

International labor memo



To:

From:

CC:

Date:

Re: The basics of how labor forces influence international business

This memo is in connection to labor laws that influence international business and precautions to be taken in order to deal with the labor issues to the success or failure of a business. The labor influences vary from labor quality, quantity, labor unions, labor markets labor mobility and minorities. All these affect the international market differently.

The quantity and quality of labor force are of great importance in the international business due to the profitability, efficacy and competition the employers should uphold and depict. Many countries want to purchase labor as cheaply as possible and also maximizing on the quality. Therefore, factors such as adaptability especially to new environments, managerial skills, ability to learn new things, and knowledge are highly considered when hiring candidates.

Labor quality can be termed as education, skills, and attitudes of potential

employees which vary with regions and countries. It's an essential aspect and component to be considered in the planning stage. It should be analyzed to ensure that the right skill level is available to conduct business gainfully. In developing and poverty stricken areas where education and globalization lacks, labor quality suffer. Labor quality leads to the importance of labor quantity.

Labor quantity is the number of potential employees available who possess the necessary skills to be efficient and productive. Labor quantity is an aspect of international business that can have either positive or negative influence. Lack of information on labor quantity leaves international business without a competitive edge and paying high wages to the only available skilled workers. Countries with high numbers of educated and qualified employees hire qualified and skilled people at lower wages. For countries with limited number of qualified employees, companies are forced to pay higher wages to employ qualified employees. Differentials in labor quantity highly influence and determine the production counts, management levels, wage scales and effect training cost. In international business quality and quantity of labor should be considered when determining how competitive and profitable the business will become in the market.

Labor mobility refers to the relocation of educated and qualified workers from one country to another in search of employment in a thriving economy. It consists of location change of employees across a set of jobs and also physical space. It allows improvement of economic conditions of the workers if they live in an environment that does not match their skills.

Good labor markets are essential to keep income and employment at higher rate. Labor decisions are dependent on balancing quality of employees and wages in the market which makes it a complicated package all together.

Hiring minorities is one aspect which makes labor decision complicated. The minorities must be of good documentation and excellent skills qualifying for the job and must speak the language. Hiring minorities has an advantage of labor availability immediately which would also be a disadvantage when interpreted to discrimination and viewed as inferior especially by the majority.

Labor unions mostly represent its members in negotiations with the employer over all aspects of an employment. This mostly is a component of wages and working conditions. These gives the workers a united voice and hence negotiate for higher wages, shorter working hours and better fringe benefits than an individual can negotiate for on their own. If an employer is unable to meet the standards a union is asking for the union can conduct a strike or even or an employer lock out the workers from entering a work place.

In conclusion, international business is highly influenced by the abundance of any production factor.