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Assignment

On

Critical Discussion of a Contemporary Issue of Strategic Operation Management

***Module Name & Code: Strategic Operations Management and Operational Research (PS4S26)***

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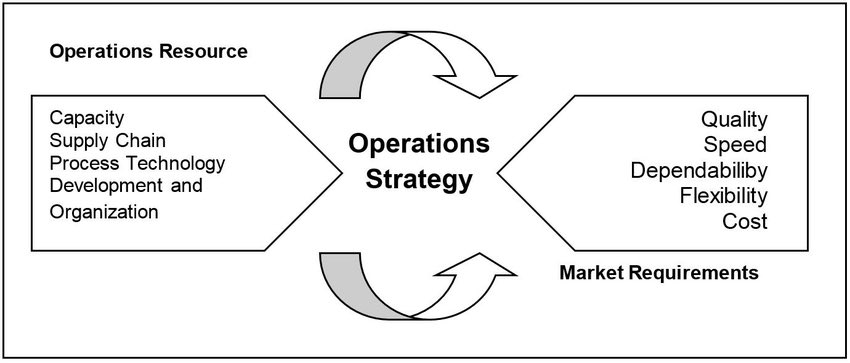
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Introduction

Many people believe that globalization of business creates income that benefits nations and individuals all over the world. Globalization, according to Peter Woicke of the World Bank, has provided crucial ingredients for success to entrepreneurs and corporations in emerging regions (Czinkota, n.d., p. 3).The merging of historically diverse and separate national marketplaces into one massive global marketplace is referred to as market globalization. Cross-border trade and investment obstacles are lowering, making it easier to sell abroad. For a long time, it has been believed that consumer tastes and preferences in different countries are beginning to converge on some global standard, thereby assisting in the creation of a global market. Citigroup credit cards, Coca-Cola soft drinks, Sony video games, McDonald's hamburgers, Starbucks coffee, IKEA furniture, and Apple iPhones are widely cited as instances of this tendency. The companies that make these products aren't just beneficiaries of this trend; they're also enablers of it (Hill, n.d., p. 6).

On a worldwide scale, it's been projected that foreign affiliate sales might account for up to half of global GDP (Dunning and Lundan, 2008). MNCs account for almost two-thirds of global trade and produce half of the world's industrial output. Intra-firm trade accounts for around a third of total commerce (or half of MNC trade). MNCs dominate the global markets for automobiles, computers, and soft drinks, with 85 percent, 70 percent, and 65 percent of these markets, respectively. They are the main manufacturing presence in various countries. MNC affiliates accounted for over 80% of manufacturing production in Ireland in 2006, and it exceeded 50% in the Slovak Republic, Hungary, Belgium, the Czech Republic, and Canada. MNCs also account for a significant share of manufacturing in the United Kingdom, Sweden, and the Netherlands. The level of production performed by foreign-owned manufacturing is expected to continue to expand, according to all indications (Paul N. Gooderham, 2013).

In a sentence, strategic operations management is the correct operational function for ensuring that organizational resources are used effectively (R., 2017). There is no single optimal way to design strategy, and the discussion over whether it should be internal, resource-based, or totally externally market-driven may be seen as just academic. Many firms, in practise, will combine internal and external factors in the same manner that they innovate as a result of both push technology and pull demand. These qualities must include operations capabilities, such as quality, innovation, volume and variety flexibility, delivery speed, and reliability. While exceptional marketing talents are required within an organisation, they are useless unless world-class operations management capabilities (both internal and external) are also in place to support the firm's marketing goals (Steve Brown, 2005, p. 54).



Operation strategy reconciles the needs of the market with operation resources.

Source: Slack and Lewis (2001)

Purpose of the study

The goal of the research is to determine the importance of a sustainable supply chain for McDonal's strategic operation management in the garment industry. To get a better knowledge of how supply chain sustainability benefits enterprises. And show how sustainability may be implemented into the supply chain management process. Come comprehend the advantages of implementing sustainability into McDonal's approach. To identify the difficulties in incorporating sustainability into the supply chain process. That make recommendations for solutions to address the issues of long-term supply chain management.

Literature Review

A business is an entity that makes money by offering goods and services that customers want. Consumers' demands are met by businesses offering medical care, automobiles, and a variety of other goods and services. Laptops, for example, are real goods produced by corporations. Business services are intangible goods that can't be held, touched, or stored. Services are provided by doctors, lawyers, hairstylists, car washes, and airlines. Businesses also provide machinery, resale goods, computers, and dozens of other commodities to other organizations such as hospitals, stores, and governments. As a result, businesses produce the commodities and services that underpin our level of living. The output of products and services that individuals can buy with their money determines a country's standard of life (Lawrence J. Gitman, 2018).

For example, in the United States, an Extra Value Meal at McDonald's costs less than $5, yet a similar meal in another nation could cost as much as $10.Businesses are important in deciding our quality of life since they provide jobs, goods, and services to society. The general degree of human happiness is determined by factors such as life expectancy, educational standards, health, cleanliness, and free time. Businesses, government, and non-profit groups all work together to improve people's quality of life. Take, for example, Sony, the Japanese electronics behemoth, long a market leader with its Walkman music player and Trinitron televisions, has progressively lost market share and profits to other firms over the last two decades by refusing to embrace new technology such as digital music and flat-panel TV screens. Instead of creating cross-platform solutions for consumers, Sony underestimated what the market needed and stuck with proprietary technologies (Lawrence J. Gitman, 2018).

The World of International Trade

For thousands of years, governments and geographical regions have engaged in international trade. International trade has gradually expanded throughout the centuries, despite frequent interruptions caused by wars and natural calamities, usually at a faster rate than global output. The motivation for international trade's existence and expansion is the same as it is for any other economic transaction: value generation. Both manufacturers and consumers benefit from international commerce. Demand for exportable goods rises as a result of increased international trade, resulting in higher prices and volumes. It expands the supply of importable goods, lowering prices and expanding product availability and variety for consumers (Inkpen, 2000, p. 35).

International commerce improves resource allocation efficiency around the world, decreases production costs through economies of scale, and lowers input costs. Changes in prices and demand in export markets, changes in prices and supply of imported items, and changes in exchange rates can all lead to increased vulnerability for both enterprises and governments to international economic factors. Increased exposure to the worldwide economic environment can raise the volatility of a company's earnings and a country's GNP growth rate, raising the risks of a company's operations and reducing the economy's stability (Inkpen, 2000).

The Freme work for International Trade-

1. The STEP (Social, Technological, Economic, and Political) system and how it influences a firm's comparative and competitive advantage.

2. Trade barriers, including tariffs and nontariff barriers, as well as government incentives to promote trade.

3. Using trade intermediaries to connect producers and customers.

4. Foreign countries as export markets and import suppliers.

The Simple International Strategy

An auxiliary or peripheral function characterizes foreign activities in MNEs with uncomplicated international strategy. Foreign subsidiaries are not incorporated into the everyday activities of the company's other business units, despite the fact that headquarters is directly involved in decision-making or through the use of expatriates. These kinds of foreign actions frequently suggest that an MNE is still in its early phases, or that internationalization decisions are made based on isolated chances (Paul N. Gooderham, n.d., p. 76).

The importance of global strategy grew rapidly in the early 1980s, and some, like famous researcher Theodore Levitt (1983), considered it nearly indispensable for competitive advantage. Tariffs fell throughout this time period, and product life cycles shrank dramatically. This increased the expense of research and development (R&D) as well as competitive pressures. The ability to function under such a financial burden necessitated a larger scale of manufacturing than what a company's home market could absorb. As a result, international markets had to be sought out simply to participate in the game. Another motive to seek out international markets was that if competitors did not have a presence in every area, they could gain dominant positions with significant profit margins (Paul N. Gooderham, 2013).

Of course, the ethos that underpins the global strategy is not exclusively Japanese. IKEA has a history of ignoring local tastes and bucking fragmented furniture markets by offering mass-produced, globally standardized furniture. Purchasing, distribution, and design services are centrally controlled and served by Swedes, despite supplying markets ranging from Russia to North America. Although IKEA has become more open to market adaptations, such as changing the size of its beds supplied in North America, these changes are primarily related to their downstream operations. Similarly, General Electric operates with a distinctly homogeneous corporate ethos, albeit non-Americans are not excluded. Its businesses are all global, with each having its own president who organizes and combines activity across the globe (Paul N. Gooderham, n.d.)

This method has traditionally been used by European companies with subsidiaries in other European countries. Large national variances in customer tastes, logistical hurdles, and, at one stage, substantial tariff barriers all contributed to a strategy based on high local responsiveness. Markets, on the other hand, are becoming increasingly blurred as technology changes information flows and the ease of movement. This has made it more difficult for solely localized MNEs to remain competitive, as well as resulting in a slew of new market actors and heightened cross-border competitive pressures (Hitt, Li, and Xu, 2016). As a result, many MNES that began as pure multidomestic businesses are rethinking their ability to respond locally (Paul N. Gooderham, n.d.)

A strategy is a method for achieving a goal. The technique by which an organization achieves its strategic objectives is described by its strategy. This step in the strategic management process entails identifying strategic alternatives for achieving organizational goals, evaluating those alternatives against a set of criteria, and selecting an alternative or group of alternatives that could become the organization's strategy (Glenn Boseman, n.d., p. 11). Strategic management is concerned with the entire organization. It considers the organization's long-term development rather than day-to-day operational concerns. As previously said, strategic decision-making is mostly the duty of the company's top management. Top management must make strategic decisions such as whether to grow present operations or cut back on some, whether to diversify into new businesses, and whether to merge with another company (Colin Clarke- Hill, n.d., p. 5).

Porter’s Generic Strategies

Michael Porter's three Generic methods for attaining competitive advantage through above-industry-average profitability are a widely regarded model:

• Cost leadership entails selling at market prices while maintaining the lowest costs in the industry.

• Differentiation - keeping costs at industry averages while adding perceived value that mass market customers will pay for.

• Concentration - concentrating on a single market segment utilizing a differentiation or low-cost strategy.

The true competitive advantage comes from providing additional capital to reinvest in the business and preserve the competitive advantage. In practice, however, in order to gain a competitive advantage in a highly competitive market, the cost-leadership strategy is typically transformed into a price-leadership strategy to undercut competitors. This is essentially a type of price differentiation, and it erodes the strategy's cost advantage, reducing Porter's framework to a choice between two segmentation strategies:

• Differentiation - a widespread approach that uses factors such as pricing, image, quality, packaging, support services, design, or distribution methods to set the product or service apart from competitors.

• Focus - a competitive landscape or niche strategy that focuses on meeting the needs, wants, and advantages desired by one or more specific market segments (Rosen, n.d.).

Potential benefits are:

Cost leadership strategy-

* A company can make more money by charging the same price as its competitors or even by undercutting where demand is elastic.
* Provides for a new market entry strategy based on price penetration.
* Raises the entry barriers.
* Identifies and creates new market segments.

When deciding on a price plan as a cost leader, caution is required. Cutting prices below those of competitors can spark a price war, as well as give the impression to customers that the product is inferior to that of more expensive competitors. Cost leaders may opt to sell their products at a similar price to competitors', but earn a higher profit that may be re-invested (for example, in advertising, growth, or research & development) to obtain a competitive advantage.

Value chain analysis is essential for determining where cost savings can be made in the value chain. Attainment is contingent on structuring value chain operations in such a way that:

* Cut costs by copying rather than creating original designs, using less expensive materials and other resources, making "no-frills" products, lowering labor expenses, and enhancing labor productivity.
* Make use of high-volume shopping to get bulk-purchase discounts.
* Advantages of the learning and experience curve.
* Selecting locations where there is a cost advantage or where government assistance is available.
* Achieving economies of scale through high-volume sales, allowing fixed costs to be distributed across a larger manufacturing base.

Benefits of Differential Strategy

* Higher margins because products attract a premium price.
* Demand becomes less price elastic, avoiding costly price wars between competitors.
* As branding becomes conceivable, the life cycle lengthens, hence increasing the hurdles to entrance.

Benefits of Focus Strategy

* A smaller target market necessitates a lower marketing spend.
* Makes it possible to specialize
* There is less conflict.
* Entry is less expensive and simpler (Anon., 2018, p. 242).

Industry Review

A company's aims are a series of more detailed declarations that are intended to aid in the achievement of the strategic plan. These objectives are usually time-bound. They will state where a company will be in the near future and what it hopes to accomplish in the next one to five years. Such objectives specify the particular 'what' and 'when' that will be accomplished in support of the mission statement. They are the outcome of rigorous planning at the corporation's top level, but they must include input from all areas and levels as needed. Our corporate objectives, according to Abbey National plc's 1994 Annual Report, are to "strengthen Abbey National's market position in UK personal financial services; to win and sustain a competitive advantage through superior customer service; to continue to diversify profit streams away from our traditional mortgage and savings activities; to remain a low-cost operator; to maintain strong risk management; to create a strong brand strength, and to develop synergies between the three pillars." (Barnett, n.d.)

What is Operations Management, essentially? It is primarily concerned with making the best use of whatever resources an organization has in order to deliver the goods or services that their consumers require in a timely and cost-effective manner! This term can be applied to almost any type of organization, whether it is in industry, trade, services, or government. Every organization, whether for profit or not, must be concerned with efficiency since it must provide the best value for money to its consumers. However, Operations Management, like every other activity in a firm, operates via the current organizational structure. As a result, it's crucial to remember that Operations Management also include the examination, assessment, analysis, and re-design of a new structure, as well as a subsequent assessment of its suitability to ensure that it can achieve what it's supposed to, the main goal indicated above. The productivity and effectiveness of its resources in serving the marketplace will be the most essential consideration in many circumstances (Barnett, n.d.).

As a result, we must consider whether Operations Management has a role to play in assisting the organization in achieving its goals, and if so, how can this be accomplished! A company's overarching strategy helps it achieve its goals. As a result, Operations Management, along with other activities in a firm, must make a beneficial contribution to the organization's overall goals. It is not enough for Operations Management to be a passive reactive function, i.e., "tell us what needs to be done, and we'll do it" primary. It must be upbeat and proactive so that it not only meets its short-term objectives on a daily, weekly, and monthly basis, but also contributes to how the firm may best meet the demands of its customers.

It can only do so (a) if it knows exactly what type of market it operates in or will operate in, (b) if it can identify actual or potential demand patterns for that market, and (c) if it can determine what kind of reaction the firm intends for that market. Every business function within the context of the larger economy, followed by its particular market. It may frequently function in a certain segment within that. A Business Plan is required to do this efficiently (Barnett, n.d.).

Depending on which sort of resource is mostly changed by the operation, it can be categorized into one of three categories:

• Materials processing processes, which involve converting materials from one state to another and from one location to another. This category includes manufacturing operations that turn raw materials and components into final goods. Mining, as well as the transportation, storage, and distribution of items in warehousing and retailing operations, are examples of other material processing operations.

• Operations involving the transformation of information from one form to another and/or from one location to another. Accounting, banking, financial services, telecommunications, and various types of research are all instances of information processing. It's impossible to imagine information processing procedures these days that don't involve computers.

• Customer processing operations, in which the customer undergoes a transformation as a result of the process. Hospitals, hair salons, education, hotels, travel, and entertainment are all examples of this type of business (Barnes, n.d., p. 7).

Supply Chain Management

While there are references to supply chain management dating back to the 1980s, it is safe to say that SCM did not attract the attention of senior management in many firms until the 1990s. They recognized the power and potential impact of SCM in making businesses more globally competitive and increasing market share, resulting in increased shareholder value (Langley, n.d., p. 14).

Development of the concept-

Supply chain management is not a new concept, according to some. Rather, supply chain management is the third phase of an evolution that began in the 1960s with the establishment of the physical distribution idea, which concentrated on a company's logistics system's outward side. Several studies conducted in the 1950s and 1960s demonstrated the value of the systems idea. Physical distribution was focused on whole system cost and assessing tradeoff scenarios to determine the optimal or lowest system cost. The linkages among transportation, inventory requirements, warehousing, exterior packaging, system relation materials handling, and several other activities or cost centers were recognized, as discussed in greater detail in the following chapter. For example, the mode of transportation chosen and used, such as rail, has an impact on inventories, warehousing, packaging, customer service, and materials-handling costs, but motor carrier service has a different impact on the same cost centres. The type of goods, volume of travel, ship distances, and other factors all play a role in determining which mode has the lowest total cost (Langley, n.d.)

The impacts of supply chain on the earth-

A supply chain is shown as bridging boundaries that is, it encompasses a network of interconnected enterprises that should be focused on delivering the greatest value prime products and services to the final consumer at the supply chain's end. Material/products, information, and financials are all key flows that the supply chain must handle. On a national and/or global scale, the most successful supply chains compete fiercely. Wal-Mart's supply chain efficiency and efficacy are routinely praised, and rightly so. Consider this: During the Christmas season, a computer manufacturer such as Hewlett Packard will sell over 400, 000 PCs to customers globally through over 4,000 Wal-Mart locations. Each computer contains components from a variety of global suppliers, and the computers are often constructed in multiple places around the world. The synchronization of the three above-mentioned flows, which allows this to happen practically effortlessly, is a remarkable achievement (Langley, n.d., p. 86).

Because of developments in information technology and the continued improvement of specialists such as UPS, FedEx, DHL, and others who can provide worldwide supply chain services at a very affordable cost, operating globally has become easier for even individuals and small businesses, as previously said. The flattening of the world is aided by an increasing number of specialists and ongoing advancements in information communications. Large global corporations, of course, have a role in this issue. It is safe to infer that supply chains and supply chain management play an important part in the global economy, as well as in driving the growth and success of organizations that excel at "supply chaining." The "train (globalization) has left the station" and is accelerating down the tracks. We are all affected by global supply chains. We like the lower costs, expanded product offerings, and convenience but we are sceptical of some of the consequences, such as job losses, business closures, and so on. Many people would argue that the benefits outweigh the drawbacks; for example, decreased prices have saved customers billions of dollars in purchase costs. There are tradeoffs (benefits and drawbacks), but there are no alternatives. As the twenty-first century progresses, successful firms will continue to require effective and efficient supply chain management (Langley, n.d.)

How to improve business by supply chain management –

Effective supply chain management necessitates simultaneous improvements in customer service levels as well as the supply chain's internal operating efficiencies. At its most basic level, customer service entails continuously high order fill rates, on-time delivery rates, and a low rate of products returned by consumers for any reason. Internal efficiency for supply chain organizations means that they earn a good return on their inventory and other assets, and they identify ways to reduce their operating and sales costs.

The practice of supply chain management follows a simple structure. Despite the fact that each supply chain has its own set of market needs and operational constraints, the concerns are essentially the same in every situation. Companies in any supply chain must make judgments about their behavior individually and collectively in five areas:

1.Production—What are the products that the market is looking for? When and how much of which products should be produced? The design of master production schedules that take into account plant capacities, workload balancing, quality control, and equipment maintenance is part of this activity.

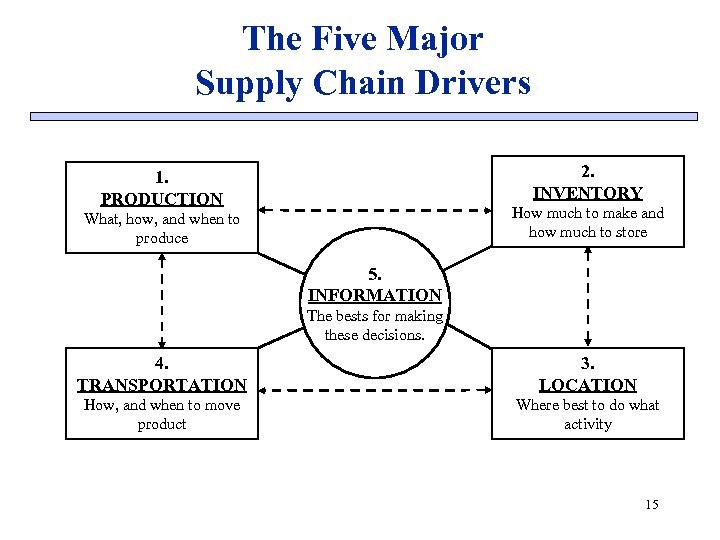
2. Inventory At each level of the supply chain, what inventory should be stocked? What percentage of inventory should be raw materials, semifinished goods, or finished goods? The fundamental function of inventory is to act as a buffer against supply chain uncertainty. Holding inventory, on the other hand, can be costly, so what are the best inventory levels and reorder points?

3. Location-Where should production and inventory storage facilities be located? What are the most cost-effective locations for manufacturing and inventory storage? Should current facilities be utilized or should new ones be constructed? Once these judgments are established, the possible channels for product flow through for delivery to the final consumer are determined.

4. Transportation—How should merchandise be moved from one place in the supply chain to another? Air freight and truck transportation are both quick and dependable, but they are also costly. Shipping by water or rail is less expensive, but it usually takes longer and has greater uncertainty. Higher volumes of inventory must be stocked to compensate for the unpredictability. Which mode of transportation is preferable when?

5. Data collection and sharing: How much data should be collected and how much data should be shared? Better coordination and decision-making can be achieved with timely and reliable information. People can make better decisions about what to create and how much, where to store inventory, and how to convey it with better information.

The aggregate of these judgments will determine a company's supply chain's capabilities and effectiveness. The things a company can do and the methods it can compete in its markets are all heavily reliant on the supply chain's efficiency. If a company's objective is to serve a broad market and compete on price, it must have a supply chain that is designed to be low-cost. If a company's objective is to serve a certain market sector and compete on customer service and convenience, it must have a supply chain that is responsive (Hugos, n.d.)



Source – (Hugos, n.d.)

Supply and Value Chain Network Mapping –

A strategic supply chain map, according to Gardner and Cooper (2003), can be very useful in comprehending a firm's supply network, analyzing the current supply chain, and considering supply chain realignment.

A supply and value chain network map depicts the whole network linked to the supply of a certain product or service, as obtained from a single immediate provider. The network will differ depending on the immediate provider we examine (and hence differ if we are sourcing the same thing from numerous vendors) and for each product or service sourced from a single vendor. As a result, it is conceivable to create a plethora of maps examining various products and providers, but this is not necessary because the effort required would make it unworkable. As a result, there must be a need and a focus for such mapping.

There are a number of models available that consider both upstream and downstream factors. The SCOR model (Supply Chain Operations Reference), which has been endorsed by the Supply Chain Council, is perhaps one of the most widely used. While this model covers many areas of performance, it is primarily concerned with the overall effectiveness of logistics and material flow, as well as how entities communicate and interact. As a result, it serves as a foundation for achieving improvements through integration and improved communication. This is a solid method if the goal is to make a network more successful, but as we've seen, there are additional dimensions to good SCM. Indeed, demand management, risk, and CSR may need us to examine our network in new ways in order to discover problems that may require various forms of intervention. As a result, a more comprehensive method of analyzing a supply and value chain network may be required (O'Brien, 2014, p. 295)

Case Study

McDonald's is a well-known American brand with a global-arches logo. However, outside of the United States, a rising portion of the fast-food empire's revenue is earned. The company, which bills itself as "the world's greatest global foodservice retailer," claims to serve tens of millions of clients every day in 119 countries. Only roughly a fifth of McDonald's 33,000 locations are owned and controlled by the company; the rest are franchises, meaning they are owned and operated by independent individuals or corporations under the conditions of a franchise agreement. McDonald's can enforce quality standards and negotiate beneficial arrangements with suppliers thanks to franchising, which provides the restaurants local ownership that is adjusted to local preferences (Certo, n.d.)

Managing across the globe-

Today, the majority of American businesses perceive significant prospects in the overseas market. While the population of the United States is slowly but steadily increasing, the population of many other countries is rapidly increasing. China, India, and Indonesia, for example, were predicted to have more than two billion people in 1990, accounting for 40% of the world's population. Clearly, such countries provide a significant profit opportunity for aggressive businesses all around the world (Certo, n.d.)

The term multicultural refers to the diverse ethnic groups that now work in business in the United States and will continue to do so in the twenty-first century. The word refers to a variety of minority groups, including African Americans, Hispanics, Asians, Africans, Native Americans, and Caribbean Islanders (Certo, n.d.).

Strategy-

The vital role of strategy

* The role of senior management

We can claim that senior managers within the firm are in charge of strategy creation, and that these top-level managers will make the final decisions about the firm's direction. Other levels of the company, on the other hand, may be involved in the development of strategic plans, and they will undoubtedly be involved in their implementation.

* Creating competitive advantage

Strategic decisions are made to give the company a competitive advantage or, at the absolute least, to keep it competitive in its selected markets. However, it should be the responsibility of the firm's strategists to identify and exploit possibilities while also being aware of and neutralizing possible threats from other companies.

* The profound consequences of strategic decision

A strategic move can drastically transform the company and have far-reaching implications. Massive financial investment (for example, GM's $80 billion investment in log y), drastic reconfigurations of entire corporate structures (as many US 'giants prime) and radical reductions inside the enterprise are examples of such decisions (again exemplified by many US giants from the 1990s through to the present day). An operations strategy focused on supply may result in a reconfiguration of the organization, including outsourcing and insourcing operations as well as configuring an internal supply chain, all of which will fundamentally change its nature (Steve Brown, n.d.).

* Long – term horizons

Because strategic decisions can have long-term consequences for a company, time is a crucial consideration for strategists (Das 1991; Itami and Numagami 1992; Short and Payne 2008). It's crucial to remember that strategic planning isn't only looking into the future with a crystal ball; it also requires a sense of timing and urgency in order to be effective (Steve Brown, n.d., p. 55).

In terms of basic team dynamics, multicultural teams are similar to monocultural teams; they typically go through four stages of development (forming [Adler's 'entrance' stage], storming [Adler's 'work' stage], norming, and performing [Adler's 'action' stage]). They'll have to think about things like the team's resources, membership profile, and statistics, among other things. They'll also have to figure out how to run the team. Task and process difficulties pertaining to effective team performance should be identified in core team dynamics research (Chris Brewster, n.d., p. 429).

Impact-

The Challenge Case depicts not just various actions made by McDonald's to continue its expansion over time, but also an issue that the corporation is currently facing in its international operations. Understanding the need to manage internationally, as well as managing a multinational organization and its personnel, is a global management issue for a manager like Don Thompson at McDonald's (Certo, n.d.).

Potential areas for improvement –

International management can take several forms, ranging from just studying and combating competition in international markets to forming a formal partnership with a foreign corporation. For example, AMP, Inc. has been aggressively fighting competitors in a foreign market. This electrical parts maker, based in Harrisburg, Pennsylvania, has had tremendous success by obtaining great influence over a segment of its worldwide market. Because management had learned from experience that competitors might be best beaten in international markets if AMP actually produced products in those regions, the business developed factories in 17 nations. According to a recent statement from company president William J. Hudson to AMP owners, the company is making good progress in the international arena.

Global adaptation to the environment-

The appeal of product standardization for broadly defined worldwide market segments has been based on the idea that certain groups of consumers are becoming increasingly similar across national market boundaries. As a result, these groups reflect real or future worldwide market sectors with similar consumer requirements that may be satisfied with similar goods and services. Teenage pop culture or the business traveler are two obvious examples of such segments (Horn, 1994). Two main forces drive an organization over time, according to cybernetic theory. The primary factor is the desire to achieve some objective: organizations are goal-seeking systems, and their activities are driven by the goal. The second factor emerges from the fact that organizations are linked to their surroundings via feedback loops: they are subsystems of a larger environmental supra-system. Adapting to those environments is required to achieve the goal. Organizations are thus driven by attraction to a specified ideal state that is in equilibrium with the environment in the cybernetics tradition. The nature of the environment determines the situation in which a specific organization finds itself.

According to this viewpoint, a corporation in the electronics industry, for example, may be motivated by the desire to earn a 20% return on its capital. It must give what its clients want in order to achieve this. If customers have consistent demands for standardized low-cost silicon chips to be utilized as components in their own products, the corporation must adjust by using mass production processes to produce standardized products at lower prices than its competitors. It will need to back up these production processes with specific organizational structures, control systems, and cultures, such as functional structures, bureaucratic control systems, and conservative, deeply shared cultures. Because the overall shape of each is controlled by the same environment, the company will resemble its competitors in the same market.

According to cybernetics theory, if the electronics industry is chaotic, with constantly changing technology and multiple niche markets where customers seek personalized chips, there will be many different sorts of organizations. To separate itself from its competitors, a company must focus on R&D and develop new goods on a regular basis. It will complement these production processes with specific structures, control systems, and cultures, such as decentralized profit centres, increased emphasis on informal controls, and change-loving cultures (Stacey, n.d., p. 48)

Employee involvement and participation-

Over the past century, interest in employee involvement and participation (EIP) has waxed and waned, with bursts of activity when employers believe they are under threat from labor and a lack of vigour when the threat fades (Ramsay 1977). Profit-sharing in the late nineteenth century, joint consultation during and shortly after World Wars I and II (1917, 1920, 1940s), and worker directors through the TUC and the Bullock Committee of Inquiry in the 1970s are examples of this. Since the 1980s, the EIP label has sparked the most recent surge in interest and action, and it differs significantly from prior forms. It is typically individualistic and direct (rather than collective and through, representa-tives), begun unilaterally by management, and aimed at increasing employee commitment to and identification with the employing organization. Employee share ownership, profit-related remuneration, and information and consultation have all benefited from EIP's growth, which has come without much pressure from employees or unions (Greg J. Bamber, n.d.)

Companies with subsidiaries in other countries may face national and regional disparities in labor laws and labor relations practices, in addition to diversity. Unions have a variety of structural variances, as their impact on a company's operations differs by country. Mexican businesses, for example, pay significantly less attention to the intricacies of employees' written contracts than American employers do; similarly, Mexican employees rely on informal agreements with their employers more than American employees (Greer & Stephens, 1996). In South Korea, the nature of labor relations in chaebols, or huge conglomerates, is based on a philosophy of controlling every element of workers' lives (Mustafa F. Ozbilgin, n.d., p. 13)

Diverse groups of people are more likely to congeal into networks that share knowledge if they achieve success, rewarding good performance. Interconnected networks are able to communicate freely and take advantage of their members' complementing skills. The folks who are left out of networks are the other side of the coin. In our terminology, a monocultural group that does not benefit from diversity is more prone to become isolated and inward-looking. This type of secluded organization can eventually establish a mindset where members don't want to innovate and isolation is treasured for its own sake (French, n.d., p. 5).

Conclusion

A multinational corporation requires meticulous planning. This job at McDonald's would entail foreign purchase, production, and distribution of food and supplies, as well as financial requirements in the nations where the company operates. The corporation must also determine the advantages and disadvantages that franchisees will encounter in their local labor markets, as well as local demand for various types of fast food. It must decide what role imports and exports will play in its food purchases, and depending on local laws and customs, it may require license agreements for some of its franchises. The organizational structure of a multinational corporation might be determined by function, product, region, customers, or manufacturing processes. McDonald's has an organizational structure based on the territories it serves. United States, Europe, Asia/Pacific, Middle East, and Africa (APMEA), and other countries and corporate divisions are the company's four major business divisions (including Canada and Latin America). Managers chosen for corporate positions at McDonald's should have a geocentric, rather than ethnocentric or polycentric, mindset. This allows the organization to recruit the top management talent regardless of the manager's nationality.

In a multinational organization like McDonald's, influencing people gets more difficult as the company expands its global footprint. People's cultures will differ in the numerous regions where the business operates. McDonald's recognizes this in the menu options and service options it customizes for each location. Finally, if McDonald's employs expatriates in overseas operations or brings foreign employees to its headquarters in the United States, the company must train them for work in the new country. It should take the necessary steps to assist them in finding housing and health care, explain how the assignment will affect their long-term career with the company, and give counselling for any personal issues that arise as a result of living in a foreign country. Expat training could include a summary of the host country's culture, techniques for adapting to the culture, basic logistical information such as how to call for aid in an emergency, and details about the work they will be performing.

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