

INTERNATIONAL OPERATIONS MANAGEMENT IN INDIA

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Abstract

International Operations Management in India is becoming an increasingly important aspect in today's global business era. India, as one of the largest economies in the world, offers significant business opportunities for international companies. However, managing business operations in India also presents various challenges that need to be overcome. In facing this challenge, companies must adopt an effective strategy. The strategy includes local customization, deep understanding of the Indian market, development of local partnerships and the use of advanced information technology. In addition, it is also important to build good relations with the government, business partners and the local community. Through implementing the right strategy, companies can optimize their business operations in India. This includes efficiency in the supply chain, product and service quality improvement, product innovation relevant to the Indian market, and adaptation to consumer needs and local preferences. Management of international operations in India is a complex challenge but also offers great opportunities for companies. In dealing with these problems and optimizing the potential of the Indian market, companies need to adopt strategies that are adaptive, innovative and sustainable. Thus, companies can successfully manage their international business operations in India and gain a competitive advantage in this dynamic market. Management of international operations in India is a complex challenge but also offers great opportunities for companies. In dealing with these problems and optimizing the potential of the Indian market, companies need to adopt strategies that are adaptive, innovative and sustainable. Thus, companies can successfully manage their international business operations in India and gain a competitive advantage in this dynamic market. Management of international operations in India is a complex challenge but also offers great opportunities for companies. In dealing with these problems and optimizing the potential of the Indian market, companies need to adopt strategies that are adaptive, innovative and sustainable. Thus, companies can successfully manage their international business operations in India and gain a competitive advantage in this dynamic market.

Keywords: *Global, Operational Management, International Business*

1. Background

India is one of the countries with rapid economic growth. High economic growth has encouraged many foreign companies to enter the Indian market or enter into partnerships with Indian companies. The management of international operations in India must take into account the dynamics of this fast-growing economy and manage the risks and opportunities that arise. India also has a large population and a skilled workforce. The country is known for its strong IT sector and professional services. International companies operating in India have to manage a workforce that is made up of different cultures, languages and professional backgrounds. International operations management needs to consider these factors when it comes to recruitment, training and human resource development. India is a highly competitive market with intense competition in many sectors. International operations management must develop innovative and effective strategies to compete in this crowded market.

In 2013, India passed the new Companies Act, replacing the Companies Act 1956. The Companies Act 2013 provides a more modern and comprehensive legal basis for regulating companies in India. regulates various aspects of the company, including company formation, ownership and shares, corporate governance, board of directors and commissioners responsibilities,

mergers and acquisitions, structural changes, accounting and financial reporting, and resolution of corporate disputes.

International operations management is a discipline that involves planning, organizing, supervising, and controlling the operational activities of companies in international markets. Michael Czinkota and Ilkka Ronkainen in the book "International Business" define international operations management as the activity of planning, organizing and controlling all operational activities related to the production and distribution of goods or services in international markets. This definition describes international operations management as a series of activities related to production, inventory management, quality control, and organizing the company's operational processes in the context of international markets. International operations management in India has great potential and advantages for global companies. India as one of the countries with fast economic growth, large market, skilled workforce and cost advantage, offers attractive business opportunities for companies looking to expand their presence internationally.

Through effective management of international operations in India, companies can capitalize on rapid economic growth and expand their market reach. Apart from that, India also offers the potential to optimize production and operational costs by using the available skilled workforce at a more affordable cost. India is a promising business destination for global companies looking to develop international operations. However, it is important for companies to carry out efficient and effective operations management, as well as understand the business and regulatory environment in India, in order to be successful and contribute positively to the growth of companies and the country's economy.

2. Literature Review

According to Jay Heizer in his book "Operations Management: Sustainability and Supply Chain Management" published in 2016. Operations management is the discipline responsible for planning, organizing, and controlling the activities involved in the production of goods and services. Operations management involves managing resources such as labor, raw materials, equipment, and technology to achieve organizational goals in an efficient and effective manner. The book also emphasizes the importance of operations management in creating competitive advantage and achieving business sustainability. Operations management is not only related to the internal aspects of the organization, but also involves relationships with external business partners such as suppliers, distributors and customers.

International operations management is a field of management that focuses on planning, organizing, controlling and supervising operational activities in the context of the international environment. According to Paul D. Leedy and Jeanne Ellis Ormrod (2018): They argue that international operations management involves planning, implementing, and controlling production, delivery, and resource management processes in an international business environment. Aneesh Kumar (2017): He describes the management of international operations as managing the flow of goods, information, and value through global supply chains, taking into account factors such as cultural diversity, trade policies, legal diversity, and the uncertainties of the business environment.

3. Research Methods

In this study the authors used descriptive qualitative research methods, according to Sugiyono (2012) descriptive qualitative research methods are research methods based on the philosophy of postpositivism which are used to examine objects with natural conditions (real conditions, not set or in experimental conditions) where the researcher is key instrument. Study literature is done by reading, taking notes, and processing library materials that are organized chronologically or thematically. According to Zed (2008) literature study is a series of activities or methods for collecting data, be it library data, readings and much more that functions to manage research material later.

4. Discussion and Results

International Operations Management

International operations management is a management discipline that involves planning, organizing, controlling, and supervising operational activities in an international environment. It involves the management of production, distribution and service provision processes in different countries taking into account factors such as different cultures, laws, economics, trade policies and business practices. The goal of international operations management is to achieve efficiency, effectiveness, and competitiveness in business operations that cross national boundaries. It involves managing resources such as labour, raw materials, equipment, technology and distribution networks in a complex global environment. Some specific objectives in international operations management include:

- 1). Expanding the market: One of the main goals of international operations management is to expand the market reach of the organization on a global level. By entering international markets, companies can increase their growth potential, access new customers, and increase their global market share.
- 2). Optimizing global supply chain: International operations management aims to optimize a company's global supply chain. It involves planning, coordinating and controlling the flow of goods, information and services from suppliers to final customers in different countries. These goals include increasing efficiency, reducing costs, and improving customer service on a global level.
- 3). Improve operational efficiency: International operations management aims to increase the operational efficiency of companies on a global level. This involves adopting best management practices, using state-of-the-art technology and effective management of resources to achieve optimal production, on-time delivery and efficient cost control across international operations.
- 4). Adaptation to the international business environment: An important goal in international operations management is to be able to adapt to diverse international business environments. This involves understanding and adapting to the different cultures, laws, business customs and trade policies of different countries. This goal includes the ability to manage diversity and leverage it as a competitive force.
- 5). Managing risk and uncertainty: International operations management aims to identify, measure and manage the risks associated with business operations at a global level. This involves developing disaster risk and management strategies, diversifying suppliers and markets, and monitoring and controlling operational risk in a complex and changing international environment.

International operations management also includes aspects of supply chain management, namely the coordination and management of the flow of goods, information and finance from suppliers to final customers in various countries. Factors such as international logistics, international purchasing, international supply management and international quality management have also become an integral part of the management of international operations.

International operations management involves significant complexity because it involves operating business in diverse global environments. Some of the complexities associated with international operations management include:

- 1). Cultural Differences: The management of international operations has to deal with significant cultural differences in different countries. This includes differences in language, social norms, business customs, and different views of time. Understanding and overcoming these cultural differences is essential to building good relationships with international business partners and managing cross-cultural work teams effectively.
- 2). Differences in Laws and Regulations: Different countries have different rules and regulations related to business, commerce, labor and the environment. International

operations management must understand and comply with these regulations, which are often complex and vary between countries. The presence of different regulations can affect the production process, raw material procurement, and product distribution at the international level.

- 3). Global Supply Chain: Global supply chain management can be complex as it involves many different stakeholders and stages of production in different countries. International operations management must ensure the smooth flow of goods, information and money through global supply chains, and identify and address the risks associated with these complex supply chains.
- 4). Changes in Trade Policy: International trade policies, including tariffs, quotas and trade agreements, can change suddenly and affect international business operations. These changes may affect production costs, product prices, and access to certain markets.
- 5). Currency Fluctuations: Fluctuations in currency exchange rates can affect production costs, product prices and profits of international companies. The management of international operations must deal with the risk of currency fluctuations and develop strategies to protect the company from its negative effects.
- 6). Coordination and Communication: International operations management faces challenges in coordination and communication between different teams and departments located in different countries. Geographical distances, differences in time zones, and languages are factors that must be overcome to achieve effective collaboration in an international environment.

International Operations Management in India

India has unique regulations and policies related to trade, investment, labor and the environment. Companies operating in India must comply with these regulations and follow applicable licensing procedures to do business lawfully in the country. An international operations management system in India must cover the planning, coordination and control of supply chains involving suppliers, manufacturers, distributors and customers in different countries. Supply chain efficiency is critical in facing logistics and transportation challenges in India. The use of information technology, digitization and innovation is becoming an integral part of the international operations management system in India. Companies need to adopt the latest technology to increase operational efficiency and create competitive advantage.

Human resource management in an international context in India involves recruiting, training and developing qualified employees. Respecting cultural diversity and creating an inclusive work environment are priorities in the operations management system in the country. A marketing strategy in India must include an in-depth understanding of the local market, consumer behavior and competition. Product adjustment and sales strategy are key to successfully enter and build market share in India.

Complying with regulations and business ethics is an integral part of the management system of international operations in India. Companies need to ensure legal compliance and follow high ethical standards in their operations. The international operations management system in India must take into account the political, economic and environmental risks associated with business operations in the country. Companies need to have an effective crisis and risk management plan to deal with unexpected situations. A focus on environmental sustainability and corporate social responsibility is also an important part of the management system for international operations in India. Companies need to contribute to sustainability and have a positive impact on the surrounding community.

Solution of Problems

According to Richard M. Hodgetts, there are several solutions that can be applied to overcome problems in international operations management in India. Here is an explanation of the recommended solution by Richard M. Hodgetts:

1. **Product Adaptation and Marketing Strategy:** Hodgetts suggests that it is important for companies to understand the needs and preferences of the Indian market. For this reason, companies need to make product adjustments and marketing strategies to suit the local market. This includes identifying consumer trends, creating product variants to suit local tastes, and communicating relevant marketing messages.
2. **Development of Local Partnerships:** Hodgetts recommends companies forge strategic partnerships with local partners in India. Through these partnerships, companies can leverage local knowledge, a strong distribution network and access to local resources. Such partnerships can help companies better understand local market conditions, reduce logistics costs and strengthen their position in India.
3. **Compliance with Business Regulations:** India has complex and varied business regulations. Hodgetts stresses the importance of companies understanding and complying with India's regulations and policies. Employing the services of local legal counsel and business experts can help companies weather regulatory challenges and maintain compliance.
4. **Human Resource Development:** Hodgetts recognizes the importance of having a skilled and trained workforce in India. Companies need to engage in effective human resource development programs to improve the skills of local employees. This includes technical training, increasing understanding of India's business culture, and developing local leadership.
5. **Use of Technology and Innovation:** Hodgetts underlined the importance of adopting technology and innovation in the management of international operations in India. The use of the latest technology can help companies improve operational efficiency, improve product quality, and reduce production costs. Apart from that, innovation in business models and operational processes can also provide a competitive advantage in the Indian market.

The solutions recommended by Richard M. Hodgetts aim to assist companies in overcoming challenges and taking advantage of opportunities in the management of international operations in India. By implementing these solutions, companies can improve their operational performance and achieve success in the dynamic Indian market. So, in the management of international operations in India, there are several recommended solutions to overcome the problems that may arise. These solutions include adapting products and marketing strategies according to local market needs, establishing partnerships with local partners to leverage their knowledge and distribution network, understanding and complying with applicable business regulations in India, developing human resources through training and local skills development, and using technology and innovation to improve operational efficiency. By implementing these solutions, companies can face challenges and achieve success in operating in India.

5. Conclusion

The management of international operations in India involves various factors that companies need to pay attention to. India is a promising market with high economic growth and has great business potential. However, there are several issues that need to be addressed in running a business operation in India. One of the problems faced is the complexity of business regulations. Companies need to understand the applicable laws, regulations and policies in India to ensure compliance and continuity of their operations. Infrastructure is also a challenge, especially in terms of transportation and logistics. Companies need to develop creative solutions and forge partnerships with local logistics service providers to ensure supply chain efficiency and reliability.

Apart from that, companies also need to understand the different Indian business culture. India has unique values and business practices, such as hierarchy, negotiation and business ethics

that need to be adhered to in order to interact effectively with business partners and consumers. However, in the midst of these problems, there are also promising business opportunities in India. Several sectors such as information technology, financial services, e-commerce, manufacturing, renewable energy, and agriculture offer significant growth opportunities. Companies can take advantage of this market potential by developing the right strategy and relevant products. In dealing with problems and taking advantage of these opportunities, companies need to adopt several strategies. Local adaptation strategies have become essential to change products, marketing strategies and business practices to suit the needs of the Indian market. In addition, establishing partnerships with local partners can provide access to local market knowledge and a wider distribution network. Development of local human resources and skills is also a key factor. Local employee training and development will help companies deal with changing business environments and build diverse and inclusive teams.

Not only that, companies must also pay attention to aspects of sustainability and social responsibility in their business operations. Adopting eco-friendly business practices, upholding social justice, and participating in local community activities are important steps to build good relations with Indian society. In conclusion, the management of international operations in India presents challenges and opportunities that need attention. By adopting local adaptation strategies, forging partnerships, understanding Indian business culture, taking advantage of market opportunities, developing human resources, and paying attention to sustainability aspects.

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