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## **INSTRUMENTS OF INTERNATIONAL MANAGEMENT AS NECESSARY COMPONENTS OF TNC DEVELOPMENT**

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### **Abstract**

The article discusses the main tools of international management, which are important components of transnational corporations (TNC) development in globalization. Key instruments such as strategic planning, adaptation of business models to local markets, management of global supply chains, currency risk hedging, and use of modern technologies have been identified. Examples of well-known TNCs such as McDonald's, Toyota, and Unilever are given, successfully using these tools to strengthen their positions in the world market. The focus is on the importance of innovation and flexibility in international management to overcome global challenges and ensure sustainable growth. The article studies the challenges of transnational corporations in international operations management, including cultural, political, economic, and environmental factors. Particular attention is paid to the role of financial instruments, such as international financing, currency fluctuation management, and tax optimization, which allow TNCs to maintain financial stability in global markets. The prospects for further development of international management, including the latest digital technologies integration and environmental sustainability in TNCs' business strategies, are analyzed. It is proved that the successful use of international management is a key factor for ensuring the competitiveness and long-term development of transnational corporations in the modern global economy.

### **Keywords**

Transnational corporation, International management, Management, Development, Analysis, Business.

### **Problem statement**

International management tools play a crucial role in the formation and development of transnational corporations. Effective management is becoming a key factor in success in today's globalized world, where companies are increasingly expanding their activities beyond national markets. TNCs face numerous challenges, such as:

Cultural differences, economic risks, legal constraints, and changing market conditions require sound strategic tools to overcome them. The article considered the main instruments of international management, their importance for the TNC's development, and ways to increase their efficiency in a constantly changing global environment. In the current conditions of globalization, transnational corporations are faced with the need to manage their activities at the international level effectively. International management tools are becoming critical to ensuring success in different economic, cultural, and political settings. The work considers the main instruments

of international management that help TNCs overcome challenges and contribute to their sustainable development and global growth (Bolgarova & Panevnyk, 2011).

### **Relevance of the chosen topic**

According to (UNIAN) Today, out of the 500 most powerful international multinational companies, 85 control 70% of all foreign investments. TNCs do not function in all sectors. These 500 most powerful TNCs sell 95% of pharmaceuticals, 80% of all industrial electronics and chemistry, and 76% of engineering products. More than half, namely 60% of international companies are employed in the production sector, 37% in the service sector, and 3% in the extractive industry and agriculture. TNCs are the main subject of world economic relations and a form that embodies, as a rule, all types of modern international business. All these processes are influenced by international management.

### **Analysis of recent research and publications**

Scientists and experts are constantly investigating strategies effectiveness which transnational corporations (TNCs) use to adapt to various market conditions. Many publications emphasize integrating digital technologies importance and sustainable development into international management. The work, in particular, by Barney (2020) and Peng (2019), focuses on a resource-oriented approach in which TNCs should focus on unique internal resources, such as innovation and human capital, to maintain competitive advantages. This is the general trend towards more flexible management and innovation in the face of rapidly changing global markets. Studies by Hill and Jones (2021) confirm that globalization requires TNCs to effectively manage supply chains and financial flows, where modern technologies and forecasting systems play a significant role. They also note the importance of adapting to regional conditions through EPRG-like models (ethnocentric, polycentric, regiocentric, and geocentric) that help TNCs balance between local needs and global goals. In the field of sustainable development, significant contributions were made by Porter and Kramer (2020), which emphasize the importance of corporate social responsibility as part of TNC strategy. They argue that environmental and social sustainability are becoming integral elements of international management, which is especially important for companies such as Unilever and Nestlé, which are actively implementing the principles of "green" business. It is also worth noting publications on risk management in the global environment, in particular the work of Doh and Luthans (2019), which emphasizes the importance of managing currency risks and economic instability for TNCs. They note that the use of hedging, investment diversification, and financial strategies helps to reduce risks associated with instability in the markets (Iryna O., Yu. Velychko, & I. Pechenka, 2018; p. 9).

### **Purpose of the article**

The article is aimed at analyzing the key instruments of international management and their role in the development of transnational corporations (TNCs), studying the impact of these instruments on the efficiency of global operations management, as well as determining their importance for ensuring the sustainability and competitiveness of TNCs in the context of globalization.

### **Presentation of the main research material and results obtained**

International management is a complex of management methods, strategies and practices used by companies to conduct business at the international level. It covers the planning, organization, motivation and control of the activities of organizations operating in different countries and integrating their activities into the global environment. The main goal of international management is to create competitive advantages for the company in world markets by adapting to local conditions and cultural characteristics, using resources from different countries, as well as optimizing processes and reducing costs. International management is not limited to managing operations outside the country where the parent company is located. It also includes strategic planning and decision-making taking into account global trends, international political and economic factors, as well as regulatory conditions that affect the company's activities in various markets.

At the same time, world economic power is concentrated in the "hands" of the 100 largest TNCs such as (Microsoft, General Electric, Exxon Mobil, Wai Mart Stores, Citigroup, Johnson & Johnson, Royal Dutch/Shell, BP, IBM, Ford, Nestle, Phillip Morris). The market capitalization of individual TNCs exceeds \$500 billion, and their annual sales amount to \$150-200 billion. The net profit of any of the largest TNCs is adequate to the annual budget of Ukraine, and the volume of their commodity-money turnover often exceeds the GDP of several countries combined. In the ranking of the 500 largest multinational companies in the world in 2009, the highest

place was taken by Royal Dutch Shell. Despite the crisis, it increased its revenues by a third over the year - to \$458.4 billion (Ministry of Finance, 2020).

It is necessary to separate the key differences between international and national management. They influence the methods and approaches used in these two types of management:

1. Cultural differences - in international management, an important role is played by understanding the cultural characteristics of different countries. Managers should consider differences in language, behavior, traditions, religious beliefs, and social norms when making management decisions, as this affects communication, staff motivation, and interaction with clients.
2. Legal and regulatory aspects - in international business, companies must take into account the different legal systems, norms, and rules that operate in the countries where they operate. It can be different laws on taxation, consumer protection, labor relations, environmental standards, and other aspects of regulation.
3. Economic conditions - international management requires a deeper understanding of the economic situation in different countries, such as exchange rates, inflation rate, cost of resources, and supply and demand for goods and services. Economic instability and fluctuations in national currencies can significantly affect the activities of companies.
4. Competitive environment - in international management, competition is often more fierce, as companies compete not only with local firms but also with international players with access to resources and technologies from around the world.
5. Scale of activity - international corporations often operate with significantly greater resources and financial capabilities compared to national companies. This requires more complex management strategies and coordination between units that can be located in different parts of the world.

International management plays a crucial role in the development of TNCs. Its main goal is to ensure the effective company's operation at the international level and create conditions for its sustainable growth and further development.

The advantages and necessity of using international management tools are as follows:

1. Adaptation to local conditions, as international management helps companies to adapt their products, marketing strategies, and operational processes following the requirements of local markets, which contributes to increasing market share and strengthening competitive positions.
2. Attracting global resources. For effective management, TNCs are able to attract resources from different countries, including financial resources, skilled labor, technology and innovation, which helps to increase productivity and reduce costs.
3. Innovation and technological development. International management creates conditions for the dissemination of advanced technologies and knowledge between different divisions of the company, which allows TNCs to be more flexible and innovative in their activities.
4. Building a global brand is due to international management. TNCs can create strong global brands. Customers will be more loyal to the brand, as they will already have associations with quality, reliability and safety. Thus, companies provide themselves with a stable income.

In international management for the development of TNCs can apply different models that allow you to effectively organize business processes, adapt to the external environment and manage global operations.

The Porter's Five Forces model is used to analyze the competitive environment in international markets. It allows TNCs to understand what factors affect their competitiveness and how they can be managed:

Competition among existing players; The threat of new competitors; Strength of suppliers; Power of consumers; Threat of substitutes for products or services.

A prime example is Coca-Cola; the company uses this model to assess competition in global beverage markets by analyzing threats from new players and finding substitutes such as healthy alternatives to sugary sodas (Velesco C; p. 156).

Global Value Chain Model - focuses on supply chain management and value addition processes at the global level. TNCs strive to maximize the efficiency of production and logistics processes by optimally placing production facilities and suppliers in different countries. For example, Toyota uses this model to optimize its global supply and production system, which allows the company to minimize costs and improve product quality in different markets.

Model Uppsala (Model of gradual internationalization) - describes the process of international expansion of the company through a gradual increase in market presence. It assumes that companies first start with exports to the nearest markets with minimal risks and gradually move to the creation of subsidiaries or production facilities in more remote countries. As an example, we can cite IKEA, which first exported its products to neighboring

countries in Europe, and then began to open stores in Asia and America, gradually increasing its presence in the world market.

Resource-Based View (RBV) theory argues that TNCs' competitive advantage depends on its unique internal resources and capabilities. Therefore, TNCs should focus on developing their strengths such as technology, human resources, know-how, innovation and brand. So Google uses its unique technological resources and innovations to develop new products and services, such as artificial intelligence, which allows the company to remain a leader in the technology field.

Model PESTEL (Political, Economic, Social, Technological, Environmental and Legal Factors) - used to analyze the external environment of TNCs in international markets. It helps companies understand how external factors can affect their operations and strategies. Tesla uses PESTEL analysis to assess factors such as government subsidies for electric vehicles (political factor), prices for battery materials (economic factor) and public demand for environmentally friendly vehicles (social and environmental factors) (Pronoza, 2020).

Integration-Responsibility Model - This model defines how TNCs should be globally integrated and at the same time localize their products and services for different markets. Companies can choose between global integration, local adaptation, or a combination of these approaches. A striking example of the application of this model is Starbucks, supporting a global brand, maintaining uniform standards of quality and service, but at the same time localizing the menu and design of the cafe by the cultural characteristics of individual countries (Bakertilly, 2020).

Another one of the working tools in international management is strategic planning and development of international strategies. Strategic planning in international management includes the development and implementation of strategies aimed at achieving the company's long-term goals in global markets. Key strategies include:

Strategies for penetrating new markets - analyzing the new market and identifying the best ways to enter, such as exporting, joint ventures, or establishing subsidiaries. Assessment of the competitive environment and cultural characteristics of the market. The company offers a product with unique characteristics that distinguish it from competitors. It can be an innovative design, new features, or a special service.

For example, Apple uses the differentiation of its products, such as the iPhone, to offer a premium design and a unique ecosystem of applications ("iPhone," 2025).

Product adaptation strategies - modifying products and services according to the specific needs and preferences of local consumers depending on nationality, religion, and mentality Using flexible marketing strategies to support demand in new markets. Maintaining a balance between standardization and product adaptation. As an example, we can cite McDonald's modifying its menu in different countries to local culinary traditions.

Marketing strategies: Develop a global marketing strategy that takes into account the cultural characteristics and local traditions of each country. Using digital channels to promote products and brands internationally. Create effective communication campaigns to attract a wide audience. For example, the Coca-Cola Share Happiness campaign, where people's names were on the bottles, made consumers want to buy a drink as a personal gift for friends. Thus Coca-Cola, increased sales in all (Verloka, Konovalenko, & Sivolvovska, 2007, p. 121).

International management in TNCs concerns not only the target audience, but primarily the staff. Human resources management tools in the international context play a critical role in the activities of transnational corporations. In TNCs, management activities have certain features compared to national companies, the basis of which is the establishment of effective cooperation between the company's employees. However, problems arise in relation to personnel management, this is due to linguistic and cultural and religious barriers, national orientation, etc. Similar problems arise in the process of implementing management functions, namely planning, organization, management, control. These factors affect how well the staff will cope with their duties. Verbal and non-verbal features of communication, the level of directness in communication and contextuality play a significant role in mutual understanding between workers from different countries. The motivation of employees also depends on cultural characteristics and varies depending on what the representatives of a particular culture are focused on: teamwork or personal achievements. Methods of recruitment and development in international organizations should take into account the peculiarities of the global labor market and ensure the effective adaptation of new employees to a multicultural environment. Global recruiting, assessing the cultural compatibility of candidates, as well as the development of personnel through advanced training programs, language courses and training in intercultural communication are key aspects of the successful activities of TNCs. Effective personnel management at the international level is an important tool for TNCs. Companies must consider the cultural differences, labor laws and traditions of each country where they operate. Unilever, a global

consumer goods corporation, uses a decentralized human resource management system to adapt to local conditions and needs. The company actively engages local employees in the management of its divisions, which helps to increase the efficiency and cultural conformity of the business. This approach allows Unilever to ensure stable development of its operations in different regions of the world (Mazur, 2016).

Then you can go to financial instruments. To finance their international operations, TNCs often raise capital in global markets through the issuance of shares or bonds. This allows access to financial resources in different countries where there may be more favorable conditions. For example, Apple Corporation issues bonds not only in the US but also in the European and Asian markets, which allows diversifying sources of financing and obtaining more favorable conditions for raising capital. TNCs also face problems of tax optimization in different jurisdictions. Tax management tools and transfer pricing allow corporations to effectively distribute profits between divisions in different countries, minimizing tax liabilities. For example, Google actively uses transfer pricing strategies to reduce tax payments, moving profits to jurisdictions with lower tax rates, which allows you to optimize the tax burden. For further development and growth, TNCs use a variety of investment tools, such as venture capital investments, company acquisitions or strategic alliances. These tools allow corporations to expand their activities in new markets or strengthen their positions in existing ones. For example, Facebook (Meta) has invested heavily in acquiring companies such as Instagram and WhatsApp, allowing it to expand its presence in the global digital communications market. Financial planning is one of the key tools of international management, which allows TNCs to effectively predict costs, revenues and investments in international markets. Budgeting and financial planning help corporations manage their resources and control financial flows. Procter & Gamble actively uses the planning system to forecast its financial results in different regions and make strategic decisions on business expansion (Godovanets, 2012).

Next and among the most influential are marketing tools. International management is important for the effective promotion of products and services of transnational corporations in different markets of the world. Adaptation of the marketing strategy to local market conditions includes modification of products, pricing policies, advertising messages and distribution channels, taking into account the cultural, social and economic characteristics of each region. TNCs must understand the cultural, economic and legal characteristics of each country in which they operate, and adjust their activities accordingly. For example, McDonald's, one of the largest fast-food chains in the world, adapts the menu according to national tastes and traditions. In India, the company does not offer beef dishes due to religious restrictions, and in Japan fish-based products are included on the menu. This flexibility allows the company to operate successfully in different markets while maintaining common corporate quality standards. This allows companies to better meet the needs of local consumers and increase their loyalty. Global branding and reputation management are key aspects to building a positive image of the company internationally. Companies must ensure the integrity of the brand, while taking into account the cultural characteristics of different markets, in order to maintain their identity and enhance recognition. Reputation management requires rapid response to crises and effective communication with consumers to maintain trust. The use of digital technologies in international marketing opens up new opportunities for promoting products and interacting with consumers in real time, so we will be closer with our consumer and based on this interaction, loyalty to the brand or product will be formed (Prokhorenko, 2022).

Social media, content marketing, influencer engagement, big data analytics and personalized advertising campaigns help companies reach target audiences in different countries with minimal cost. Digital tools allow you to accurately track the effectiveness of marketing efforts and adapt strategies to meet changing market conditions.

Logistics tools and supply chain management are key elements to ensure the effective operation of transnational corporations (TNCs) in the global market. Optimization of logistics processes at the international level includes the development of strategies to reduce costs, reduce delivery time and improve the quality of customer service. This is achieved by integrating transport networks, selecting the most efficient routes and carriers, and implementing quality control standards at every stage of the supply chain. Inventory management and cost reduction are important aspects that allow TNCs to reduce storage costs and minimize risks associated with excess or insufficient inventory. Using Just-in-Time (JIT) methods, automatic replenishment systems and demand forecasting helps to ensure continuity of supply and avoid surpluses. TNCs must ensure the continuity of production and supply of goods on different continents, which requires careful planning and management. Toyota, a leading car manufacturer, uses a just-in-time system that minimizes inventory and streamlines delivery processes. This system helps to reduce costs and improve efficiency, but at the same time requires the company to quickly adapt to any disruptions in the supply chain. Through effective international management, Toyota successfully manages its global operations and reduces logistics risks. Logistics and logistics processes by increasing the impact on the economic sphere accompany a person at every stage of its development (Toyota, 2025).

Innovative instruments of international management play a crucial role in ensuring the competitiveness and long-term success of transnational corporations in the global market. The role of innovation in the development of TNCs lies in the ability of companies to adapt to rapidly changing market conditions, create new products and services, improve the efficiency of production processes and meet the needs of consumers in different regions. Investment in research and development is one of the main factors that ensure the company's innovative potential, allowing it to generate new ideas, technologies and solutions that contribute to the development of business and create added value. Strategies for introducing innovations in the global market include assessing potential markets, developing adapted products and services, and selecting the most effective methods of entering the market. For successful innovation, it is important to take into account the cultural, economic and social characteristics of target markets, as well as to use modern digital technologies and flexible business models that allow you to quickly respond to changes in demand and competitive environment. In today's world, digital technologies have become an integral part of international management. They allow TNCs to automate processes, improve communication between different departments and respond faster to changes in market conditions. For example, Amazon Corporation uses advanced information systems to manage its global logistics, which allows for the rapid delivery of goods to consumers in different parts of the world. Thanks to this, Amazon maintains high competitiveness and the ability to scale its business internationally (Amazon, 2025).

Risks and their management tools in international business are critical aspects for ensuring the stable operation and growth of transnational corporations (TNCs) in the global market. Political risks may arise from changes in legislation, political instability or nationalization of assets, which may adversely affect the company's operations in certain countries. Economic fluctuations such as inflation, currency fluctuations and changes in trading conditions can also significantly affect business profitability. Risk management and insurance instruments in international business include currency risk hedging, political risk insurance, asset diversification and the use of financial instruments to minimize possible losses.

International management plays a key role in the development of transnational corporations, contributing to their growth and stability. Thanks to global strategies, resource planning, risk management and effective coordination between different units, TNCs can successfully operate in different markets. One of the main tools is the adaptation of business models to local markets, which allows corporations to adapt their products and strategies to the cultural, economic and legal characteristics of different countries. The successful application of international management tools can be seen in the example of McDonald's Corporation, which, despite global standards, adapts the menu to local tastes in different countries, in particular, offering vegetarian products in India or special options for dishes in Japan. Another example is Toyota, which, thanks to an integrated approach to supply chain management, was able to minimize the impact of global crises on production processes. Among the major challenges facing TNCs are cultural differences, political instability, economic fluctuations and legal barriers. International management helps TNCs overcome these challenges by building flexible business models, diversifying risks and effective communication between different branches. For example, Unilever Corporation, thanks to a decentralized management structure, is able to quickly respond to market changes in different regions, adapting its activities to local conditions. In general, international management tools allow TNCs not only to survive in the conditions of global competition, but also to grow steadily, finding new opportunities for expansion in international markets.

## **Conclusions**

International management is an important element of the successful activities of transnational corporations (TNCs). International management tools such as strategic planning, adaptation of business models to local markets, effective supply chain and risk management contribute to the growth, stability and competitiveness of TNCs in the global market. The significance of these tools lies in the ability of companies to adapt to diverse cultural, economic and legal environments, allowing them to expand activities and reduce the impact of risks. Prospects for the further development of international management are associated with the increasing role of digital technologies, increased attention to environmental sustainability and innovation, as well as the need for more effective coordination of global operations. As globalization continues to evolve, international management will play a key role in ensuring the sustainability and adaptability of TNCs to new challenges and opportunities on the world stage. International management tools are essential components of the development of transnational corporations. They allow companies to effectively adapt to different market conditions, manage global supply chains, personnel and risks, and use the latest technologies to achieve their strategic goals. Examples of companies such as McDonald's, Toyota, Unilever, Coca-Cola and Amazon demonstrate the successful use of these tools to ensure stable growth and competitiveness in the global market. In the future, the role of international management will grow as companies continue to seek opportunities to expand their activities and overcome global challenges.

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