

# Management in Startups versus Multinational Companies

Every professional has dreams regarding their professional career path – some aim to work for a multinational corporation, while others work in startups. Choosing between building a startup or working for a large corporation is a tough choice, since one has more profit and the other gives you more satisfaction, such as co-building a company from the ground up.

It is true that large companies offer a better work-life balance, whereas startups are much more likely to offer their employees opportunities for learning and growth.

How do you manage at a startup vs. managing at a multinational company? What does it take to successfully manage a team within a larger organization?

Management means the ability to plan, organize, coordinate, direct, control, oversee, and supervise activities. In other words, it involves making decisions and taking action on them. The term was coined in the late 19th century, and today it refers to anyone who manages workers or employees.

## Difference between MNCs vs. startups

### 1) Size of the Company

The multinational company is big in size due to its presence in many other countries, besides the huge strength of employees, is also great while as far as a startup is concerned it is very small in size and the strength of employees is also very less, in some of the startups the

number of employees is less than 10.

## **2) Work Culture**

In an MNC Company, the work culture is formal and laid out by some roles and responsibilities of different job positions in the company. The companies also have career development, such as paying incentives to employees and promotions in the company after some time.

Startup Company's work culture is way too different. There is an informal way with no strict rules and regulations; but sometimes, there is no office as employees work from home options are also available. Career growth is unpredictable in the sense that if the company turns out to be a success, then there is no limit to growth but in case it fails, then your career can be in danger both professionally and financially.

## **3) Stability**

In MNC companies, the stability is there as these companies are already well established and can provide you with a secure job. The salary is fixed at the start, and everything is done as mentioned in your job offer letter.

In startup companies, there is no stability as these companies are trying to develop themselves and cannot offer you a secure job. The profits and losses of the firm are not fixed.

## **4) Income opportunities**

In MNC Companies, the income opportunities are more. There is a fixed amount of salary and some additional incentives in accomplishing the targets plus an appraisal system quarterly/annually.

Whereas, in startup companies, the income opportunity is not secured. Employees get paid less, and the increment in salary depends upon the company's success.

## **5) Brand recognition**

MNCs are already established and well-recognized companies and they have brand names and recognition from their customers not only in their home country but also in other different countries where it operates.

A startup is concerned there is no such brand name and recognition from the customers. Basically, the startup is like a small spark which is not visible but has the potential to turn into MNCs.

## **6) Working environment**

In an MNC working environment is quite formal as there are roles and responsibilities of various positions in the company. Also the career progression is also smooth in the sense that incentives and promotions happen after a fixed period of time.

The startup is concerned working environment is informal and in some startups, there is no office as employees can work from home besides the promotions and salary package can be unpredictable in the sense that if the startup turns out to be a success then there is no limit of career growth but money is concerned if startup turns out to be a failure than your career can be in danger.

## **7) Learning process**

In an MNC Company, the task you do is a part of a major company procedure of which you may need to be made aware. The work that you do will have a few dissimilarities over the course of years, and the learning might be limited as you play a particular role in the company.

In a startup, you are working directly with the business creators involved in the process from the start to the end.

The learning process is broad, and you may receive a lot of learning in various departments.

## **8) Facilities**

In MNC, the facilities are given according to the job designation or roles. It is not always necessary that executive-level employees will also get the same level of facilities. MNCs offer good financial packages to their employees along with extras like health insurance and transportation money or pick-up service.

In startup companies, there are plenty of facilities like flexible working hours, free food, and employee discounts, as money isn't one of them. Moreover, some startups offer the flair to have some share in the company's equity to its employees.

## **9) Career Start**

In MNC, there are some severe authorities, rules and guidelines that every employee must follow. Freshers usually go through training for a period before getting hired for a full-time job position.

Whereas in the case of startup companies, it does not matter how much to raise and climb up the ladder. There are no guidelines fixed but rules to follow. performance is the primary factor that counts for succeeding in a startup.

## **The importance of having a strong management team**

Management teams have a combination of skills that a single director or manager cannot. According to their duties, members of a management team can concentrate on their own area of expertise.

An effective management team adds value to any business beyond the individual skills and talents of each employee. Management team members contribute significantly to their organizations' overall success. When it comes to growing and developing a company, a strong management team is crucial.

## **Ways to Build a Management Team**

### **1) Defines startup culture**

When it comes to building a management team, you are not only building a team in the workplace but you are also establishing your startup's work culture. It combines the vision, mission, values, and personality of all the employees involved. These qualities of the core team are from the foundational beliefs of the complete startup.

### **2) Identify Positions**

The most important members of your management team are the founders. Before hiring any employees, you and your co-founder have to settle how decisions will be made within the startup. The right position should determine the structure and foundation of your startup.

You should identify the positions needed to complete your team. Job roles such as CEO, sales & marketing, programming, account management, and project management are just a handful of examples of positions that need to be filled in startups.

When identifying these positions, make sure that you prioritize them and find people with talents that other team members don't have.

### **3) Align your interview with team members**

Interviewing a candidate is a lot more involved than simply asking questions and answering methods. Try a form of

examination, and give them a certain period to stay in the organization.

## **4) Build Trust**

The most important thing a founder and team members can have is trust. You need to trust them to be looking out for your startup and they need to trust you to do the right thing as well. This two-way building of trust and honest communication is so vital.

## **5) Look for Skills**

Hard skills are essential to have in your team from the beginning. You want people who can perform the crucial day-to-day activities that it takes to run a startup. However, soft skills are equally important when it comes to building your management team.

Soft skills, like communication, critical thinking, and leadership, are instrumental in managerial roles. These are skills that will give your team the dynamics it needs to succeed in your startup.

# **Startup Company**

Startups refer to companies founded to develop an exclusive product or service. It's in innovation, creativity, addressing the deficiencies of existing products or creating completely new categories of goods and services, thereby unsettling fixed ways of thinking and doing business for complete industries.

## **Startup Management: what is it?**

You must know your employees and yourself to lead effectively when managing a startup. You have to plan plenty of effective staff at jobs in accounting firms duties to make your workload

much more manageable.

Forming Startup management gives you a clear picture of what you want your company to be and is one of the most important early steps you will have to take when creating your startup management team.

## **1. Create your vision and goals for your startup**

Business management is most effective and efficient when you have a vision and plan that gives you direction, a vision and goals to work towards your business.

## **2. Manage your business finances goals**

Effective business management includes the cost-effective control of your financial activity. You need a high-level understanding of your business finances to make profitable decisions for your startup.

## **3. Listen to your customer's feedback**

Your customers are the drivers of your business growth, so pay attention when they give you feedback. Respond to their requirements and make improvements that they suggest to deliver an excellent customer experience.

## **4. Listen to your team**

Listen to your team when they give suggestions. Implementing your team's feedback and suggestions will help you to a better understanding of your startup. Surround yourself with people who have new ideas that are not afraid to express them to you as a leader or boss. New and innovative thinking helps the startup grow & to make it successful.

# **Pros of working in start-ups**

## **1) No formalities**

In start-ups, you can get feedback quickly and you are possibly directly involved in decision-making. Because of this, you would have the incentive to work hard. If someone is not contributing, the company can replace them easily.

## **2) Ownership**

If you work in start-ups, you can own a part of the firm. If the start-up grows successful you will be rewarded accordingly through stock options and ESOPs of the firm. This gives you a sense of ownership. This aspect is possible to make you more loyal to the firm.

## **3) Faster promotion than MNC**

In a start-up, if you perform great, you can rise to the top quicker than in a traditional firm. If you work hard and show the potential to grow, there will be tremendous opportunities for quick growth within the organisation.

A job role change every 2-3 years will expose you to a larger business landscape. It can be a huge opportunity to learn new technologies. You get to explore new domains and meet new people. This helps you to scale up your professional and personal growth.

## **4) Flexibility in social scale and roles**

Start-ups have structures without any formal social scale. Individuals can talk to anyone in the team with ease.

The open-door management policy is that there are no rigid rules and reduced formalities to follow. This encourages an open working environment where everyone can contribute freely

and reach out directly to the executive leadership.

## **Cons of working in start-ups**

### **1) Stressful experience**

Start-ups are high risk, and high reward at the same time. While there is a chance of getting rich, the chances of failing are increased. Working in a start-up can be very stressful at times. This happens because one never knows whether one will become a millionaire or end up with nothing at all.

Stress levels are high because employees have to deal with uncertain situations and responsibilities. If the company fails, employees may have to restart their careers from scratch. They may have to take up another job and work all over again to prove their worth in other organisations.

### **2) Lack of job security**

There is also less job security in these startup companies. This is because they can be easily affected by market situations and technological changes. Poor or lack of management sinks the entire organization into start-up mode.

### **3) Lack of advantages**

In start-ups, the employees do not enjoy the same advantages that they would get in an MNC job. This lack of training and opportunity makes it more difficult for them to be promoted in their career. But this pearly area can be a big career boost to a smart fresher who knows how to navigate the tricky paths of a start-up career.

# **What is an MNC Company?**

Multinational corporations are companies that function in their home country and other countries around the world. It upholds a central office located in its home country, which organizes all its other offices in other countries.

## **MNCs Management**

MNCs management refers to coordinating and administering business activities, tasks, and resources to achieve a set objective within the country and globally. It plays a huge role in the industry by producing growth with high-performing teams. This often involves supervision and training of staff, overseeing core operations, and designing company infrastructure to optimise for the future.

**Listed below are three multinational management tips to help your business:**

### **1) Set a Strategic Plan**

Do research possible solutions, discuss them with your international office leaders and department heads, and sit down to write down your strategy for growing your business.

Depending on your corporate needs, it can be as complex as regular international teleconferences, a variety of communication optimization technology tools and frequent visits to all of your branch offices.

### **2) Corporate Mission and Vision**

The most important idea that you have to MNCs management to all of your employees, at every level and every branch in the

company, is your vision and mission statement, having a clear mission and vision statement will at least ensure that everyone is on the same page about the purpose and direction of your company and all work towards the same goal

### **3) Live Events & Office Visits**

The most effective management method in MNC is coordinated face-to-face interaction. Annual organizational roadshows and tours can help employees feel more connected to their executive management team, and give the executive team a better understanding of their employees.

MNC's Management team needs to spend more time organizing annual or biennial events, where most worldwide employees fly to one location for a multi-day, company-wide event.

## **Pros of working in MNC**

### **1) Money**

One of the advantages of working with an MNC is that you may make more money in your working career. This may be because they pay their employees more and as per their job roles. It may also be because they offer a better benefits package than startup companies.

### **2) Side opportunities**

MNC the number of side opportunities is more. These are available to you in addition to your main job role, such as managerial training or managing a team. If you're interested in international business and want to make the most of such opportunities, then MNCs could be a great career option.

### **3) Promotions**

Working for a multinational company means that you will usually be in a position to make your career more challenging and there are more possibilities to get promoted. The various levels in the hierarchy of an MNC are a boon for you.

### **4) Standard rules and processes**

Working for an MNC will normally be based on a set of standard rules and processes. There is no interpretation about what to do next or whom to report to. There is a set process to coordinate with each other according to their roles. There will be a fixed way of doing things. You will need to comply with these.

## **Cons of MNC**

### **1) Little space for your innovation**

Working for a large MNC means that everything is a part of the process. You have to work within a framework that other people have set.

If you want to bring your innovative technique or way of working, you might get little acceptance in an MNC. The innovation that the company is known for will normally come from the R&D department rather than from the employees.

### **2) Promotions may take time**

Many people who work for MNCs often have to wait many years before they get the opportunity to be promoted. This is true even if they're putting in more than enough effort

In this scenario, a person can get frustrated if he/she is looking to build a visible career quickly. So, if you opted to work in an MNC due to the potential for fast growth, you can

make the necessary investments in your CV. Also, you can continue upskilling to build your experience.

### **3) Increments**

Working for an MNC means adhering to a set pay scale. This may mean that your salary increments are slower. Startups are more likely to reward their employees with higher salaries and bonuses than MNC corporations

## **Which one should you choose as a career option?**

Choosing between startup and MNC Companies, one should always make a good decision. Nowadays, people think if a particular individual works in a startup they cannot grow more but this is only possible because some individuals should always start from scratch to learn, grow and develop professionally.

The MNC Companies are well-established and have fixed rules, guidelines and protocols to follow. It also offers you a better work-life balance. In the end, No matter what your job profile is, starting your career from a startup is a good way, and if you get a direct opportunity to join MNC through campus placement is also profitable.

## **Summary**

Working for a startup and MNC has its own advantages & disadvantages for individuals. So before making a career choice, one should think about their priorities and personality and where they are comfortable working considering their career choice and then take a step ahead to make his or her future successful.

As one can see from the above article that both startups and MNCs are entirely different from each other and that is the

reason why any outsider like employees, or creditors, looking to analyse both types of companies

## **FAQ's:**

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