

# MHRM IV Sem.

## International Human Resource Management

### Unit – 5

Topic – Virtual Offices & MNC Culture

# VIRTUAL OFFICES







# VIRTUAL OFFICES

Virtual office describes the work location for employees who have unique circumstances and don't operate exclusively from an office.

Individuals such as sales reps, expatriates, contract workers, and freelance workers are able to utilize the technology of cell phones and computer software to communicate with the home office.

Activities including appointment setting, customer data tracking, logistics planning, and general information sharing can still be efficiently completed, and related communications can be effectively transmitted to the appropriate parties.

A virtual office allows employees the freedom to do their job that takes them away from the home office, without losing the important tools, resources, and communications needed to do their job the right way



# ADVANTAGES OF VIRTUAL OFFICES

- Flexibility
- Professionalism
- Reduced Operating Risks
- Save on Office Rent
- Work-Life Balance
- Enhanced productivity
- Saves time
- Virtual office workers are a boon for small and upcoming firms

# DISADVANTAGES OF VIRTUAL OFFICE

- Reduced Physical Interaction
- Reduced Social Interaction
- Lack of Motivation
- Message Distortion
- Chances of miscommunication are higher
- Too much dependence on technology

**MULTINATIONAL** **CORPORATION**

**GLOBALIZATION** **TECHNOLOGY** **PERMITS** **COMPANY GROUP**

**WORLD** **PLACE** **DECENTRALIZED** **REVENUE**

**BUILDS** **PRODUCTION** **GLOBAL** **SELLS** **INDIVIDUAL** **ENTERPRISE** **TAX** **RESOURCES** **BUSINESS**

**STRONG** **COUNTRIES** **PRESENCE** **SERVICES** **COST ADVANTAGE** **LARGE** **LOCATE**





# MNC CULTURE

- Corporations that move resources, goods, services, and skills across national boundaries without regard to the country in which their headquarters are located are multinational corporations.
- A multinational corporation is a corporate enterprise that manages production or delivers services in more than one country.
- The two main characteristics of MNCs are their large size and the fact that their worldwide activities are centrally controlled by the parent companies



# FAVOURABLE IMPACT OF MNC

- **Access to Consumers** – Access to consumers is one of the primary advantages that the MNCs enjoy over companies with operations limited to smaller region. Increasing accessibility to wider geographical regions allows the MNCs to have a larger pool of potential customers and help them in expanding, growing at a faster pace as compared to others.
- **Accesses to Labour** – MNCs enjoy access to cheap labour, which is a great advantage over other companies. A firm having operations spread across different geographical areas can have its production unit setup in countries with cheap labour. Some of the countries where cheap labour is available is China, India, Pakistan etc.
- **Taxes and Other Costs** – Taxes are one of the areas where every MNC can take advantage. Many countries offer reduced taxes on exports and imports in order to increase their foreign exposure and international trade. Also countries impose lower excise and custom duty which results in high profit margin for MNCs. Thus taxes are one of the area of making money but it again depends on the country of operation.





# HARMFUL IMPACT OF MNC

- Loss to Local Businesses –MNCs products sometimes lead to the killing of the domestic company operations. The MNCs establishes their monopoly in the country where they operate thus killing the local businesses which exists in the country.
- Loss of Natural Resources–MNCs use natural resources of the home country in order to make huge profit which results in the depletion of the resources thus causing a loss of natural resources for the economy.
- Money flows – As MNCs operate in different countries a large sum of money flows to foreign countries as payment towards profit which results in less efficiency for the host country where the MNCs operations are based.
- Transfer of capital takes place from the home country to the foreign ground which is unfavourable for the economy.



# **IMPACT OF MNC ON LOCAL AND NATIONAL ECONOMIES**

- Multinational corporations affects local and national policies by causing governments to compete with each other to be attractive to MNC investment in their country.
- Walmart is an example of a large multinational corporation that often exerts influence on political processes through lobbying, contributions to campaigns and threats of market withdrawal.



# IMPACT ON THE WORLD ECONOMY

- MNCs play an important role in the world economy through the process of economic globalization. In other words, the increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, services, technology and capital.
- Example: India is an example of a country that economically has benefitted from globalization. It has seen rapid GDP growth and has a growing middle class with a raising standard of living.





# IMPACT ON INDIA

- Profit maximization
- Increased revenue
- Large amount of tax collections through MNC's
- Economic health improved
- Employment increased
- Better foreign relations
- International network of marketing
- Cultural explosion



Thank you!