (Scullion and Linehan, 2005).

However, Mendenhall (2013) argues that HR activities from home country to host country must be careful in how they deal with relevant government officials. One example for this, according to the FBI FEDERAL BUREAU OF INVESTIGATION (2014) a new staffing model land strategy was created in terms of employees for all over the world in New York, because new employee tend to not productive for last one year, which led senior scientists experience productivity decline approximately 50 % of spending time on new employee training. Eventually, the new staffing model would pair two experienced scientist, which was save the organization \$1062442 (Table 2).

Table 2: Salary costs of two staffing models

Number and Position/Grade	Hiring Rate	Job Rate	Salary plus Benefits at 32%	Total
Staffing Model A				
53 Forensic Scientists GR20	\$45,347	\$56,193	\$74,174	\$3,931,222
Staffing Model B				
38 Senior Laboratory Technicians GR12	\$28,551	\$35,012	\$46,215	\$1,756,170
15 Forensic Scientists GR20	\$45,347	\$56,193	\$74,174	\$1,112,610
Total				\$2,868,780
Proposed Savings (A - B)				\$1,062,442

Source: FEDERAL BUREAU OF INVESTIGATION (2014)

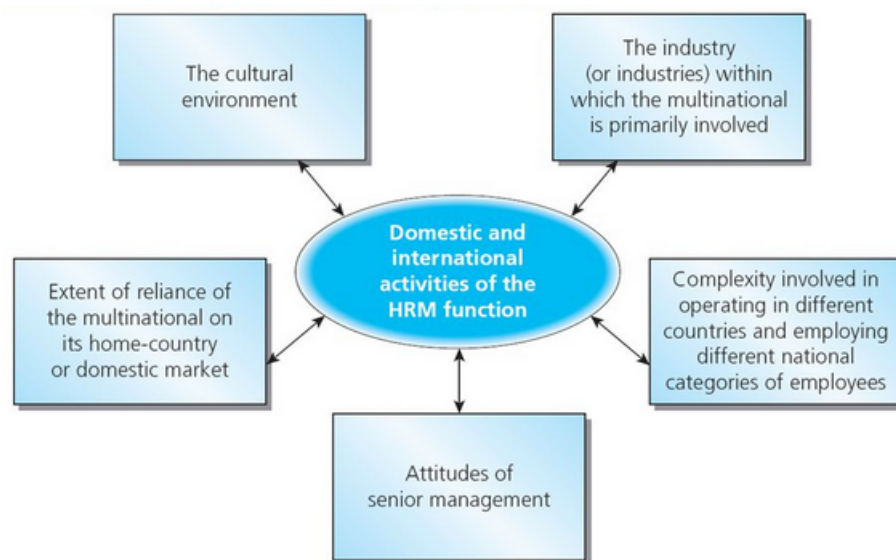
Variable that moderate differences between domestic and international HRM

Employees from different national categories and being employed in different countries are the key variable that differences domestic and international HRM. However, Northouse (2013) argues that there are additionally institutional norms and value maybe based on the features of a national business system. For example, in German does vocational training program, which provides learning opportunities and experience in advance. However, in France such training system is non-exist. (Adair, 2010; Armstrong, 2014; Beardwell and Thompson, 2014; Bothma, 2012). Additionally, figure 3 illustrates that the differences between domestic HRM and IHRM in terms of cultural environment.

As a matter of fact, international business involves the interaction and movement of people across countries, and the differences of culture, attitude and language are essential. For example, a multinational company like Apple has a great number of employees from all over the world. Despite of this, its home country is based on US, for example host country in

China, they have different cultural environment than home country. And also attitude of senior management can be considered as cultural problem.

Table 3: A model of the variable that moderate differences between domestic HRM and IHRM



Source: Dowling (1999)

At the cultural difference point of view Dessler (2013), Browaeys and Price (2011) and Schein (2010) make argument that the reason why some of multinational organizations seem to be failure is they lack of understanding differences in organizing human resources in different environment, Such as international dimension of major activities of IHRM, HR planning, business operation, recruitment, selection, compensation and labour relation.

For example, Degussa group is a multinational corporation, which represented worldwide in all five counties based on 300 locations. 1843 Degussa placed in Frankfurt, Germany, today 44000employees work for this company. Although Degussa has a great number of companies based on the worldwide marker, it has different HRM and IHRM program.

Similarities between Domestic and International HRM

Weather domestic human resources management or international human recourse management`s programmes are developed on similar basic. The basic process of allocation, motivation, procurement and utilization of both of them would be same (Dessler, 2013; Browaeys and Price, 2011; Schein, 2010).

Bryman (2011) who contends that the multinational business environment in which the both domestic or international human strength and performance of to cope with difficulties and to acquire technical, management skills from education and experience. Despite of this the aim of weather international or domestic human resource management is to corporate strategy as HRM which is helpful companies improve their performance. Another similarity is both of them have same function and planning process.

Moreover, from environmental forces point of view, Redman and Wilkinson (2013) strongly point out that the environmental forces would influence both the domestic human resource management and international human resource management, which stand for legal, economic, social, and political issues.

Finally, outlining the similarities between Domestic and International HRM by looking at similar term activities and performance.

Conclusion

To conclude, the purpose of this work has been provided mainly discussion based on human resources management is important to both domestic and international organization and small and medium sized firms, which expend from home country to host and third country. Therefore, global business has significantly concentrated on HRM over the last few decades. In this point, differences and similarities of domestic and international human resources management addressed based on the activities: human resources planning, staffing, performance management and compensation.

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