MANAGING INTERNATIONAL FIRMS

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Reference this article

Abstract / Definition
The environment of international firms calls for a sophisticated set of competencies to navigate different markets, resources and economic environments. Managers need a global mind-set to understand the complexities of strategic planning, implementation, politics, the economy, regulation, technology, corporate social responsibility, culture and human resources. International firms exhibit four types of predispositions to strategic management: ethnocentric, region-centric, geocentric or polycentric. Strategy formulation starts with the review of political, economic, social and technological factors, followed by the definition of strategic objectives. Implementation of strategic activity at an international level calls for strong leadership and corporate governance across the different countries where the firm operates. The control and evaluation of strategic activity in international operations takes place through the monitoring of revenues, market shares, profits, costs, return on investment, new product development and overall management performance. Risk management plays an important role. Strategic planners have to be conscious of environmental risks and shifts in stability that can negatively affect the performance of the firm. Corporate social responsibility in an international context requires sensitivity to the local socio-economic effects of commercial activity. The management of international human resources includes recruitment, retention of high performers, management of real and virtual teams, compliance to local legislation and labour relations. Effective cross-cultural communication must take into account whether the receiver is from a country with a monochromic or a polychromic time system.

Keywords
Divisional structure, five forces, global strategy, globalization international strategy, international management, pest

Link to publication