

# **IMPACT OF GLOBALIZATION AT WORKPLACE**

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**Abstract :** This paper discusses the essence of globalization in its impact on the workplace. One of the most significant of these changes has been the dramatic increase in the rate of cross-border merger and acquisition activity. It examines the significance, especially for the regulation of labour and the employment relationship has been the pronounced tendency of global enterprises to transform themselves into coordinators and organizers of activities performed for them by contractors, sub-contractors and suppliers. Outsourcing and subcontracting have allowed global enterprises to reduce and externalize the costs incurred from the direct employment of labor.

**Key words:** Globalization, Workplace, Diversity and Culture.

## **1. Introduction:**

Globalization has helped in the immense growth in international trade and finance. It has made countries to work more closely with each other and has led to several innovations in science and technology. However, it has contributed to environmental degradation as well. Let us try to know about globalization and its impact on the workplace.

The world's increasing globalization requires more interaction among people from diverse cultures, beliefs, and backgrounds than ever before. People no longer live and work in an insular marketplace; they are now part of a worldwide economy with competition coming from nearly every continent. For this reason, profit and non-profit organizations need diversity to become more creative and open to change. Maximizing and capitalizing on workplace diversity has become an important issue for management today.

A lot of companies expand their business into international markets. In most cases, the motive is a search for improved cost efficiency or looking for the chance to expand and achieve growth. Today, companies are able to respond rapidly to many foreign sales opportunities; this is made easier by technological, governmental, and institutional developments. They can shift production quickly among countries because of their experience in foreign markets and because goods can be transported efficiently from most places. Companies can also distribute component and/or product manufacturing among countries to take advantage of cost differences.

Once a few companies respond to foreign market and production opportunities, others may see that there are foreign opportunities for them as well. All this is a part of the so called "globalization".

Drucker explains the impact of globalization succinctly, "No institution, whether a business, a university or a hospital, can hope to survive, let alone to succeed, unless it measures up to the standards set by the leaders in its field, anyplace in the world." Drucker (1999) Labor is no longer the majority cost of production; this means moving a business to a place of cheap labor is no longer the answer for companies to remain competitive. American manufacturing jobs are returning to America. Tseng, N. (2011) There are three major reasons jobs are returning to the United States; overseas workers are getting more expensive, shipping costs keep rising, and global suppliers can evaporate, (Japan tsunami). These challenges in global markets cause ripples within the American economy. Change becomes inevitable however, with a history of disappointment through mergers and acquisitions, organic growth, (internal growth or changing and transforming the organization), looks more appealing.

Leadership wishing transformational change should start with themselves, and then motivate key players of the institution to do the same. Karp (2011) tells us that roughly, 20 percent of employees will support a change immediately, 50 percent are undecided and 30 percent are your change opponents. You should focus on the willing and those in the way of change. Once the undecided see both ends coming toward the middle they will normally get-on-board. The DNA of change consists of looking for patterns with people, finance, customers, capabilities, values, and the like, within the organization; these patterns can assist in determining how change should take place.

The job profiles and working conditions of an international company are nowadays

aligned to totally different factors as possibly to a decade ago. The markets are not limited anymore to the exclusive region in which the company is based, but to the whole world. Additionally, technological developments have promoted a flood of communications on every level of economy which helped to ease the way of globalization.

## **2. Purpose of study:**

With rapid globalization, diversity in the work place is also increasing. The work force of any organization or company are the most vital assets as they carry the bulk of the work in terms in terms of service delivery and productivity. By analyzing the impact of globalization in the work place.

## **3. Objectives:**

- To analyze the impact of globalization in the work place.
- To assess the extent the wide productivity and success of a company or organization.
- To analyze the benefits of globalization in the work place.
- Analyze how organizations and companies can take advantage of workplace in globally.

## **4. Methodology:**

The article has been written on the basis of secondary information. The secondary information was collected from published books, journals, research papers, and official statistical documents.

## **5. Effects of Globalization in the workplace:**

The full impact of globalization in the workplace has yet to be realized, but as more companies embrace this trend and become more diverse, certain changes are emerging.

While many of these changes are good, others may not be as positive. Small business owners are learning that they have to adopt new policies and new guidelines to keep up with these changes. Globalization is a trend that has gained momentum throughout the twentieth century and into the twenty-first. Fueled by advances in communications and transportation technology, globalization represents a gradual melding of business cultures around the world as well as the creation of new marketplaces to facilitate trade between geographically distant peoples.

1. **Natural Advantages:** Gaining access to markets around the world allows each country to fully leverage its own unique natural advantages. A natural advantage is an edge that allows countries in specific geographic regions to produce particular products or commodities at a lower cost or higher quality than others. Without international trade, natural advantages do not add much to the economy. For example, it wouldn't matter much to Saudi Arabia that the country sits on vast oil resources if it did not have the ability to sell and ship the oil around the world. It is the access to global trade that allows nations to accumulate wealth from all around the globe.
2. **Trade Opportunities:** The globalization of business processes and etiquette opens up new opportunities for importing and exporting products and services. A strong driver of globalization, for example, is the English language as an international business language. Using English, a businessman from Scotland can communicate clearly with a partner in China, who can communicate with a client in Africa and so on. The gradual melding of business etiquette helps to facilitate business communication as well. Issues, such as handshakes, speaking distance, body language and taboo topics of conversations, are beginning to lose their power as potential deal breakers as business people around the world study and understand each other's cultural norms.
3. **Procurement and Outsourcing:** The opening up of global markets and improvements in intercultural communication creates a wealth of opportunities to source high-quality, low-cost materials and labor. Outsourcing is when less expensive, foreign labor is used for activities traditionally performed at home. In some countries, such as the United States, outsourcing is seen as a growing evil. In others, such as India, outsourcing brings unparalleled economic prosperity to the people. Developed nations often fail to realize that for every individual that loses a job to outsourcing, another individual — usually in a more economically depressed situation — gains a job.
4. **Economic Development:** Globalization provides new opportunities to underdeveloped nations by allowing them access to new markets around the world. China and India have ridden the wave of globalization throughout the twentieth century and into the twenty-first, for example, and are rapidly becoming economic powerhouses. Even tribal groups in nations, like Brazil and Africa, can ride the wave of globalization, selling locally-made products around the world via the Internet to raise their standard of living.

5. **Increased Cultural Diversity:** As globalization becomes more prevalent, companies deal with increased cultural diversity within the workforce. These changes require small and large businesses to learn how to deal with this diversity as well as to adopt new policies and guidelines for workers. Differences in work ethics and religious differences are hot-button topics worldwide. This increased cultural diversity also has produced many benefits as companies gain new insights into different cultures from a management and a marketing standpoint.
6. **Earnings Changes:** As more companies have access to overseas companies that offer outsourcing, wages have changed for many workers. With lower standards of living, third world companies can offer their services at a rate greatly reduced from those in countries with higher standards of living. This has affected many workers in the United States as well as other large countries as more companies embrace the outsourcing trend. While it means a greater profit margin for the companies, it can also lead to reduced earning potential for employees.
7. **Employee Training:** Cultural, religious and ethnic diversity in the workplace presents a need for more employees training. In order to protect their companies and their new employees from discrimination, managers have had to implement policies and offer training to existing employees to make sure everyone can accept one another. This has led to a greater appreciation of other cultures and viewpoints in some companies, while irritating some employees who prefer a less culturally diverse work environment.
8. **Increased Standards:** Companies in foreign countries, particularly in the third world, have had to adopt a more Western standard in terms of providing better workplace safety and increasing workplace condition standards. This directly benefits the employees who may have been previously working in unsafe or unsanitary conditions. While conditions still remain poor in some areas, an increase in concern over worker safety is apparent, particularly in larger companies.

## 6. Recommendations:

It has been shown how the requirements in a globalised working environment have changed over the years. Here are some recommendations to be implemented or at the very least considered in order to fulfill these requirements in the daily working life.

Upon closer consideration of all previous thoughts it has become clear that, in general learning in and for the daily job is of most significance for anticipating your future employability and an ongoing satisfaction in the current job. This requires some education, and because learning new skills takes time, it is additionally important to plan ahead and identify the types of skills that will make the employee most employable in the job market. It had been already said that what counts is what the single employee makes of the new possibilities. Thus the employee has to cope with his personal situation and should gain an overview of his work environment and the associated possibilities.

**6.1 Recommendations for the company:** The Company should not only deliver "technical" knowledge or just facts in the

manner of language courses e.g. for preparing their workforce, but they should offer the possibilities of getting to know the real characteristics of a foreign colleague – what makes a Chinese a Chinese for example. This could e.g. be done by multicultural parties in different locations sponsored and held by employees of several foreign subsidiaries.

Or the company could offer a forum for exchange: If the company would have a data base in which everyone who is interested in going into a foreign country would be registered. The assumption of this topic is that someone who is personally interested in doing so, has a deep desire and motivation for this. Thus it makes it easier for the company to promote only the “right” persons for working abroad.

If a company is going global it has to take care that it is possible for everyone in that company to experience the process of globalisation and its meaning on a local and individual level.

**6.2. Recommendations for the employee:** It is generally important to deal with stress at work in the right manner; therefore it is also of importance to make clear in which environment one is working. If the company has several subsidiaries located in different time zones, it will definitely arise one day that the employee would have to come into the office early in the morning or late at night, if there is a live video conference e.g. Thus he should be mentally prepared for that to avoid stress in that specific situation. If the employee prefers to have regular working times, he should rather join a local acting team or company.

To stand against this pressure put on him by the characteristics of globalisation, he should actively get up – actively means not

to wait until the stress comes up or occurs, but to do something against it in advance. This could be joining vocational trainings, knowing more about your rights in the working place, maybe participating in a labour-union, or just conscious of the challenges in a positive manner and break through without being stressed.

All this could be done or better still should be done to overcome personal obstacles in a globalised work environment and to “survive” all the implications and unpleasantness of “globalisation”, and thereby enjoy more fully the positive aspects which would lead to greater job satisfaction.

## **7. Conclusion:**

Globalization has subjected global companies and companies servicing national and local markets to the same competitive pressures. These pressures have led to the restructuring of global and national enterprises and the reorganization of production, in particular, the outsourcing and sub-contracting of labor-intensive operations. HRM has been widely adopted as a system of labor regulation within the firm and along the length of the supply chain, rising to dominance as strength and significance. The rise to dominance of HRM has been accompanied by the division of the workforce into a shrinking group of core workers and a rapidly growing corps of peripheral or flexible workers, most of who are female workers. The firm at the top of the supply chain determines the employment conditions of the flexible workers, who are employed by the contractors, sub-contractors and suppliers to the top firm. Governments and trade unions have an absolutely indispensable role to play in labor regulation, particularly in the regulation and

improvement of the employment conditions of flexible workers. However, any system of labor regulation will have only limited efficacy in this respect as long as workers in different countries, and in different parts of the same country, are compelled to compete with each other for work in national and global labor markets without any effective and centralized system of regulation of these labor markets and a complementary system of social protection.

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