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A Prolegomenon of International Business

Amanawa, David Ebiegberi

Faculty Member, Centre for Continuing Education, IGNATIUS AJURU UNIVERSITY OF EDUCATION

***Abstract**: This review article looks at the fundamentals of business and how international trade connects economies from across the world. It illustrates how businesses make use of the funding, labor, resources, and infrastructure of the countries in which they do business. Students interested in a career in global corporate management in a variety of settings, including for-profit and non-profit organizations, industry, and government, should take this course. The importance of understanding the economic, social, political, cultural, and legal environment of a foreign country, as well as export and import mechanisms, joint ventures, franchises, and subsidiaries, management, international aspects of marketing and accounting, and international financial management, are all covered in this review. Finally, it goes through what management control is and how businesses push their employees to carry out the company's strategies. The course also covers core management control principles in multinational businesses, such as strategic, tactical, and transactional control.*

Keyword: International Business, International Marketing, International Finance, Production, Personnel Management

INTRODUCTION

The word "business" in this context refers to a company or organisation that engages in financial, industrial, or professional activity. Business can be for-profit or non-profit organisations that work to accomplish a benevolent objective or advance a social cause. Businesses also differ in size ranging from sole proprietorships to multinational organisations and can be modest or enormous.

According to SBA (2020), business has two distinct meanings. The first is a business that exists for economic, industrial, or professional objectives. In most cases, the entity starts with a notion (the concept) and a name. Substantial market evaluation may be necessary to establish the viability of the idea as a business. Before operations can begin, businesses frequently require business plans. This is a formal document that describes the aims and objectives of the organisation. It also outlines the tactics and methods it intends to use to attain these aims and objectives. If you have to borrow money to start a business, you nearly always need a business plan. Another critical thing to examine is the legal framework of the firm. To begin legal operations, business owners may need to get permits and licences, as well as comply with registration requirements. Organizations are recognised as legal people in many nations, which mean they may own property, incur debt, and can also be sued in court.

It is crucial to realise that the majority of businesses exist to make a profit. However, that is not always a necessary requirement for running a firm. Some firms aim to further a certain cause. As a result, these firms are known as for-profit enterprises. Not-for-profit or non-profit organisations are those that are not for profit. Some of these non-profit businesses operate as social service agencies, charity organizations, educational, cultural or recreational enterprises, and political or advocacy groups (Upcounsel, 2020).

The second distinct meaning of business encompasses all activities related to the selling and acquisition of products and services. Business activity may occur everywhere, whether in a physical storefront, online, or even on the side of the road.

TYPES OF BUSINESS

Many firms are organised around some kind of hierarchy or bureaucracy, in which personnel in a corporation have defined tasks and responsibilities (Hayes, 2021). The most common business types include; sole proprietorship, Partnership, limited liability, and corporations.

Sole Proprietorship

A sole proprietor, also known as a sole trader or a proprietorship, is an unincorporated business by one owner who pays income tax on the firm's profits. Given the lack of government regulation, a sole proprietorship is the simplest form of business to start or dissolve. As a result, these sorts of enterprises are extremely popular among single proprietors, consultants, and individual contractors. Many single owners do business with their own names since it is unnecessary to register a distinct business or trade name (Twin, 2021).

The basic characteristics of a sole proprietorship are as follows:

- It is basically an unincorporated firm with a single owner who pays personal income tax on earnings.

- This style of business is very popular among contractors and small business owners because they are simple to form and deconstruct owing to a lack of government participation.
- In order to keep up with the company's growth, some sole proprietorship's are converted into Limited Liability Companies (LLCs) eventually.
- One of the biggest drawbacks of this proprietorship's is that they are not protected by the government since they are not registered. This implies that all obligations are transferred from the company to the owner.

Partnership

According to Kopp (2021), a partnership is a legal agreement between two or more people to manage and run a business and share profits. There are several forms of partnership agreements. In a partnership firm, for example, all partners share responsibilities and earnings equally, but in others, partners may have restricted liability. There is also the "silent partner," who is not involved in the day-to-day operations of the firm.

Some peculiarities of partnerships include the following:

- All members of a general partnership corporation share both earnings and liabilities.
- In a partnership the agreement is among two or more persons to manage a business and share earnings and liabilities.
- A partnership may have tax advantages over a corporation.
- Professionals such as physicians and attorneys frequently create limited liability partnerships.

Limited Liability Company

A limited liability company (LLC) is a type of corporate structure that shields its owners from personal accountability for the firm's debts or liabilities. Limited liability Company's (LLCs) are hybrid entities that combine the features of a corporation and that of a partnership as well as a sole proprietorship. While the limited liability aspect is comparable to that of a corporation, the provision of flow-through taxes to an LLC's members is more like to that of a partnership than an LLC (Fernando, 2021).

The most popular entity used for Nigeria business formation is an LLC, often known as a "Private limited company" in Nigeria. The company, as usual, is a separate legal entity or person. A firm, in particular, is distinct from its owners, shareholders, and the people who administer it, the directors (Fabiani, 2022).

Some outstanding features of the LLC are:

- The limited liability company is a business structure that shields its owners from personal accountability for the firm's debts or liabilities.
- The regulation of LLCs differs by state.
- An LLC can be formed by any organisation or individual, with the significant exceptions of banks and insurance firms.
- Profits earned by LLCs are not taxed directly. Profits and losses are distributed to members, who declare them on their own tax returns.

Corporations

A corporation is a legal body that exists independently of its owners. Corporations have many of the same legal rights and obligations as people. They have the ability to enter into contracts, lend and borrow money, sue and be sued, hire personnel, own assets, and pay taxes. A corporation is sometimes referred to as a "legal person" by some.

According to a review by Berry-Johnson (2022), practically all significant enterprises, including Microsoft Corp., Coca-Cola Co., and Toyota Motor Corp., are corporations. Some organisations operate under their own identities as well as independent business names, such as Alphabet Inc., which is best known as Google.

Some important takeaways on a corporation are that:

- A company is a legally different entity from its owners. Corporations have many of the legal rights and duties as people do.
- Limited liability is an important feature of a corporation, which ensures that its owners are not personally liable for the legal debts.
- An individual or a group of individuals with a common aim might form a corporation. Profitability is not necessarily a requirement.

THE BUSINESS ENVIRONMENT

In an article published by Toppr (2018), the business environment was described as the totality or collection of all internal and external aspects such as personnel, customer requirements and expectations, supply and demand, management, clients, suppliers, owners, government actions, technological innovation, social trends, market trends, economic changes, and so on. These elements have an impact on the company's function and how it operates, either directly or indirectly. The sum of these elements determines the environment and condition of the company or business organisation.

Environmental factors are classified into several degrees. Some are near and internal influences, while others are exterior and external. External pressures might exist at the national, regional, or international levels. These environmental influences present possibilities as well as risks to the corporate sector. Every business organisation strives to seize available opportunities and confront risks posed by the business environment.

Businesses cannot alter their external environment; they can only respond to it. They modify their internal business components in order to capitalise on external possibilities and confront external environmental risks. It is consequently critical to study the business environment in order for a company to survive and succeed in its industry. Managers must thus examine the company environment in order to develop effective business strategies. Human resources, capital, technology, information, energy, and raw materials are all obtained from society by a business. It adheres to the government's legislation and requirements, social norms and cultural values, regional treaties and global alignment, as well as tax policies. As a result of operating in a dynamic business environment, an organisation also becomes a dynamic entity.

The characteristics of the business environment can be described as follows based on the preceding discussion:

- The business environment is comprised of all external circumstances that have a significant impact on how a business operates.
- The business environment is dynamic, which means it is always evolving.
- The business environment varies from location to location, region to region, and nation to country.
- Changes in the business environment are unpredictability. It is extremely difficult to foresee the precise nature of future events and changes in the social and economic environment.
- When we describe the business environment; customers, rivals, suppliers, the government, and the social, cultural, political, technical, and legal circumstances are all covered.

Any firm faces both risks and possibilities in the business environment. A successful company manager not only recognises and analyses external influences, but also responds to them. Consider the following facts to grasp the significance of the business environment:

- All changes in the business environment are not detrimental; if properly understood and analysed, they may contribute to a company's success. It is critical to recognise a shift and use it as a tool to solve corporate or population concerns.
- A thorough examination of the Firm Environment aids in the identification of beneficial resources for the business. It assists the company in tracking these resources and converting them into goods and services.
- The company must be aware of continuing changes in the business environment, such as changes in consumer expectations, rising trends, new government legislation, and technology advancements. If the company is aware of these recurring changes, it may devise a strategy to cope with them.
- Planning is another component of the business environment's significance. Planning only refers to what will be done in the future. When the Business Environment provides a problem or an opportunity, it is up to the business to choose what strategy it needs to develop in order to address the future and solve the problem or capitalise on the opportunity. After evaluating the changes given, the company may implement measures to mitigate the changes for a more secure future.
- Enterprises that properly examine their surroundings not only deal with but also thrive in the face of change. Adapting to external pressures assists businesses in improving their performance and surviving in the market.

Fig. 1 Business Model Environment Analysis

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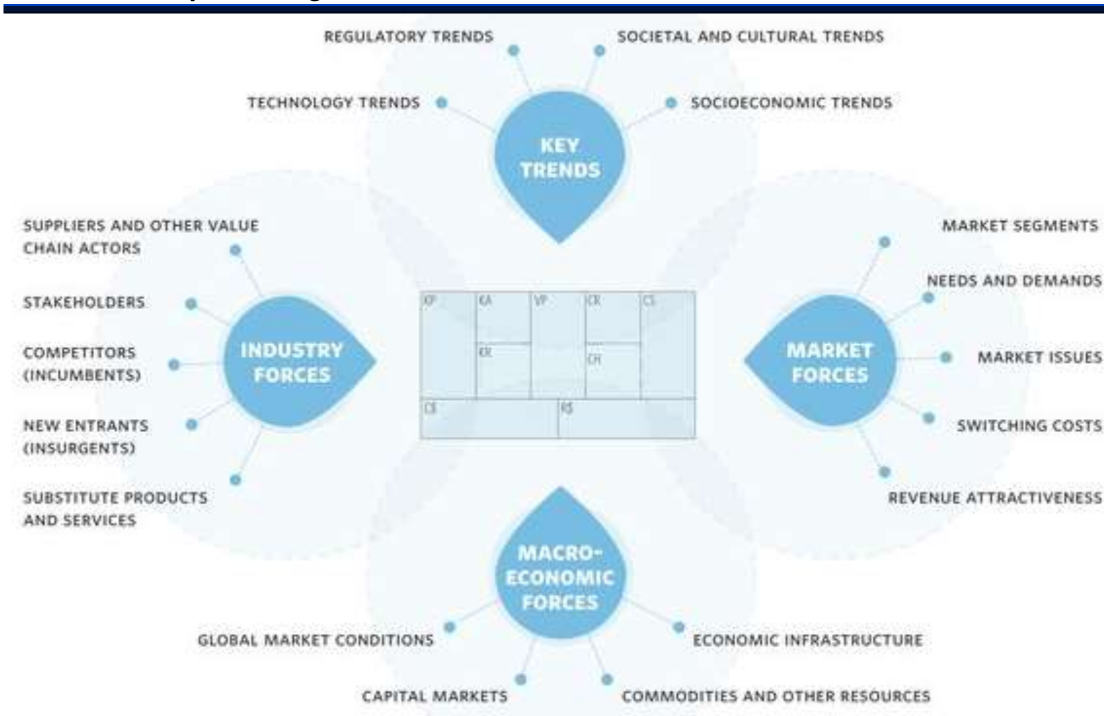


Source: (Osterwalder & Pigneur, 2010).

INTERNATIONAL MARKETING

In accordance with Twin (2021), marketing refers to the actions that a firm engages in to promote the purchase or sale of a product or service. Advertising, selling, and delivering things to customers or other businesses are all part of marketing. Affiliates also perform some marketing on a company's behalf. Professionals in a company's marketing and promotion divisions use advertising to capture the attention of important potential audiences. Promotions are aimed towards certain demographics and may include celebrity endorsements, unique phrases or slogans, noteworthy packaging or graphic designs, and total media exposure.

Marketing as a specialty encompasses all of the actions that a corporation does to attract and retain consumers. Networking with future or previous clients is also a component of the job, and may entail writing thank you notes, golfing with prospective clients, promptly responding phone calls and emails, and meeting with clientele for coffee or a meal. Marketing aims to connect a company's products or services to people who desire access to those items. Ultimately, matching items to customers assures profitability.

Now that we understand what marketing is basically about, let’s see what international marketing it. According to Business Jargons (BJ) (2020), international marketing is the use of marketing concepts to meet the diverse requirements and desires of individuals living beyond national borders.

International marketing is the use of existing promotional strategies by companies in one or more countries. Companies may now do business in practically every country in the globe, owing to advancements in international marketing.

Companies are no longer bound to their national borders, but are open to worldwide marketing. The economies are expanding and giving birth to more competitive marketing as customer needs, options, preferences, and tastes evolve. As a result, firms must respond quickly to client requests with well-defined marketing plans.

According to the American Marketing Association (AMA), there are eight (8) major types of marketing. They are influencer marketing, viral marketing, green marketing, keyword marketing, guerrilla marketing, outbound marketing, inbound marketing and content marketing (AMA, 2017).

Influencer Marketing

Have you ever bought a product or used a service just because a well-known person or celebrity you respect used or promoted it? This was Influencer Marketing in action.

The Association of National Advertisers (ANA) defines influencer marketing as "leveraging individuals with influence over potential consumers and structuring marketing operations around these individuals to push a brand message to a bigger market." Rather of promoting directly to a large number of customers, influencer marketing encourages or rewards influencers (who can include celebrities, content producers, customer advocates, and staff) to spread the word on their behalf (ANA, 2022).

Viral Marketing

Viral marketing is a marketing phenomenon in which people are encouraged to spread a marketing message. The number of persons exposed to a message is dubbed "viral" because it replicates the act of transferring a virus or sickness from one person to another (AMA, 2022).

Green Marketing

Green marketing is the creation and promotion of ecologically friendly products (i.e., designed to minimise adverse effects on the environment as well as improve its quality). This phrase can also refer to attempts to develop, advertise, package, and recover items in an environmentally conscious or responsive manner.

Keyword Marketing

Keyword marketing is displaying a marketing message to consumers depending on the exact keywords and phrases they are searching for. One significant advantage of this strategy is that it allows marketers to contact the appropriate individuals with the right message at the right time. Many marketers believe that keyword marketing results in the placement of advertisements when specific keywords are entered (MASB, 2022).

Guerrilla Marketing

Guerrilla marketing is a marketing approach in which a corporation promotes a product or service through surprise and/or unexpected encounters. Guerrilla marketing differs from traditional marketing in that it frequently depends on human connection, has a smaller budget, and focuses on tiny groups of promoters responsible for spreading the word in a specific place rather than through large media campaigns.

Companies who use guerrilla marketing rely on their in-your-face advertising to spread through viral marketing or word-of-mouth, allowing them to reach a larger audience for free. Guerrilla marketing relies on connecting with a consumer's emotions. This strategy is not intended for all goods and services; rather, it is frequently utilised for more "edgy" products and to target younger consumers who are more likely to respond positively. Guerrilla marketing occurs in public venues with a large audience, such as streets, concerts, public parks, athletic events, festivals, beaches, and shopping complexes. Choosing the correct time and place to launch a campaign to avoid any legal difficulties is a critical component of guerilla marketing. Guerrilla marketing can take place inside, outdoors, as a "event ambush," or as an immersive campaign designed to persuade people to interact with a company (Hayes, 2020).

Outbound Marketing

Outbound marketing involves the marketer initiating interaction with the customer by media such as television, radio, and digital signage advertising. It is frequently utilised to raise consumer knowledge and desire for a brand.

Inbound Marketing

Inbound marketing is defined as marketing in which clients initiate contact with the advertiser in response to different ways employed to pique their interest. Email marketing, event marketing, content marketing, and site design are examples of these strategies.

One goal of inbound marketing, which incorporates content marketing, is to position the company as a source of helpful information and issue solutions, building consumer trust and loyalty.

Content Marketing

Content marketing is a marketing technique that uses relevant articles, videos, podcasts, and other media to attract, engage, and keep an audience. This strategy builds expertise, raises brand recognition, and keeps your company front of mind when it comes time to buy what you sell.

Content marketing use a variety of techniques to communicate the brand's narrative. More and more companies are shifting traditional advertising to content marketing and storytelling in order to increase customer retention and emotional bonding.

Consistent usage of content marketing builds and develops connections with both new and current consumers. When your target audience perceives your company as a partner invested in their success and a valued source of information and direction, they are more likely to pick you when the time comes to buy (MailChimp, 2022).

Back to international marketing, the following are the most significant players in worldwide marketing:

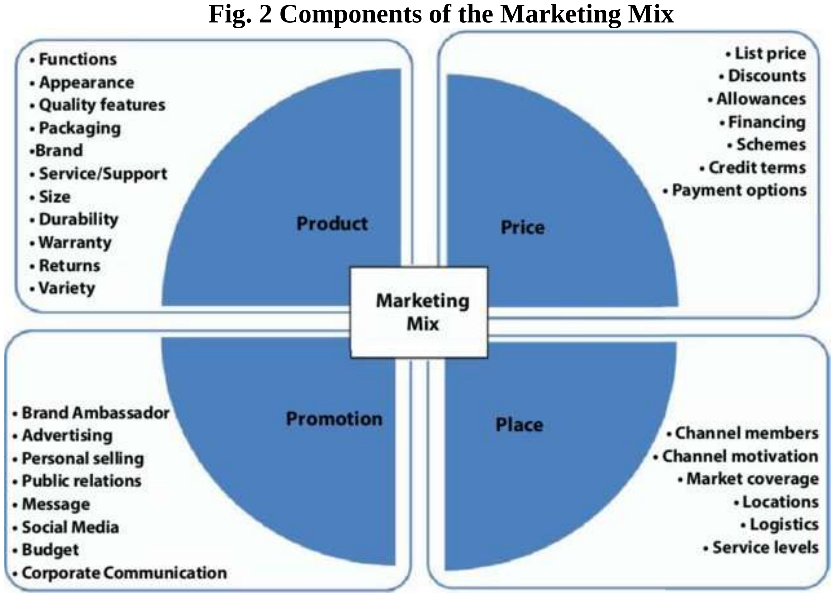
- Exporters: They are international merchants who sell items and provide services throughout their domestic country by adhering to the relevant legislation.
- Importers: They are overseas purchasers who purchase goods and services from exporters in accordance with the law. An import from one country is an export from another.
- Service firms: They create money by trading on services rather than tangible commodities. The finest illustration of a service corporation is a public accounting firm. Revenue is made through preparing income tax returns, conducting audit services, and keeping financial records.
- MNCs (Multinational Corporations): A multinational company (MNC) is an organisation that manufactures goods and services in one or more nations other than its own. Such firms have offices, help desks or industrial setups across nations and generally have a centralised head office where global management is coordinated.

4 Ps of Marketing

The Four Ps of marketing are product, price, place, and promotion. The Four Ps constitutes the basic combination required by a business to sell a product or service. In the 1950s, Neil Borden popularised the notion of the marketing mix and the Four Ps.

- Product: A product is described as a collection of properties (features, functions, advantages, and uses) that may be exchanged or used, typically in a combination of tangible and intangible forms. A product can thus be an idea, a physical thing (goods), or any combination of the three. It exists to facilitate exchange in the pursuit of individual and corporate goals. While the phrase "products and services" is occasionally used, the term "product" refers to both things and services.
- The formal ratio that specifies the amount of money, products, or services required to purchase a particular quantity of goods or services is called the price. It is the price a client must pay to obtain a thing.
- The act of promoting and transporting things to consumers is referred to as distribution. It is also used to indicate the amount of a product's market reach.
- Promotional marketing strategies include approaches that drive short-term purchases, impact trial and amount of purchases, and are highly quantifiable in terms of volume, share, and profit. Coupons, contests, rebates, premiums, customised packaging, cause-related marketing, and licensing are some examples.

Fig. 2 Components of the Marketing Mix



Source: (Maity et al., 2020)

All major marketing choices are based on the marketing mix, sometimes known as the four P's of marketing. The marketing mix serves as the foundation for all marketing choices with the goal of maximising revenue from the targeted market. Organizations correctly combine the components of the marketing mix to obtain the desired outcomes from the targeted market. The marketing mix is basically the methods developed and used by a company to effectively promote its products to a certain consumer segment.

INTERNATIONAL FINANCE

We live in an increasingly globalised society. Every country is in some way dependent on another country. Developed nations seek low-cost labour from developing countries, while developing countries seek services and products. When a transaction occurs between two nations, like in this situation, various aspects enter the picture and must be examined throughout the implementation of the business to ensure that no regulatory violations occur. International finance is a crucial part in every economy; the local government must implement measures to ensure that local companies do not face harsh competition from non-local businesses.

Shakti (2020), defines international finance as a branch of financial economics that deals with the macroeconomic relationships and monetary transactions between two countries. This sort of finance includes ideas such as interest rate, exchange rate, Foreign Direct Investment (FDI), Foreign Portfolio Investment (FPI), and currency used in commerce.

The international financial system is an economic agreement between different nations' financial institutions that permits monies to be transferred between them. A central bank is a financial entity that represents a country and handles its currency as well as economic policies. The central bank supervises the commercial banking system, restricts the total amount of money that may be generated in the country, and has supervisory and regulatory authorities to safeguard member institutions' sustainability (Wolverhampton, 2021).

International finance may alternatively be described using the following parameters:

- It is the discipline of financing countries' global economic and commercial interactions.
- International banking, euro currency markets, euro bonds, international stock exchanges, American Depository Receipts, GDRs, international institutions such as the IMF, World Bank, Asian Development Bank, Brics Bank, China, WTO, UNCTAD, Letters of Credit, Bills of Lading, factoring, and the like, international financial instruments, foreign exchange markets, Balance of Payments, and international risk management are all covered.
- It has to do with MNCs, governments, and private persons' managerial, economic, commercial, and accounting operations.
- It entails converting one currency into another.
- All financial and non-financial operations are coordinated with the goal of increasing shareholder value.

Some of the characteristics of international finance management are described below by (Solar, 2021). When compared to domestic finance management, international finance management has the following characteristics:

- Foreign Exchange Risks: In today's world of unpredictably changing currency rates, a grasp of foreign exchange is critical for investors and managers. This rate is often overlooked in local economies since it only affects that economy, but it should be addressed seriously at the global level because there is a possibility of international exchange rate violations. It might be considered the most significant worldwide issue.
- Political Risks: Political risk is one of the most significant risks that a corporation may face in international finance. It might lead to a loss. As new acts and laws are enacted, previous judgements may be overturned. For example, Eron Development Corporation secured a contract in 1992 to build India's longest power plant, but it was later terminated in 1995 by Maharashtra lawmakers who claimed that India did not want a power plant. That initiative cost the corporation about $300 million.
- Market Imperfections: Market defects are popular these days, and this is a huge flaw for the company. There have been several changes in the legislation, taxation, laws and regulations, and culture of the country that may affect financial decisions of the company.

There is a second reason for worldwide financial activity, in addition to international trade. Many businesses invest in overseas producing assets for the long term. When a company intends to develop a facility in another nation, it must examine a number of factors. For instance: Where should the financing for the factory's construction come from? What sorts of tax arrangements exist between the United States and other nations that might affect the new venture's after-tax profitability? Are there any limits on transferring earnings back to your native country imposed by the government? Do the new venture's anticipated cash flows increase or decrease the parent company's vulnerability to exchange rate fluctuations? Is the foreign country’s economic and political system stable? (Bolster, 2022).

The International Monetary Fund (IMF) and the World Bank are in charge of international finance. The Bretton Woods Agreement and System gave birth to both of these institutions. In 1944, the United Nations Monetary and Financial Conference brought together 44 countries to construct the Bretton Woods Agreement. The conference was held at Bretton Woods, New Hampshire, which gave it its name. The goal of this worldwide gathering was to establish a stable foreign exchange system that would assist avoid currency depreciation and encourage global economic growth in the aftermath of WWII. While the Bretton Woods Agreement was effective in certain ways, it was dissolved in the 1970s, having left the IMF and the World Bank to carry on the Bretton Woods legacy as international trade cornerstones (Wolverhampton, 2021).

The following are some of the models and theories used in the study of international finance:

- **The Mundell-Fleming Model:** This model examines the interplay between the goods and money markets under the premise that goods prices stay constant.
- **The International Fisher Effect:** Argues that nominal interest rates reflect variations in international spot currency rates.
- **The Optimum Currency Area Theory:** Claims that if all of the countries or states in a region had a single currency, the region's economic efficiency would be maximised.
- **Parity Of Purchasing Power:** A method of comparing the absolute buying power of different currencies by measuring prices in different areas using specified items.
- **Interest Rate Parity:** Investors utilise this to regulate the link between currency exchange and interest rates, resulting in a condition of equilibrium.

Last thoughts, the process of establishing a country's capacity to transmit payments is known as country risk assessment or country risk analysis. It considers political, economic, and social variables and is intended to assist businesses in making strategic decisions while doing business in a high-risk nation. Country risk assessments are divided into many categories, each of which focuses on one or more of the elements described before.

PRODUCTION

According to Bates & Parkinson (1963), the organised activity of changing resources into completed products in the form of commodities and services is known as production. The goal of production is to meet demand for such transformed resources. Any activity aimed at satisfying the desires of others through trade is referred to as production. This definition clarifies that in economics; the simple creation of goods is not considered production. What is created must be tailored to meet needs.

Production is divided into three (3) categories: primary, secondary, and tertiary:

- **Primary production:** This is the sort of production that involves the exploitation and utilisation of natural resources. It is concerned with the process of extracting raw materials or resources in their natural state from the air, land, and water, for example, agriculture, mining, fishing, quarrying, and so on.
- **Secondary production:** This sort of manufacturing involves the transformation of primary products or raw materials into completed or semi-finished goods, such as processed food, houses, roads, clothing, automobiles, furniture, paper mills, and so on. It includes all stages of the product's life cycle from extraction through production.
- **Tertiary Production:** This is a form of production that is involved with providing individuals with commercial and professional services. Individuals participating in this area of production include those who provide services, such as teachers, physicians, hairdressers, soldiers, police officers, attorneys, musicians, and so on. It also covers people who provide commercial services, such as wholesalers, merchants, and transporters.

Factors of Production

The creation of a commodity or service necessitates the application of certain resources or production factors. Because most of the resources required for manufacturing are limited in comparison to demand, they are referred to as economic resources. Firms or organisations combine resources, which we will refer to as elements of production, in various ways to generate an annual flow of products and services (Suman, 2015).

Table. 1 Summary of the Factors of Production

Land as a Factor	Land is defined broadly as a component of production and can take many forms, ranging from agricultural land to commercial real estate to the resources accessible from a specific piece of land. Natural resources, such as oil and gold, may be harvested and purified from the soil for human use. While land is an important component of most businesses, its value can fluctuate depending on the sector. A technological business, for example, may readily commence operations with no land investment. Land, on the other hand, is the most important investment in a real estate endeavour.
Labour as a Factor	The work exerted by an individual to bring a product or service to market is referred to as labour. It can, once again, take numerous forms. Labour includes, for example, the construction worker on a hotel site, as well as the waiter who serves visitors and the receptionist who registers them.
Capital as a Factor	Capital is commonly used in economics to refer to money. Money, on the other hand, is not a component of production since it is not directly engaged in the manufacturing of a thing or service. Instead, it helps manufacturing processes by allowing entrepreneurs and business owners to acquire capital goods or land or pay salaries. In terms of elements of production, it is critical to distinguish between personal and private capital. A personal automobile used for family transportation is not regarded a capital good, but a commercial vehicle used only for official duties is. Companies reduce capital spending to secure profits during an economic downturn or when they incur losses. During moments of economic prosperity, however, they invest in new machinery and equipment in order to bring new items to market.
Entrepreneurship as a Factor	As a factor of production, organisation refers to the effort of bringing together land, labour, and capital. It entails establishing coordination and cooperation among these components. An organiser or an entrepreneur is the person in charge of organisation. As a result, the entrepreneur is the person in charge of managing production organisation and developing corporate policies.

Source: (Fernado, 2021) Tabulated by Author

Entrepreneurship is the secret sauce that binds all of the other manufacturing variables together to create a product or service for the mainstream market. The emergence of the social media behemoth Meta (FB), previously Facebook, is an example of entrepreneurship. Mark Zuckerberg took up the risk of his social media network's success or failure when he began committing time from his daily routine to that activity. Zuckerberg's labour was the single element of production when he coded the minimal viable product alone. After Facebook, the social networking platform, got popular and moved across campuses, the company recognised it needed to hire more people. He hired two people, an engineer (Dustin Moskovitz) and a spokesperson (Chris Hughes), who both committed to working on the project for a set number of hours, which meant that their time became a factor of production (Meta, 2022).

Fig. 3 Four Factors of Production

Name	Nature	Reward
Land	Any natural resources	Rent
Labour	Toil and/or skills	Wage
Capital	Man-made resource	Interest
Enterprise	Risk taking and organising	Profit

Source: (Suman, 2015)

There is an age long enquiry to know if all factors of production are equally important. The truth is that; some production elements may be more essential than others depending on the circumstances. A software corporation, for example, that depends heavily on the labour of competent software developers may see labour as its most valued element of production. Meanwhile, a business that generates money by creating and renting out office space may see land and cash as its most significant assets. As the demands of a business vary over time, so will the relative significance of the variables of production change.

PERSONNEL MANAGEMENT

The foremost definition of personnel management was given by Flippo (1976), he described that the personnel function is concerned with the recruitment, development, remuneration, integration, and retention of an organization's staff in order to contribute to the achievement of the organization's principal goals or objectives. Personnel management is thus the planning, organising, directing, and supervising of the execution of certain operational responsibilities.

Jucius (1959) also posited that Personnel management is the branch of management concerned with the planning, organising, and controlling of various operative activities involving the acquisition, development, maintenance, and utilisation of a labour force in order to achieve the company's objectives and interests as effectively and economically as possible, while also serving the objectives and interests of all levels of personnel and the community to the greatest extent possible.

Human Resource Management regards 'personnel' or 'employees' as 'human resources' and places great value on them. Human Resource Management is concerned with the development of human resources, the provision of health, safety, and welfare measures, and the improvement of human connections, in addition to fulfilling personnel responsibilities (Keerthi, 2020). Taking a look at it from another perspective Kiranmayi (2020) insists that personnel management may be described as the acquisition, utilisation, and retention of a pleased workforce. It is concerned with workers at work and their interactions with one another inside the business. Personnel management is not a one-man job, nor can it ever be accomplished by a single person. It is a corporate, collaborative project that should begin with a shared sentiment and concept and proceed in a cohesive, coordinated way.

Scope of Personnel Management

Personnel Management had a fairly limited reach in its early stages of development. The operations of business and industrial firms got increasingly intricate and diverse as they grew and developed. As a result, the scope of Personnel Management has expanded.

According to (Keerthi, 2020) personnel management has a very broad scope, which is as follows:

- **Organizational planning and development:** Organizational planning is concerned with the organisation of the tasks to be completed at various positions, departments, and divisions into manageable and efficient units. The pre-requisitions are the integration and coordination of numerous departments and workers. Differentiation and integration are required for the fulfilment of defined organisational objectives.
- **Staffing and employment:** The staffing process is a sequence of activities that results in the ongoing filling of positions at all levels of the organisation. Manpower planning, recruiting, screening, posting, training and orientation, promotion, upgrading, transfer, demotion, and separations are all part of this process (resignation, retirement, discharge, disability, death, etc.).
- **Training and development:** It is a complex process that focuses on enhancing people' and groups' understanding, capacities, talents, creativity, thinking power, decision making capacity, and logical ability so that they can collaborate efficiently and effectively to the attainment of organisational goals.
- **Compensation, wage and salary administration:** It is focused with remunerating personnel for services given and motivation to achieve performance goals.
- **Employee services and benefits:** These components are involved with the process of preserving and maintaining an organization's workforce.
- **Employee records:** Employee records are kept complete and up to date so that they may be used for transfer, promotion, demotion, merit pay, or authorizing vacation at the time of exit of service/retirement. These records include information on educational qualifications, the results of psychological examinations, work performance, vacation, present, absent, and hours worked, promotions, prizes, and penalties.
- **Labour relations:** The preservation of healthy and peaceful labor-management relations in order to maintain a truly seamless flow of work/production is referred to as labour relations.
- **Personnel research and audit**: A systematic investigation of any area, such as how to improve an organization's people programmes, which include recruiting, screening, posting, training and development, pay, and remuneration. Reliability, productivity, labour turnover, complaints, absenteeism, strike, lockout, pay, and accidents are all monitored and reported to upper management. Policy, procedures, findings, and comments are presented to senior executives in order to change or enhance existing personnel rules and processes. Also taking a survey of morale, attitudes, and interests of employees.

CONCLUSION

Companies that create worldwide subsidiaries must adjust to the economic, political, and other constraints of the host nations (Endenich et al., 2011). To manage their operations, they must overcome geographical and cultural differences. Management control (MC) assists in aligning staff decisions and actions with business goals (Chow et al., 1999). Companies have the issue of moving MC across national borders to distant businesses as globalisation grows. Multinational corporations (MNCs) use a variety of strategies to govern its overseas operations, including planning, standardised processes, and training. Various factors, both internal and external to the organisation, influence the use and efficacy of control systems in MNCs (Harzing & Sorge, 2003).

MNCs use a variety of control techniques to coordinate units throughout the world in order to achieve global organisational goals. Despite the large number of definitions, there is general agreement on the concept of output control in terms of accomplishing goals and results and include planning and reporting. Process controls define desired employee behaviour and involve centralization and standardisation, as well as written instructions, to guarantee that staffs follow certain processes. The last group includes a wide range of techniques such as socialising, communication, and training (Harzing, 1999). According to Brenner & Ambos (2013) social control refers to official and informal procedures that promote corporate culture and values in order to generate approval for other control measures. The extent of control denotes the degree of control an organisation exercises to attain its goals, such as frequency, precision, and the combination of multiple MCs.

In Multinational Enterprises (MNEs), there are several approaches for classifying managerial control. The realms of 'management control, tactical control, and transactional control' encompass 'goals and strategy, "speed and rhythm to match field reality,' and 'specific actions,' respectively. In conclusion let me summarize these three (3) control measure as recorded by (Mbaknol, 2012).

Management controls ensure that a company's goals or strategy are met. Strategic control is the process by which an organisation adjusts to external pressures such as societal changes, technological developments, economic development, and policy alterations throughout time. MNE executives must understand that, while cost and innovation are crucial, the company's primary competitive advantage is in selling differentiated/undifferentiated consumer products. As a result, it is preferable for subsidiary managers to focus on marketing—such as branding, advertising, and distribution—while corporate managers' focus on capacity growth by purchasing capital or business units or pursuing R&D. Corporate executives must have a firm grasp of competition entrance tactics. They should seek out first-mover advantages or organisations with a well-established brand and a substantial market share. Corporate executives focus their attention on the products and geographic regions where they want to develop the fastest. It would be very impossible for a subsidiary manager to introduce a new product or establish a facility in his region without extensive inspection and clearance from corporate management in the headquarters. However, country-level managers must adapt to distinct environmental and competitive situations in their respective areas of business. Simultaneously, the subsidiaries share knowledge, fixed costs associated with new product development, and spill over benefits, making it simpler for the parent to sell to worldwide distributors.

Tactical controls entail controlling with field reality in mind while adhering to a set of policy and financial constraints. They cannot compromise on vital results, but may follow a different priority than expected due to unforeseen circumstances. Budgetary control, authority/responsibility changes, procurement control, production control, and so on are examples of tactical controls. Speed of execution, balancing several claims, and other similar issues are involved. Sensitivity to the situation, rather than rigorous adherence to rules and procedures, is involved, as is making navigational modifications as circumstances require. This is done collaboratively by corporate and subsidiary level management, albeit the subsidiary level plays a larger role.

Individual activities and processes are dealt with using transactional controls within the constraints of available resources. While operational control is primarily concerned with ensuring that these individual efforts are efficient, it also links them to the larger control goals. Inventory control, action against overdue clients, procurement processes, and so forth all fall under this category. These are the responsibility of the subsidiary management.

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