

# MODULE 1

**International HRM - Domestic HRM v/s IHRM - Managing International activities -Human Resource Planning - International recruitment and selection - Training and development of expatriates – M & A –Integration of acquired employees in newer cultures, Global Mobility and HR-International postings**

# International HRM

- International HRM is a term encompassing all the HR practices involved in managing a global workforce.
- International Human Resource Management includes the firm's work systems and its employment practices. It embraces both individual and collective aspects of people management.
- IHRM is to ensure that employees can cooperate in the workplace despite their cultural differences and work towards the common company goals.

# International HRM

- ❖ IHRM is concerned with HRM issues that cross national boundaries or are conducted in locations other than the home country headquarters.
- ❖ IHRM is concerned with the relationships between the HRM activities of organisations and the foreign environments in which the organisations operate.
- ❖ IHRM includes comparative HRM studies; e.g. differences in how companies in Japan, Thailand, Austria and Switzerland plan for upgrading of employee skills and so on.

# Domestic HRM v/s IHRM

- Domestic HRM refers to the management of human resource that's conducted locally in a business's home country.
- International HRM refers to the management of human resource globally.
- IHRM has to manage employees across countries.
- DHRM only manages employees of a single country.
- IHRM employs people from multiple countries, they have to deal with the complexities of operating across diverse cultures.

## **IHRM**

The people associated with International Human Resource Management have to manage employees of three nation-tiers, namely the parent country nationals, host country nationals, and third-country nationals.

In IHRM, the staff is spread across various nations.

The risks in managing international affairs are higher for IHRM.

The IHRM is concerned with external factors like foreign countries' international policies and regulations.

## **DHRM**

The people associated with Domestic Human Resource Management have to manage the employees of only one country, where the HRM is based.

In DHRM, the team must work within the boundaries of a single nation.

The risks in managing domestic affairs are less for DHRM.

The external factors in DHRM are lesser compared to IHRM.

# Managing International activities

1. Staffing
2. Recruitment and Selection
3. Managing Expatriates
4. Training and Development
5. Performance Management
6. Compensation.

- **1. Staffing:**

- Staffing refers to the process of determining the organization's current and future human resource requirements to meet the organizational goals and taking appropriate steps so as to fulfil those requirements. The process involves identifying the human resource requirement of an organization, and recruitment, selection, and placement of human resources.
- Human resource planning refers to the process of forecasting supply and demand for the organization and the action plan to meet its human resource requirements. It is the decision-making process as to what positions a firm has to fill and how to fill them and places optimally the human resource systems in the organization.
- The process by which an organization estimates its future human resource needs is termed as 'human resource forecasting'.
- International companies need to assess their human resource requirements, assess availability of right type of manpower, decide upon the form and type of international assignments, evaluate pros and cons of alternative sources of personnel for international staffing, and select an appropriate approach for international staffing.

## **2. Recruitment and Selection**

‘Recruitment’ refers to the process by which an organization attracts the most competent people to apply for its job openings whereas ‘selection’ refers to the process by which organizations fill their vacant positions.

The process of recruitment and selection varies widely among countries. For instance, extensive formal testing and screening techniques are often employed in Asian countries where people are highly test-oriented and comfortable with formal tests.

- **3. Managing Expatriates:**

- People working out of their home countries, also known as expatriates, form an integral part of a firm's international staffing strategy, especially for higher management positions. Beside identifying and recruiting the right personnel with desired skills for international assignments, it is also extremely important to provide them with a conducive environment to get their optimum output.

- **4. Training and Development:**

- ‘Training’ refers to the process by which employees acquire skills, knowledge, and abilities to perform both their current and future assignments in the organization. Training aims at altering behaviour, attitude, knowledge, and skills of personnel so as to increase the performance of employees.
- The need for imparting pre-departure training to spouse and children, besides the employee, is increasingly recognized by MNEs. Pre-departure training is aimed at smooth transition of expatriates and their families to a foreign location.

## **5. Performance Management:**

- In the international context, performance appraisal becomes more complex due to possible conflict between the objectives of an MNE's headquarters and subsidiaries, non-comparability of information between the subsidiaries, the volatility of international markets, and differences in levels of market maturity.
- Therefore, international HR managers need to reconcile the differences between the need for universal appraisal standards and the specific objectives of the local subsidiaries, and to recognize that more time may be needed to achieve results in markets, which enjoy little supporting infrastructure from the parent company.
- MNEs need to evolve systematic processes for evaluation of employees from different countries who work in different environments. Developing consistent performance evaluation methods often conflicts with the diverse cultural factors of the host countries.

# Human Resource Planning

- ✓ Human resource planning (HRP) is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset—quality employees. Human resources planning ensures the best fit between employees and jobs while avoiding manpower shortages or surpluses.
- ✓ Human resource planning (HRP) is a strategy used by a company to maintain a steady stream of skilled employees while avoiding employee shortages or surpluses.
- ✓ Having a good HRP strategy in place can mean productivity and profitability for a company.
- ✓ There are four general steps in the HRP process: identifying the current supply of employees, determining the future of the workforce, balancing between labor supply and demand, and developing plans that support the company's goals.

# International recruitment and selection

- International recruitment is a straightforward process of hiring employees from anywhere and everywhere, without any geographical barriers.
- International recruitment processes depend on some distinct factors. Differences in market, language, culture, and other factors can impact the international global employment process.
- For example, the recruitment process in the US is completely different from the recruitment process in Europe. In the US, job seekers are expected to have skill-driven resumes. Factors like Date of Birth (DOB), marital status, etc., are irrelevant here. However, for a candidate searching for jobs in Europe, adding such information can add a competitive edge to their resumes.
- Hence, an international recruiter should be well versed in the laws, compliances, and processes before searching for candidates in the overseas market. Alternatively, international recruiters should possess in-depth knowledge about the company's expectations from a role and the appropriate skill sets to be possessed by candidates.

# **International recruitment and selection**

There are four approaches to international recruitment:

1. Ethnocentric
2. Polycentric
3. Geocentric
4. Regiocentric.

# International recruitment and selection

## Ethnocentric staffing

- The ethnocentric approach to recruitment means that we hire people from our parent country to fill positions all over the world. For example, if we want to fill an executive role in a foreign country, we could:
- Relocate one of our existing employees who's a permanent resident of our parent country.
- Hire a person from our parent country who lives or wants to live in the host country.

# International recruitment and selection

## Polycentric staffing

- The polycentric approach to recruitment means that we hire locals to fill our positions in a host country. For example, we could advertise on local job boards or create a contract with a local recruitment agency.
- We use the polycentric approach when we need the skills of locals to conduct our business. For example, if we want to expand our clientele to a specific country, we'd hire a local professional who knows the market and can coordinate our sales operations.

# International recruitment and selection

## Regiocentric staffing

- The regiocentric approach to recruitment means that we hire or transfer people within the same region to fill our open positions.
- For example, we might decide to transfer employees within Scandinavian countries. So if we want to hire someone in Sweden we could transfer one of our employees from Denmark, a host country in the same region.

We use the regiocentric approach when the costs of transferring an employee from a host country are lower than transferring them from the parent country. When deciding to use this approach, take into account any language or cultural barriers that may exist.

# International recruitment and selection

## Geocentric staffing

Geocentric approach to recruitment is hiring the best people to fill our positions without regard to where they come from or where they live. This means:

- **Hiring remote employees.** We use this option when we want to hire someone at a place where we don't have offices. For example, if we want a customer support agent in another time zone to support our customers there.
- **Relocating our employees.** This includes both bringing foreign talent into our parent country and relocating people to a new host country. We use this approach when we need someone to be physically present at a specific location, but the best person for the job is living elsewhere.

# Training and development of expatriates

- Training develops expatriate's learning orientation and helps them to understand the culture of overseas destinations.
- Effective training can prevent and minimise the impact of others.
- Some of the biggest issues against expatriates are personal shortcomings in areas such as politeness, punctuality, tactfulness, orderliness, sensitivity, reliability, tolerance and empathy. Effective training programmes can minimise these personal behavioural issues. These issues arise primarily due to differences in Culture.

# Training and development of expatriates

- Training can also improve the overall management style.
- Increases the knowledge and skills of the expatriates enabling them to live and work effectively in an unfamiliar host country and culture.
- Enhances expatriates' cultural knowledge and skills.
- To facilitate expatriates' adjustment to the host country's culture

# Training and development of expatriates

1. Develop Relationship Skills
2. Learn the Language
3. Understand the Culture and the Market
4. Know the Simple Differences
5. Be prepared for the Marketplace
6. Find a Mentor or Trusted Partner
7. Have Patience

# **Training and development of expatriates**

## **Develop Relationship Skills**

Employees must master these soft skills to be excellent team players, communicators and problem solvers.

## **Learn the Language**

Language Proficiency can play a role in refining relationship skills. One should seek opportunities to learn the language.

# **Training and development of expatriates**

## **Understand the Culture and the Market**

From a cultural perspective, expatriates should learn what is held sacred and what is viewed negatively. Blending into the market as opposed to creating friction or embarrassment is necessary to help forge global partnerships.

## **Know the Simple Differences**

It is also necessary to learn the basics of the market that one is working with. From time zones to measuring systems, these basics can prepare the expatriates for a smoother transition. Much of this research can be done on the internet through reliable sites before trip, call or email to show your knowledge of their practices.

# **Training and development of expatriates**

## **Be prepared for the Marketplace**

Understanding the essential elements of the international marketplace is fundamental knowledge required while working in the global domain. Having a high level of knowledge of international trade and monetary systems is part of the repository of knowledge essential to stay competitive.

## **Find a Mentor or Trusted Partner**

Utilising the knowledge of someone with experience in the chosen market can be instrumental in helping one adjust and succeed.

## **Have Patience**

The global market can offer unique obstacles one may not have been expecting, but the opportunity to shine on a larger scale should be valued. Time should be taken to work through challenges to appreciate the role one is in.

# Training and development of expatriates

- Improve the flow of communication between home office & foreign subsidiaries
- Increase overall efficiency & profitability.
- To improve the ability of overseas managers to interact effectively with local people in general & with their personnel in particular
- Personal shortcomings in areas such as politeness, punctuality, tactfulness, sensitivity, tolerance, empathy

# M & A

“A merger is a pooling of two or more companies as equals, with the newly created company often taking on a new name.

An acquisition is a combination in which one company purchases and absorbs the operations of another”

Merger is defined as a combination two or more independent business corporations into a single enterprise.

In acquisition, One company acquires another company. Like Google acquired Motorola. So Google became the owner of Motorola.

# Integration of acquired employees in newer cultures

## 1. Communicate Early and Often

Employees need to feel confident in the decision to merge companies. You also need them to feel secure in their job and valued in their position. You need employees on both sides of the merger to get on board with the change. Keeping everyone in the loop about the change ahead is an important first step.

## 2. Examine Cultural Differences

Determining differences is key to figuring out what shifts need to be made and where you might run into problems. Be clear and direct about disparities so you can tackle them head on.

# Integration of acquired employees in newer cultures

## 3. Define New Culture and Develop a Cultural Integration Plan

- Leaders should be aligned and clear so they can clearly articulate the new organization's aspiration for the future and then behave accordingly.
- So it's important to put in place the measures and incentives that will fuel the behaviors that will then drive your culture. Dedicate the resources needed to create tools for facilitating cultural integration, measurement, and management.

# Integration of acquired employees in newer cultures

## 4. Celebrate Change

Cultural integration is about both sides adapting and celebrating the new culture that is born from the merger. This is a time of coming together and taking the best that both organizations have to offer. It's an opportunity for growth – to get aligned, adopt new thinking, strengthen your culture, and move the business forward.

# Global Mobility and HR

Global mobility refers to the ability of a workforce to seamlessly move from one country to another and succeed, both in business and personal lives

- **1.** Global mobility is the seamless operation of a company and its workforce across international borders.
- **2.** The key to global mobility is having a strategy in place and an efficient team to implement that strategy.
- **3.** Key members of your global mobility team may include HR, legal and administrative professionals.
- **4.** In order to ensure a smooth transfer of employees between international locations, including dealing with immigration and payroll issues, consider engaging a global mobility partner.

# Global Mobility and HR

- **Culture acclimation**
  - The business teaches global workers about local business practices and interpersonal relationships
- **Employment law**
  - The business knows about and provides all contracts, assignment letters, and local legislation requirements
- **Global talent management**
  - The business has a successful retention plan and career development program, encouraging top employees to join the global team

# Global Mobility and HR

- **Immigration**
  - The business knows about and can secure all necessary work permits, residence permits, and visas
- **Income tax and social security obligations**
  - The business knows about all global worker obligations in both home and host locations
- **Payroll**
  - The business manages global payroll with ease, including payment currency, split or shadow payroll requirements, tax withholding, and reporting requirements
- **Pensions and benefits**
  - The business provides all necessary home and host pensions and benefits
- **Relocation logistics**
  - The business has a structured relocation and return program, and can help global employees situate themselves with ease

# International postings

A job, often within the organization that you already work for, which involves going to a different country or town to work for a particular period.

- Exposure to International Business Operations
- Unique Career Growth Opportunities
- Access to Innovative Technologies
- Exposure to Diverse, Multicultural Working Environments
- Opportunities To Travel and Live Abroad

# International postings

- Improving communication skills
- Building a global network
- Helping find fresh ideas
- Gain a competitive edge
- Chance to do something different

# International postings

- **Improved communication skills**
- Working with people from other backgrounds exposes you to different working styles, forcing to develop stronger communication skills and confidence as you progress your career. In multinational companies, for example, teams are usually made up of professionals from various parts of the world, giving the chance to develop cross-cultural communication skills.
- **Take advantage of global networking opportunities**
- Accepting a role in another country will help to establish a network of valuable contacts. This will help stay abreast of the latest developments in your field as you progress your career, especially if overseas role is in a more developed market.

# International postings

- **Overseas work experience leads to life experience**
- The lifestyle factors of working overseas are not to be underestimated. get the chance to see new places and make new friends. After all that international networking, might find taking up new hobbies and sports. Actually see a lot of candidates meeting their partners in their adopted country.

# MODULE NO 2

**Repatriation – Expatriation and repatriation - Selection methodology of expatriation -Process of repatriation, job related adjustments, organizational development - International compensation: components, objectives and methods of compensation - Taxation decisions - Changing trends in International employment.**

# Repatriation

Repatriation refers to coming back to home country of an expatriate after completion of an international assignment. An expatriate can also be repatriated before the completion of foreign assignment, due to failure to adjust to foreign climate and culture of foreign country.

Repatriation is about restoring dignity and making right the wrongs of the past. It is also about museums (and other institutions) apologising for their involvement in the removal, collection, and detainment of ancestors without consent.

# Repatriation

Repatriation is the process of returning an employee to the home country after being placed on a long-term international assignment.

Repatriation can be defined as the process in which a person comes back or returns to its home country from the host country after working there for a specific number of years.

Repatriation is considered important because the person has to re-adapt himself to the home country and the pattern of work and at the same time begin interaction with their friends and fellow workers. Normally all the managers and expatriates assume that adjusting in their home country and culture will be really smooth but it has been seen that for most of them it's the other way round that is adapting themselves to the host country, that is living abroad is easier.

# Repatriation

Repatriation refers to the process of sending an item, commodity, asset, or individual from a foreign nation to a homeland. The process applies to anyone returning from a foreign country to their origin. It also includes the conversion of foreign currency into domestic currency.

- Repatriation is the procedure through which the government brings an individual residing in a foreign country home. For example, the individual could be living in a foreign nation for business, work, education, medical condition, etc.
- In addition to individuals, this process extends to business transactions, financial investments, and international trips.
- The modern international law of repatriation states that every Prisoner of War (POW), refugee, or displaced person is entitled to the basic human right of returning to their homeland

# Expatriation

An expatriate, or expat, is an individual living and/or working in a country other than their country of citizenship, often temporarily and for work reasons. An expatriate can also be an individual who has relinquished citizenship in their home country to become a citizen of another.

# Expatriation

- An expatriate is somebody who has left their country of origin in order to reside in another country.
- Expats may leave home for work reasons and seek more lucrative employment in a different country.
- Expatriates may live for a while overseas or completely renounce their citizenship of one country in favor of another.
- Retiring abroad has become an increasingly popular option.

# Expatriation

An expatriate is a migrant worker who is a professional or skilled worker in their profession. The worker takes a position outside of their home country, either independently or as a work assignment scheduled by the employer, which can be a company, university, government, or non-governmental organization.

# Selection Methodology of Expatriation

- Technical Ability
- Cross-cultural Suitability
- Family Requirements
- Cross Cultural
- MNCs Requirements
- Language

# **Selection Methodology of Expatriation**

## **Technical Ability**

- A person's ability to perform the required tasks is an important consideration and so technical and managerial skills are therefore an essential criterion in selecting expatriates. Research findings consistently indicate that multinationals place heavy reliance on relevant technical skills during the expatriate selection process.

# **Selection Methodology of Expatriation**

## **Cross-cultural Suitability**

The cultural environment in which expatriates operate is an important factor in determining successful performance. Apart from the obvious technical ability and managerial skills, expatriates require cross-cultural abilities that enable the person to operate in a new environment.

# Selection Methodology of Expatriation

- **Family Requirements**
- The contribution that the family, particularly the spouse, makes to the success of the overseas assignment is now well documented. For example, Black and Stephens (1989) examined the influence of the spouse on an American expatriate's adjustment. They found that the adjustment of the spouse was highly correlated to the adjustment of the expatriate manager.

# Selection Methodology of Expatriation

- **Cross Cultural**
- Requirements In some cases, the multinational may wish to use an expatriate and has selected a candidate for the international assignment, but may find that the local Government do not allow it. Many developed countries are changing their legislation to facilitate employment related immigration which will make international transfers somewhat easier –for example the European Union Social Charter allows for free movement of citizens of member countries within the EU. It is important that HR staff keep up-to-date with relevant legislative changes in the countries in which the MNC is involved.

# Selection Methodology of Expatriation

## MNCs Requirements

Apart from expatriate related factors, there are contextual factors, such as management philosophy and approach of the MNC- whether it is ethnocentric, polycentric, region-centric or geocentric. The status of the MNC-whether it is an international, multi-domestic, transnational or global company-also influences this decision to a great extent. Other situational factors include:

The mode of operation involved: Selecting staff to work in an international joint venture may involve major input from the local partner and constraints imposed by the JV agreement terms.

The duration of the assignment: Family members tend not to accompany an expatriate when the assignment is for a short duration, so family may not be a strong factor in the selection.

The amount of knowledge transfer inherent in the expatriate's job in foreign operation: If the nature of the job is to train local staff, then the MNC may include training skills as one of the selection criterions.

# **Selection Methodology of Expatriation**

## **Language**

Language skills are be considered as of critical importance for some expatriate positions, but lesser in others, though some would argue that knowledge of the host country's language is an important aspect of expatriate performance, regardless of the level of position.

Differences in language are recognised as a major barrier to effective cross-cultural communication. Yet, in terms of the other selection criteria we have examined above, from the multinational's perspective, language is placed lower down the list of desirable attributes.

# Process of repatriation

Repatriation is the process of returning an employee to the home country after being placed on a long-term international assignment.

Repatriation is the return of someone or something to its native country.

Repatriation refers to the process of sending an item, commodity, asset, or individual from a foreign nation to a homeland. The process process applies to anyone returning from a foreign country to their origin. It also includes the conversion of foreign currency into domestic currency.

# Process of repatriation

Under the repatriation process, an individual residing in a foreign country can go back voluntarily or even be forced out of a nation. The homeland is responsible for the transport of its citizens. This process applies to refugees, deportees, and foreign nationals as well.

The term 'repatriation' refers to the re-entry of expatriates into their home country. Expatriates are individuals who went overseas for work, business, education, job, or on a travel visa. It includes refugees, deportees, and foreign nationals.

# Process of repatriation

- The term also applies to the conversion of foreign currencies into domestic currency. This process is integral to business operations financial investments, portfolio management, expansion, monetary transactions, etc. In addition, companies use the conversion rate for the repatriation of profits. For example, in the U.S., citizens pay a transition tax to convert money earned overseas into US dollars.
- When a person, or a group from the same country, gets stuck in a foreign country, they can be sent back voluntarily or forcefully. In addition, if a person dies in a foreign country, the repatriation of remains is initiated to bring the body back home.

# Job Related Adjustments

Expatriate adjustment (work, general and interaction) mediate the relationship between individual and organizational factors and expatriate performance.

working environment, selection process and management support.

managers and MNC's management should provide direct and indirect support to the expatriates and their families in terms of language and cultural training, career development, logistical assistance, family mentoring, psychological counselling, job search, self-development and social activities.

# **Job Related Adjustments**

Better expatriate performance help MNC's to perform better in their international operations which will ultimately improve the home and host country economic situation. The better performance of MNC's in their international operations through effective expatriate performance will encourage other domestic organizations to expand their operations globally.

# Organizational Development

Organizational development is a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes.

organizational development applies to changes in strategy, structure, and/or processes. This implies a system-approach, where we focus on an entire organizational system. This can include the full organization, one or more locations, or a single department.

# Organizational Development

Organizational development is aimed at organizational effectiveness. It, therefore, has a number of (business) outcomes. These can differ between organizations, but usually, they do include financial performance, customer satisfaction, organizational member engagement, and an increased capacity to adapt and renew the organization.

# Organizational Development

- **Ongoing improvement.** Changing company culture to view new strategies as a positive growth opportunity allows for ongoing improvement and encourages employees to become more open to change and new ideas. New strategies are introduced systematically through planning, implementation, evaluation, improvement, and monitoring.
- **Better or increased communication.** Organizational development that leads to increased feedback and interaction in the organization aligns employees with the company's vision. Employees feel that they have more ownership in the company's mission and may be more motivated as a result.

# Organizational Development

- **Employee development.** In today's business world, employees must constantly adapt to changing products, platforms, and environments. Employee development comprises training and work process improvements that help everyone keep up with shifting demands.
- **Product and service improvement.** Organizational development leads to innovation, which can help improve products and services. This innovation often comes as the result of intensive market research and analysis.
- **Increased profit.** Organizational development helps increase profits by optimizing communication, employee processes, and products or services. Each serves to increase a company's bottom line.

# **International compensation**

International compensation refers to all forms of financial returns and tangible benefits that employees of an international organization receive from their employer in exchange for providing their labor and commitment.

# International compensation

**Direct Compensation** Direct compensation refers to monetary compensation provided to employees in return of their services to the organization. Like TA, HRA . Special Allowances, Bonus etc.

**Indirect Compensation** Indirect compensation are refers to non-monetary compensation provided to employees in return of their services to the organization. Like Leave Policy, Medical Benefits, Insurance etc.

# International compensation

MNC'S Internal Environment Goal orientation Capacity to pay  
Competitive strategy Organization culture Workforce characteristics  
Workforce characteristics

MNC'S External Environment Parent Country Labor Market  
Characteristics Role of home and host country government Industry  
type Competitive Strategy

# **International compensation objectives**

Recruit & Retain Competent Employees

Consistency & Equity in Pay

Employability in a Cost Effective

Financial Protection to Employees

Organizational Ability to Pay

Comparative & Comparable

Benefit Management

Improve Organizational Performance

# International Components

.The main components include base pay and employee benefits. The inclusion of nonperformance-based incentives and allowances distinguishes international compensation packages from domestic compensation packages.

1. Base salary
2. Foreign Service inducement/hardship premium:
3. Allowances:
4. Education Allowances for Children:
5. Relocation Allowances and Moving:
6. Tax Equalization Payments:
7. Spouse Assistance:

# International Components

## 1. Base salary:

- (a) Foreign service premium,
- (b) Cost-of-living allowance,
- (c) Housing and utility allowance,
- (d) Basis for in-service benefits and pension contributions.
- Base salary may be paid in home or local currency or in some hard currency like pound or dollar.

# International Components

## **2. Foreign Service inducement/hardship premium:**

Parent-country nationals often receive a salary premium as an inducement to accept a foreign assignment or as compensation for any hardship caused by the transfer. Such payments vary depending upon the assignment, actual hardship, tax paid to foreign governments and length of the assignment.

# International Components

## 3. Allowances:

- Various allowances are paid to expatriates depending upon the assignment. They include:
  - **(a) The cost-of-living allowance (COLA):**
    - It involves a payment to compensate the differences in expenditures between the home country and the foreign country.
  - **(b) Housing allowance:**
    - Implies that employees should be entitled to maintain their home-country living standards (or, in some cases, receive accommodations)
  - **(c) Home leaves and travel allowances:**
    - Is given to cover the expense of trips (usually once in a year) back home. These trips allow the expatriates the opportunity to renew family and business ties, thereby helping them to avoid adjustment problems when they are repatriated.

# **International Components**

## **4. Education Allowances for Children:**

Education allowances are given towards fees for the education of expatriates' children. Education allowances include items such as tuition, language class tuition, books, transportation and uniforms.

## **5. Relocation Allowances and Moving:**

Relocation allowances usually cover moving, shipping; temporary living expenses, and down payments or lease-related charges.

# International Components

## **6. Tax Equalisation Payments:**

Many international compensation plans attempt to protect the expatriate from negative tax consequences by using a tax equalisation plan. Under this plan, the company adjusts an employee's base income so that the expatriates will not pay any more or less tax than if they had stayed in the home country.

## **7. Spouse Assistance:**

To help guard against or offset income lost by an expatriate's spouse as a result of relocating abroad. Multinationals generally pay allowances in order to encourage employees to take up international assignments.

# Taxation Decisions

Tax decisions means a ruling, decision, opinion or any other written resolution of the competent authority that involves a substantive or significant technical or procedural issue and includes actions taken by such authority based on the prevailing laws conjointly with the benefit of set of settled.

- (1) The domestic and foreign income of its residents and
- (2) The domestic income of nonresidents.

# Taxation Decisions

Under the source principle a country reserves the right to tax not only the worldwide income and gains of its tax residents but also the income and gains of non-residents arising within its border. One of the key issues on international tax is the question of jurisdiction which arises through residence and source.

# Changing trends in International employment

- Managing different cultures
- Overcoming distance
- Ensuring legal compliance
- Remain up to date on local laws
- Develop comprehensive training programs for employees
- Maintain open lines of communication

# Changing trends in International employment

Recruitment and hiring is focused on bringing diversity to the organization and it recognizes that employees from abroad may be able to provide unique perspectives on customer service, marketing and sales.

Companies are increasingly hiring for skills backed with experience.

'Employability' is not just about 'soft skills' such as communication, collaboration, critical thinking and emotional intelligence. As digital platforms in AI applications, robotics, and the Internet of Things make inroads into the workplace, employability skills will be increasingly centred around using these digital technologies at work.

**MODULE NO 3: Managing HR in Virtual Organization: Meaning and types of virtual organizations -Difference between traditional and virtual organizations - Features of virtual organization - Managing HR in virtual organizations - Challenges of International performance management - Career Management& International HRM**



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# Managing HR in Virtual Organization

The emerging HR trend in virtual organizations is both a challenge and opportunity to HR experts. The ready availability of information networks, e-mails and portable telephones is seen as accelerating the “Virtuality” of work. A virtual organization is a network of corporations made possible by Information and Communication Technology (ICT), which is flexible and comes to meet the dynamics of the market. In this way the virtual organization gains benefit with regard to the traditional hierarchical systems. This form of organization is also called as network organization or digital organization.

# **Managing HR in Virtual Organization**

The virtual organization is a social network in which all the horizontal and vertical boundaries are removed. It consists of individuals working out of physically dispersed workspaces, or even individuals working from mobile devices and not tied to any particular workspace.

# Managing HR in Virtual Organization

1. Informal communication
2. Flat organization
3. Multidisciplinary teams
4. Goal orientation
5. Dynamics
6. Homework
7. Customer orientation
8. Sharing of information
9. Vague organizational boundaries.

# Meaning Virtual Organizations

A virtual organisation is referred to a company with an electronic presence and one who does not have a physical existence.

A virtual organisation is defined as an organisation that is dependent on electronic linking to complete the process of production. It can be of permanent or temporary nature and can include groups, individuals dispersed at various locations, the entire organisation or even an organisational unit.

# Types of Virtual Organizations

**Telecommuters** – This type of virtual organisation hires employees that work from home and interact with their workplace via personal computers.

**Completely virtual** – This type of virtual organisations are linked to a network of retailers, distributors, suppliers and customers.

**Outsourcing employees** – This type of companies outsource almost all or a significant part of core competencies. The virtual organisation own one or two core competencies at which it is excellent and hires the rest. The areas for outsourcing generally include information system, manufacturing, fiancé, engineering etc

# **Difference Between Traditional and Virtual Organizations**

Virtual organizations have little boundaries in terms of geography whereas traditional organizations have actual business locations.

Traditional organizations generally have a more rigid structure in that there is hierarchy, rules and regulations and less flexibility in how and when tasks are accomplished.

Traditional organizations generally have “office hours” whereas virtual organizations typically are managed by the tasks they are assigned to complete. Virtual workers are not confined to the offices and still have a hierarchy that they are to follow but do not have the same set of rules, in general, governed by the time constraints of traditional organizations.

# **Difference Between Traditional and Virtual Organizations**

The key difference between virtual and traditional teams is that a virtual team is separated by a physical distance, whereas a traditional team works in physical proximity. In general, a team is a group of people who work for a predefined task to achieve common objectives and targets.

# Features of virtual organization

- A virtual organization is a temporary or permanent coalition of geographically dispersed individuals, groups, organizational units or entire organizations that pool resources, capabilities and information to achieve common objectives.
- Virtual organizations are spatially dispersed. They can be formed across country borders throughout the world. Virtual organizations exist for specific purposes, e.g., to implement a long-term marketing strategy, to launch a new groundbreaking product or to achieve some scientific goal. These organizations quickly deliver products/services that are innovative and customized.
- All sensitive information in a virtual organization is stored centrally and backed up, rather than saved in paper format. However, there is easy, e-mail or Web-based access to centralized data for geographically dispersed members of the organization. This is secure e-mail and /or Web-based access to the members to manage, share, and collaborate on business.
- Screen sharing applications, video conferencing, groupware tools, project management applications etc.

# Features of virtual organization

- The membership and structure of a virtual organization evolve over time. Members of virtual organizations can switch from one project to another. In general, members have shared responsibilities, shared control, shared leadership, shared access to computing resources and services, and shared loyalty.
- Resources, services and people with virtual organizations can be single or multi-institutional, homogeneous or heterogeneous. Such organization exhibits a unifying property because it is constituted from different organizational entities that create an effect of a single organization.
- Virtuality is a matter of degree rather than a categorical property of an organization. Organizations can choose to virtualize their different parts, like production core, front end or back end.
- The presence of information technology infrastructure is a necessary but not sufficient condition for a virtual organization formation. Examples of IT that can be used are e-mail, electronic file transfer, telephone

# Challenges of International performance management

- Environmental variations. Performance management systems rarely work in the same way domestically and internationally.
- Time and distance.
- Cultural adjustment.
- Define, facilitate and encourage performance.
- Training.
- Cross-cultural differences.

# Challenges of International performance management

Biased Perception

Review Period

Rating Method

Lack of standardization

Environmental variations

Time and Adjustment

Cultural adjustment

# Career Management & International HRM

Career Management is a life-long process of investing resources to accomplish your future career goals. It is a continuing process that allows you to adapt to the changing demands of our dynamic economy.

Career management is the combination of structured planning and the active management choice of one's own professional career.

career management is to cope with changes in the world of work (organizational, technological, economic, social, legal, etc.) through the mapping of available resources such jobs, age, qualifications of each employee, and key skills.

# Career Management & International HRM

The employees acquire new knowledge, abilities and skills during the training process, but also gain new experiences through various business tasks during their working life, developing themselves both, in private life and in the professional sense. Human resource development is seen as the development of the expertise of people through organizational development and training of employees in order of improvement of the performances.

# MODULES 4

Knowledge management and International management development – Knowledge and Knowledge transfer - Knowledge and situated cognition - Implications for knowledge transfer - Knowledge management in MNCs - Knowledge management and IHRM - Changing scope of International management development – International manager roles: development implications, international management development initiatives, Future developments

# **Knowledge management and International management development**

It is a process that helps organizations to identify, select, organize, disseminate and transfer relevant information and experience that are part of the organization memory, to enhance their impact on development in the framework of SDGs.

The key to serving their purpose is bridging the knowledge gap among various tiers of society. The information divide and lack of access to information are major impediments to a better life for local communities.

# **Knowledge management and International management development**

International Management refers to the management of business operations for a company. It is used to conduct business in more than one country and requires familiarity with the business regulations and the ability to carry out transactions that may involve multiple currencies.

It provides a glimpse into a variety of important factors, including international boundaries, businesses that operate internationally, the global economy, and how to negotiate with people from different countries with distinct cultures.

# **Knowledge management and International management development**

- Talent management including recruitment
- Expatriation and repatriation
- Training and developing
- Compensation

# **Knowledge management and International management development**

Preparatory training for expatriates: once a person has been appointed for an international assignment, pre-departure training is normally used to ensure the candidate has adequate skills and knowledge that are necessary for working abroad effectively.

Post-arrival training for expatriates: after an expatriate has gone abroad, further on-site training is often used to familiarize the expatriate with the local working environment and procedures.

Training for host-country nationals (HCNs) and third-country nationals (TCNs): Training should be provided to HCNs and TCNs to facilitate understanding of corporate strategy, corporate culture and socialization.

# Knowledge transfer

Knowledge transfer said to be a means by which expertise, knowledge, skills, and capabilities are transferred from the knowledge-base such as university and college to those who need the knowledge namely company, social enterprise, and NGOs. In short, we can say it is the interphase between universities and businesses. It involves the commercialization of skills and expertise possessed by higher education. The purpose of knowledge transfer is to catalyze and facilitate innovation. Knowledge transfer seeks to organize, create, capture or distribute knowledge and ensure its availability for future users. Knowledge transfer is not accomplished through just communication, memo or meetings but many more. It is a complex process because it resides in organizational members, tools, tasks, and their sub-network. Most of the knowledge with the HRs in any organization is tacit; hard to articulate.

# Knowledge transfer

It helps in encoding tacit knowledge into explicit knowledge. By providing a structured approach to knowledge, knowledge management allows an organization to identify in which areas it lacks knowledge and to systematically fill the knowledge base in these areas. The organization can do that through innovation if there are gaps in so-called strategic areas of knowledge or can do that through operational activities in knowledge management. Knowledge management helps steady growth of knowledge base, and in that way, improves innovation capability through continuous collection and storage of explicit and tacit knowledge.

# Knowledge transfer

Knowledge transfer is not just about the transfer of information but about passing on experience, best practice, and learning. It aims in reducing the gap between knowledge and practice. Knowledge transfer in organizations has increased in importance.

Knowledge transfer and management promote and encourage knowledge-driven culture by which innovations are stimulated. It emphasizes the importance of innovative **organizational culture**, where innovation, creativity and learning from mistakes is appreciated. It helps in creating tools, platforms, and processes for creating, sharing and transferring tacit knowledge in the organization.

# Knowledge and situated cognition

Knowledge of cognition includes knowledge about oneself as a learner, knowledge about learning strategies, and knowledge about why and when to use a given strategy. Regulation of cognition includes the ability to plan, monitor, regulate and evaluate your learning process.

Situated cognition is a theoretical approach to human learning that supports the idea that learning takes place when an individual is doing something.

Knowledge of cognition also determines the ability to become an independent learner

# **Knowledge management in MNCs**

It is the process of organizing, creating, using, and sharing collective knowledge within an organization. Successful knowledge management includes maintaining information in a place where it is easy to access.

The process of Knowledge Management is the process of being able to document, store, and communicate data and information so that it can be applied to a company's knowledge. It is often used as a way to help educate employees, give employees access to information, and store knowledge in an organized format.

# Implications for knowledge transfer

At the individual level, knowledge sharing has three types of impact. It influences individual performance, learning, and creativity, and has psychological effects.

1. Capturing Information. The first step in the knowledge transfer process is to capture information.
2. Structure the Collected Information.
3. Distribute the Information.
4. Measure the Success.
5. Brainstorm and Discover New Ideas.

# Implications for knowledge transfer

Knowledge transfer is to catalyze and facilitate innovation. Knowledge transfer seeks to organize, create, capture or distribute knowledge and ensure its availability for future users. Knowledge transfer is not accomplished through just communication, memo or meetings but many more.

Knowledge management allows innovation to grow within the organization, customers benefit from increased access to best practices, and employee turnover is reduced.

# Implications for knowledge transfer

It can involve a variety of methods such as mentoring, training, coaching, or simply sharing information through communication channels. Transferring knowledge across your company or organisation can spur staff to exploit technology innovation and enhance productivity along with efficiency.

# **Knowledge management in MNCs**

Knowledge management (KM) is the process of organizing, creating, using, and sharing collective knowledge within an organization.

Successful knowledge management includes maintaining information in a place where it is easy to access.

Knowledge management gives your teams access to the information and resources they need to do their jobs effectively. It also helps your business retain that knowledge for future use, which promotes efficiency, a better working experience and less repetitive.

# **Knowledge management and IHRM**

A major benefit of HR knowledge management is allowing employees to find and access the information they need without the assistance of HR. But if you make all information accessible to every employee, they can become overwhelmed. Or they might access information not meant for them.

# Changing scope of International management development

International management development encompasses various activities, from exporting and importing goods and services to licensing and franchising products and brands. It also includes moving capital, technology, and people across borders.

International management development bring knowledge and resources to help communities and governments around the world as they work to end extreme poverty; support the advancement of human rights; and promote resilient, democratic societies while advancing global security and prosperity.

Forecasting foreign exchange rates, considering diverse environmental factors, and understanding regional market dynamics are crucial elements of effective strategic planning in the international arena.

# International manager roles

- 1.Planning:** International management necessitates strategic planning that takes into account the unique challenges and uncertainties of operating in diverse global environments. Long-range planning becomes particularly complex in countries with political instability. Forecasting foreign exchange rates, considering diverse environmental factors, and understanding regional market dynamics are crucial elements of effective strategic planning in the international arena.
- 2.Organising:** Organisational structures must be tailored to local conditions and preferences. Flexibility and participative management styles are valued in countries where collaboration is emphasized, while centralized and bureaucratic structures may be preferred in other cultural contexts. Multinational corporations often adopt a variety of structural designs, such as geographic, product-based, or matrix structures, aiming to ensure the acceptability and effectiveness of the organizational framework within the host country.

# International Manager Roles

- 3. Staffing:** The composition of the workforce requires careful consideration in international management. While some organisations may prioritize employees with a home country background, there is an increasing trend of hiring host country nationals for executive positions. This practice not only helps reduce costs but also fosters positive relationships with the local population. Staffing policies should comply with local laws and align with accepted practices to establish a harmonious and productive work environment.
- 4. Directing:** Effective leadership in international management necessitates an understanding and adaptation to local cultures and social values. Leadership styles should be tailored to meet the needs and aspirations of the local workforce. This may involve accommodating preferences for either an authoritative or participative leadership approach. Successful international managers immerse themselves in the local culture and actively seek to fulfill the expectations and wishes of the host country's people.

# International Manager Roles

**Controlling:** Striking the right balance between central supervision and local autonomy is crucial in international management. While some parent companies prefer a tight control approach, others allow subsidiaries and branches considerable operational independence. A combined approach, where basic policies are set by the parent company, while local units have the flexibility to adapt within that framework, often proves to be effective. The degree of control required varies across countries, considering factors such as quality standards, financial controls, legal constraints, and cultural norms.

# International Management Development Initiatives

understanding of the macroeconomic trends, politics, history and culture of a country or region.

- meetings with government officials and company representatives to discuss future opportunities and challenges
- Understand the framework of a particular business or issue through the lens of a specific country or region, including any challenges, opportunities and strategies used to address it, and then apply the framework to other countries and regions throughout the world
- Collaborate on a project that navigates international networks and proposes solutions to a particular problem

# Future developments

Increased automated and digitised services, a rise in sustainable living and novel forms of media and financial products

Developments in communication technology, business confidence, freer borders, and increased global competition. Technology such as email, conference calls and video conferencing is one of the main reasons for growth in international management development.

# MODULE NO 5

**IHRM Strategies and Developments - Managing diversity - Linking corporate and HRM strategy - Total quality in HRM - Scope of TQM - Comparison of Traditional and TQHRM approaches - Barriers to TQHRM - HR project planning - Importance of computerized information system - Conflict management - Human rights movement and IHRM, Experiences of Japan and China**



NAAC Accredited & ISO 9001 2015 Certified

**DR.DAKSHAYINI E**

# IHRM Strategies and Developments

IHRM strategies involves managing global human capital while remaining compliant with local laws, diversity of the employees, and aligning with different employee requirements. The HR department becomes pivotal in ensuring the organization remains legally safe while employing people worldwide.

- Effectively manage employee compensation and benefits.
- Improve employee relations.
- Optimize employee development and training.
- Maintain legal and ethical compliance.
- Integrate HR systems and data processing.
- Simplify recruitment and onboarding.

# IHRM Strategies and Developments

- ❖ IHRM developments represents the expansion of organizational operations across borders, hiring talent from diverse regions and cultures. It's a response to the increasing interconnectedness of the world. It brings both opportunities and challenges, demanding inventive approaches.
- ❖ Effectively manage employee compensation and benefits
- ❖ Improve employee relations
- ❖ Optimize employee development and training
- ❖ Maintain legal and ethical compliance
- ❖ Integrate HR systems and data processing
- ❖ Simplify recruitment and onboarding

# Managing diversity

Managing diversity means acknowledging people's differences and recognizing these differences as valuable. It enhances good management practices by preventing discrimination and promoting inclusiveness. Good management alone will not necessarily help you work effectively with a diverse workforce.

Organizations will need to take positive action beyond legal compliance to ensure equal access, employment, and promotion opportunities and also to ensure that diversity programs are proactive and valuable, make use of individual and cultural differences, and contribute to local as well as global communities.

# Managing Diversity

By setting clear goals, fostering an inclusive culture, providing training and development opportunities, addressing micro-aggressions and biases, recruiting and hiring for diversity, promoting fair performance evaluations and compensation, encouraging work-life balance and flexibility.

It can lead to better outcomes in various aspects of life, fostering creativity, innovation, empathy, and social cohesion. It also helps create a more just and inclusive society, where everyone has an opportunity to succeed.

# Linking corporate and HRM strategy

It is a culture of clear communication and trust within an organisation. When employees are encouraged to become involved in various aspects of the business strategy it develops higher levels of trust and respectability between employees and the management team.

1. Understand the business strategy and how it impacts other departments.
2. Evaluate external and internal workforce conditions.
3. Plan and implement the HR strategy that includes key performance indicators.

# **Linking corporate and HRM strategy**

HRM come to existence so that the goals of an organisation can be achieved through people resources. Most organisations believe that the way people are manage will determine how successful the organisation will be i.e. organisation see people management as a key factor for organisational success.

# **Total quality in HRM**

Total quality management (TQM) is a management approach that seeks to improve quality and performance at all levels of an organization. TQM focuses on continuous improvement, customer satisfaction, and teamwork. It is based on the belief that quality is everyone's responsibility and that everyone can contribute to the improvement of quality. TQM involves the use of quality tools and techniques such as statistical process control, benchmarking, and quality circles.

# Total quality in HRM

- TQM can help to improve the quality of the department's services to employees and managers.
- TQM also encourages a team-oriented approach to problem-solving, which can lead to more creative and efficient solutions.
- TQM can help to identify and eliminate waste in HR processes, which can lead to cost savings.
- TQM can help to promote a continuous learning environment within the HR department, which can lead to improved employee satisfaction and productivity.

# Scope of TQM

- **Continuous improvement of skills:** The culture of skills should be continually improved by organizations. They ought to hone their abilities in that sector. For this, the company should provide efficient training and a program to develop talented employees. The ability to be innovative and creative results in high-quality products that please customers and improve the organization's overall operational effectiveness.
- **Use of Teamwork:** The key component of TQM is the use of cooperation. Any issue within the corporation can be resolved with its assistance. Team members work together and support one another throughout the creation process. For the purpose of making decisions regarding protocol and working methods, all members gather together.

# Scope of TQM

- **Improving processes, product and service:** Continuous process, product, and service improvement is what TQM entails. Customer needs and wants should be taken into account. Due to its manner, design, and structure, new technology is enhancing consumer desire and taste. Therefore, management should motivate staff to better planning.
- **Focus on customer satisfaction:** The primary goal of all commercial enterprises is to increase wealth and profits through satisfied consumers. The amount of business will expand if we can satisfy the local market's customers. Therefore, a company's revenue comes from its customers. Obtaining the customers' opinions, finding new clients, researching customer satisfaction strategies, and offering goods and services in accordance with client demands and wants are all crucial steps in the customer satisfaction process.

# Comparison of Traditional and TQHRM approaches

- In traditional quality management, supervisors tell employees what to do based on the organization's short-term goals and objectives.
- In total quality management, all members of an organization – from the lowest employee to the highest executive – pursue long-term success in terms of customer satisfaction.
- In traditional quality management, the company defines its quality standards and determines whether a particular product is acceptable.
- In total quality management, customers determine a product's quality

# Comparison of Traditional and TQHRM approaches

- Traditional quality management emphasizes the achievement of short-term objectives, such as the number of products produced or profits earned in a quarter.
- Total quality management looks at long-term improvements in how a product is produced and the sustained satisfaction of customers.
- Traditional quality management, managers identify who is responsible and hold them accountable.
- In total quality management, managers and employees look at how they can improve quality by changing the processes used to produce a product.

# Comparison of Traditional and TQHRM approaches

- In traditional quality management, managers rely their on authority as supervisors to tell employees what to do. They may even use fear to motivate and threaten to discipline or even to fire employees.
- In total quality management, employees are given opportunities to improve themselves.
- In traditional management, only the employees who are directly involved in producing a product are responsible for its quality.
- In total quality management, everyone in an organization – including the top executives – are responsible for the quality of each product that the company produces.

# Comparison of Traditional and TQHRM approaches

- In traditional quality management, supervisors and employees solve problems and act based on their individual knowledge, skills and instincts.
- In total quality management, multiple employees, teams or departments solve problems and make decisions based on substantive data.
- Each employee has a specific role that is narrowly defined by a supervisor in traditional quality management.
- Total quality management involves managers and employees working together in an integrated capacity that involves more than one role or responsibility at a time.

# Comparison of Traditional and TQHRM approaches

- Traditional quality management requires the reproduction of any product with defects. It addresses problems as they arise, resolving them on a case-by-case basis.
- Total quality management, on the other hand, emphasizes eliminating waste and increasing efficiencies so that a product is produced correctly the first time. It emphasizes continuous process improvement, resolving issues systematically.

# Barriers to TQHRM

- Inadequate human resources development and management
- Lack of planning for quality
- Lack of leadership for quality
- Inadequate resources for TQM
- Lack of customer focus.
- Lack of management commitment
- Inability to change organizational structure
- Improper planning, lack of continuous training
- Isolated individuals/departments leading to lack of communication
- Paying inadequate attention to internal and external customers
- Insufficient use of empowerment and teamwork, failure

# HR project planning

HR project planning refers to using and applying project management skills and principles for HR purposes to streamline work and achieve project goals.

This can include identifying needed team members, assigning roles and tracking professional relationships between staff members. Some human resource plans contain official documentation and charts while others use less formal methods.

# HR project planning

It can allow you to gain a better understanding of the roles on a particular project and may help recruit the candidates that best fit of needs.

It can also help understand any training need to perform or what rules and regulations may have to follow.

# Importance of computerized information system

Computer information systems applies technology to manage data and allow it to be transferred between computers connected to the same network.

It helps a business in its decision-making process. With an information system, delivering all the important information is easier to make better decisions. In addition, an information system allows employees to communicate effectively.

A computerized information system offers greater speed than a paper system. Rather than have to sort through piles of documents to find information, the user can often find what's needed with just a few keystrokes or mouse clicks.

# Conflict management

- ❑ Conflict management is the set of techniques required to identify and resolve conflict in the workplace. Since conflict is a normal part of any **work environment**, conflict management's goal is to detect and minimize the negative effects of conflict rather than eliminating it completely.
- ❑ Conflict management is used to handle conflicts with fairness and efficiency. In doing so, you can avoid poor communication between colleagues, decrease workplace tension to improve productivity, and also keep the morale of employees high.
- ❑ Conflict Management is the use of processes, tools, and skills to find creative and respectful ways to manage disagreements and disputes.
- ❑ It includes the ability to resolve conflict collaboratively through effective communication skills, such as active listening and assertive speaking.
- ❑ Conflict management is the practice of being able to identify and managing conflicts sensibly, fairly, and efficiently. Conflict management process deals with incompatibilities or disagreements arising from, for example, diverging opinions, objectives, and needs.

# Human rights movement and IHRM

- ❖ Mobilization of individuals and groups for protection and promotion of Human Rights.
- ❖ Demand for equality, freedom of press, and abolition of discrimination
- ❖ Freedom from discrimination.
- ❖ Right to equality between men and women.
- ❖ Right to life.
- ❖ Freedom from torture.
- ❖ Freedom from slavery.
- ❖ Right to liberty and security of person.
- ❖ Right to be treated with humanity in detention.
- ❖ Freedom of movement.

# Experiences of Japan and China

Since 1950, relations have been tense after the Korean War, the Cold War and the grievances of Japanese war crimes committed in China and beyond. Nevertheless, trade has expanded greatly in the 21st century between the two nations and despite geopolitical disagreements are generally at peace with each other.

The conflict is often termed the second Sino-Japanese War, and known in China as the War of Resistance to Japan. There are arguments that the conflict began with the invasion of Manchuria in 1931, but between 1937 and 1945, China and Japan were at total war.