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THE INFORMATION TECHNOLOGY'S ROLE AT THE MNC'S TRANSFORMATION IN THE CONTEXT OF FINANCIAL GLOBALIZATION

When we have an overlook on international market's contribution on the amount of profits and revenues shares of multinational corporations over the last 40-50 years, we might notice a great increasing tendency. Moreover, in the coming years this tendency is expected to be accelerated, caused by the fact that the financial globalization process becomes a strategic engine for multinational corporations in the issue of managing their production and functional costs reduction and managing their revenue results.

Today's globalization process provides wide opportunities and background for revenue growth with such instruments as expanding and introducing its operations area into new markets and geographical regions, as well as great opportunities of cost reducing and profitability increasing using the effects of scope and economy of scales [2, 214]. Furthermore, this endows MNCs with a wide range of strategic opportunities, which are not accessible to those companies, which operate purely domestically, for example acquiring wide range of inputs from multiple locations and serving of diverse activity markets. [1, 28].

Today, together with wide opportunities, globalization brings to MNCs a challenge of facing the difficulties of managing the information and operation flows within its subsidiaries and straight to and up back from headquarter, which assures that the company operates and coordinates effectively within its global network [3, 306]. In order to manage and take the control of all the risks and in a search of an effective and desired administrative coordination level, MNCs are implementing and introducing a great number of complicated mechanisms, among which the Information technology systems play a critical role within its effective functioning [6, 149].

It is widely known that Information technology (IT) play an important role in reducing costs and converting global development strategies to a successful implementation projects, thus creating the great MNC's facilitation mechanism of globalization process [3, 117].

In general theoretical perception, IT makes it possible for companies to implement globalization policies inside its structure and activity, globalize the areas of its operations, enables achievement of foreign profits and revenues. In international practices, it happens through the effects, which occur as results of three main mechanisms' appliances: value chain configuration, coordination, and what is quite important in global practices – local responsiveness.

The first mechanism is linked to the process coordination of several similar value chain activities within variety of geographic locations, contains in its instruments the management of big data, which influences on the process of decision making within the globalization process and variety of alternative development ways. Moreover, it includes the management of all the resources available and needed to bring that decision into life [4, 338].

Within the MNC's activity IT systems ease the coordination of the value chains and resources flows with the help of sustainable transmission operations and existing systems of resources (particularly knowledge) management. It enables the most effective ways of implementations, sharing and knowledge absorption in the complex system of the main office – headquarter and all the global subsidiaries.

In contemporary fast changing world IT systems are the facilitators of changes for every subject of economy, as they are improving the frequencies, volume, speed and quality of information that multinational companies can receive, store, adjust and process at the same time within all its subsidiaries [6, 156].

IT systems allow companies to connect individuals with the massive amount of information stored to improve the communication and knowledge exchange to perform the best solutions and making precise specific decisions. This allows the better interaction within infrastructure units, better absorption and distribution of the information and knowledge above all the functional and geographical borders. In addition, it enables the great coordination of the activities within manufacturing process and facilitates the powerful process of innovational and strategic opportunities' development.

In the modern business environment MNCs use value chains and its main characteristics to develop and improve the strategies which they use for building the capacities which allow them to maintain their best performance results daily and globally and control these performances across all their global strategic business locations [2, 204].

In that meaning IT facilitates the everyday process of adjusting the big data and activities chain inside MNC and its operation processes for achieving the best level of efficiency with such instruments as global centralized resources' control, centralized administrative and security

coordination and everyday (or more or less frequent but constant) measurement of the performance level [6, 149]. This agility, which is not available to MNC who are not using constant implementation of IT innovations in its operational processes, allows MNC to establish and maintain production and innovation implementation in the markets with low costs and settle the sell the results of its production in the markets of high return.

The usage of IT systems inside MNC operation processes and constant its improvement allows MNCs to manage its subsidiaries as a production and selling units which make it possible to establish the MNC's activity in any geographical location without losing any management control above it [5, 239].

As stated above, it is a mechanism of local responsiveness, which means that company is able to change any stage of production chain, adjust product characteristics, approaches of management and distribution processes, as well as pricing politics, geographically locally depending on the regional market's demand and prefers. Using IT in that case enables all that adjustments without losing the control and main idea of the companies' functionality and product manufacturing and selling. That means that IT is playing a role of complex integral instrument and element of local responsiveness [3, 124].

What is more important in the contemporary economics and globalization, MNCs are using IT and innovations in a communication process and two-sided interaction with outer market space for gathering and accumulating the results of conducting the R&D, marketing researches and analysis in a global market and certain local markets to develop a unique approach which helps to respond and adjust the products and services to any conditions in any market [11, 115].

In a contemporary MNCS' activity IT play an important role as helps to achieve more agility despite the scales and the size of the company. It helps MNCS' to divide its existing market onto different zones using different segmentations thus making more precise coverage analysis for future effective improvements depending on markets where they exists and customers which are already loyal to the company and potential clients. At the same time, IT helps MNCs to benefit from different effects and distributions throughout its geographical market's area and create a unique global standardization rules and control system, which guarantees that even being agile and able to respond to customers' and markets' needs, MNCs activity is always protected from the global market and economic challenges. In this way, IT is used by MNCs for facilitating the globalization and MNCs' roles within this process and to become a powerful background for constant

analytical and innovation research, which enables the MNCs' global effectiveness, and expansion for increasing the global market's share and profit.

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