

Impact of globalization on the employment market



1. Explore briefly the major contemporary debates about globalization and the impact of globalization on employment markets and practices.

There are several recurring issues related to the contemporary debate on globalization. One of these issues is the competitive pressure globalization is exerting on the European Union's industrial sector. In this sector the topic most debated on is the effect on welfare systems and national economics. Global shareholders and competitors exert increasing pressure on industrial corporations while on the other hand policy makers' major concern is on producers (taxpayers and job-providers) who are outsourcing work overseas or closing domestic production sites. This is what has made policy makers and companies to have a mutual interest where each seeks to ensure there is company competitiveness in global competition context. There are also debates on social demands with policy makers advocating for environmental protection since globalization has contributed a great deal to global warming and environmental depletion. Under globalization, debates assert that social, economic and political factors have changed the position of many nations. Some regions are said to be more globalized than others and cultures are being spread across the world with the speed of communication being affected. There are different effects of globalization that most countries are not happy with especially nation-states having a diluted power required to coordinate economic and social policies. There are global organizations and events that have been affecting the role of individual states. Globalization pessimists claim that it is a practice that is eroding working conditions and wages for workers for both emerging and advanced economies. Globalization has affected the quality and quantity of employment for example in the

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automotive industry. For the past ten years, the quantity of employment has remained less constant. For example, there was an addition of only 103, 000 workers for the period between 1993 and 1996. At this period, there was an erosion of job quality major as a result of work shift from workers to suppliers and pay in this case is lower. Potential for downsizing is also higher since in most countries, vehicle manufacturing is shifting to new locations.

Globalization has led to an increase in the number of low quality jobs that have minimal advancement options. There is growth of insecure casual employment. Recent technological advancement in the global industry has affected employment patterns. For example, women mostly work in insecure and undercapitalized production sectors and these are areas with inadequate access of services, land, production inputs and credit.

2. Appraise processes by which your organization identifies their goals and values touching on how it interacts with any three (3) of its stakeholders.

Rolls -Royce employees are one of the major stakeholders as it is the case in every organization. This is hinged on the fact employees are a very vital part of every company because they are the means through which it attains its objectives. In this regard, every business must endeavor to make sure that it has the right team of employees capable of steering it to the held of business success. Renowned successful companies are known to have effective and equally efficient human capital policies which are partly responsible for their success. Human resource department is the faculty charged with the responsibility of ensuring that the organization has the right team of employees in reference to skills, number and other aspects pertinent to good performance. Organizations should also continually ensure

that its employees are appreciated in various ways to motivate them. They should be made to feel part of the organization to make them work hard not just for their own financial objectives but also for the success of the organization. In crafting its goals, an organization should consider the employees and how the goals crafted align with those of the employees. This means that a relevant framework of gathering information on the relationship between the organization goals and those of the employees should be employed. Different organizations have different methods of achieving this end depending on the existing policies. For a company of Rolls-Royce stature, it's important to ensure that they deliver excellent products to its customers who are also one of the major Rolls-Royce stakeholders. However, this will not be possible if there is no cooperation with the employees or where employees are not involved or made to understand their importance in helping achieve this goal. To lobby for this support Rolls-Royce strives to recruit and retain the best individuals by fostering an all inclusive work environment. This environment is also very conducive for enhancing capability, flexibility, and involvement and performance improvement. The prime process used to create understanding between the two parties (Rolls-Royce and its employees) is consultations. The company has created a Global Council which is charged with the responsibility of enhancing employees' engagement and consultations. Employees representatives are chosen (40) and meets with the council twice per year (Rolls-Royce, 2009, p. 52). There are also regular meeting involving an executive committee of 8 delegates who are elected with the sole objective of supporting constant dialogue and consultations which are timely between the meetings of the council. General meetings which are delivered

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face to face to the company employees in the globe ensures that they have an excellent understanding of the company's key objectives and the contribution each individual employee should make.

Another goal of Rolls- Royce which is also a goal for every organization operating in the market place is to be a socially responsible business. Businesses must be socially responsible to ensure acceptability in the communities where they are operating. This also reinforces their future expansion efforts. General public is a vital stakeholder because the success of the business is partially determined by its image. On the other hand, what a business does in reference to the public or the surrounding community mars or builds its image. A company may have fantastic products but they may never attain marketing success if the general public is not contented with its image. In Rolls- Royce, corporate responsibility is a basic part of its business strategy. It's an integral part of its operations which is not conducted as a self contained activity or separately (Rolls-Royce, 2009, p. 42). This aspect of conducting business has contributed significantly to the overall success of the company. The company strives to carry out its business operations in a responsible and ethical manner which in turn helps it build a competitive advantage. The competitive advantage is brought about by the ability to attract and keep the best individuals, to maintain excellent working relationships with suppliers, customers and governments and build goodwill as well as supporting the diverse communities. The process used in achieving is adhering to the Global Code of Business Ethics (Rolls-Royce, 2009, p. 46). This structures the stakeholders' relationships in various parts of the world and has greatly reinforced its ability to create a

good reputation. Its corporate responsibility goal is concentrated on four areas, these are business ethics, employees, health, safety and environment and the society. This brings two main stakeholders together (employees and society).

3. Explore the business external and contextual environment, technological developments and their potential impact on the strategic business environment of the organization

Through its corporate responsibility functions, Rolls-Royce has managed to foster excellent external and contextual (social) environments. This has enabled it to create mutual business benefits, reduce environmental impacts on the operations of the business, encourage high ethical behavior standards and support human rights. One of the players in the external and social environment of Royce is its suppliers. Through its quality system, the company has ensured that they (suppliers) have maintained a rigorous performance standard. It also employs Suppliers Advanced Business Relationship (SABRs) which uses a supplier code of conduct (Rolls-Royce, 2009, p. 56). This code of conduct is further complemented by the company's purchasing code of conduct with the objective of ensuring that employees and suppliers adhere to the same standards. Royce aims at integrating sustainable procurement into its sourcing decision course. This has greatly helped it build a good external and contextual environment. The other factor in the external and social environment which Royce has paid close attention to is in environmental issues. In this regard, it has always ensured that its carbon emissions are declared publicly and voluntarily. This is done by taking the data for analyses by the Carbon Disclosure Project

(CDP). It has also gone a step further by encouraging its suppliers to follow its example of declaring their carbon emissions. The initiative (carbon emission declaration) has been very successful since it was initiated. It goes a long way in creating a favorable external and social environment especially at this age when there is a great emphasis on cleaner and greener environment. Royce has also joined hands with its suppliers to eradicate waste. This has been coupled with recycling of metals to minimize the waste output. It has also taken some measures to help its suppliers follow the same course. Its customers have also been drawn into the initiative by asking them to take their time expired engine parts to the company for recycling. Royce has also ensured adherence to local sourcing policies in order to support disadvantaged and small businesses (Rolls-Royce, 2009, p. 56).

Another important factor in the external environment which Royce had continually sought to address is community investment. The company has always strived to support the local communities through community investment. This has been achieved through sponsorship contributions, gifts in kind, employee time and cash. For example in 2009 Royce contributed a total of 6.7 million Euros across the above named areas. The main focus in sponsorship and donation is mainly on causes which are mainly related to engineering, educational and scientific objectives as well as other social objectives linked to Royce's business and position in the larger community. A total of 2.3 million Euros in charitable donations was made. One such donation was to a homeless people and benevolent funds. Royce also seeks to work closely with institutions and the government to underpin the numerous career opportunities available in the earth and science field. It has

also instituted a flagship education program which seeks to recognize innovative and excellent teaching of science in the United Kingdom (Rolls-Royce, 2009, p. 57). From another social perspective, the company also extends employees time to the welfare of the community. This is provided by allowing them to participate in community projects and other team building affairs with some societal benefits. Royce has also developed a scheme via which employees are allowed to make some donations to their preferred charities. These donations are tax free and are deducted from the employees' salary voluntarily. Technological development poses as a threat to many companies especially those unable to keep pace with the current rate of technological advancements. One of the care characteristics of Royce is technological superiority where it seeks to gain a competitive advantage via constantly investing in technology. This is very significant in the light of future growth considering that competition is building up daily. An operational capacity needs to be increased and this is catered for by ensuring that it continually remains innovative and alert to technological changes in the outside environment.

This kind of involvement in the community has played a very pivotal role in shaping the company's external and contextual environment. Its dedication to adhering to the regulations set by the government has provided it with ample time to work towards its set objectives. The involvement has built its image among the local communities enhancing acceptability. This is important in facilitating its expansion objectives as well as sourcing initiatives. For example focusing on local sourcing goes a long way in ensuring that the company thrives with no conflicts with small and

disadvantaged companies. This enables it to focus on major issues pertinent to the company instead of being involved in issues like legal struggles brought about by unfair overtures aimed at these small companies. Investing in the community has greatly impacts crucial areas which act as a locus of the company's success. Some of these areas are employees' recruitment and retention particularly by investing in the skills the company needs, employees' engagement by fostering loyalty, motivation and pride in the organization, personal and professional skills development including leadership, teamwork ethical behavior and adaptability and lastly reputation through encouraging mutually beneficial and proactive relationships in the local communities within which Royce operates.

4. Apply and assess SWOT, PEST and PESTEL tools and change management to differentiate the organization's development and their potential impact on the strategic business environment

After carrying out a SWOT analysis of Rolls-Royce, one is able to understand why it's such a force to reckon with in the industry. The following analysis provides information on Rolls-Royce's strengths, weaknesses, opportunities and threats. One of the strengths possessed by this company is the strong entry barriers which bars new entrants into the industry. This has consequently reduced competition which has allowed the company to focus on its growth and expansion objectives unperturbed by any impeding new competition. The other strength is it's focused R&D (Market Research. com, 2009, p. 1). This has enabled to keep pace with the advancing technology to make sure that its products do not become obsolete. It also has a great degree of operational efficiency which has greatly boosted its ability to

operate profitably. Its presence in the market also poses as a strong hold considering its market share. The other strength is its supply chain which is very well established. This has provided it with the ability to distribute its products to the end consumers very effectively thus increasing customer satisfaction and reducing costs. It also enjoys the advantage of skilled workforce which has enabled it achieve its present day success. The other strength is its long term growth and high demand of its products which has always increased sales. Long term growth strategy has provided it with the financial stability for future growth. Among the weaknesses are high leverage and decline in net profit margin. One of the opportunities available for Rolls-Royce is environmental pressure which is continually gaining momentum on the global fronts. Seeking to be on the fore front to lobbying for a cleaner environment will go a long way in improving its image. Maintain a healthy backlog is also another opportunity capable of improving its stand in the market. It also possesses the potential to improve its supply chain to further facilitate its distribution efforts. Notably, a key opportunity at the disposal of Rolls-Royce is the emerging market especially the current increment in spending on defense and the US aerospace industry which is projected to grow highly into the future. The difference between organizations today and in future is determined by its ability to capture the emerging market. Rolls-Royce has a great opportunity of addressing the needs of the emerging markets to enable it stay ahead of competition and facilitate growth efforts. Rolls-Royce can also aggressively invest to enlarge its scope and potential. It has also made an agreement with Dell computers which is a potentially promising market opportunity. There is also the rise in the demand for energy obtained from renewable sources which is a

promising opportunity for Rolls-Royce. One of the threats facing Rolls-Royce is substitutes for the renewable energy sources. In the event of this threat, the company is bound to lose its strength as stated in the strengths section above. There is also the competitive pressure and the declining economic indicators.

PEST/PESTEL Analysis

Rolls-Royce is affected by numerous political forces in the United Kingdom which in one way or the other may reduce its ability to exploit its full potential. One of such forces is European Union harmonization laws like employment and euro. This definitely limits its ability to execute its recruitment and retention policies based on the organization requirements (Wiseall, Kelly & Kelly, 2001, p. 2). It has adherence to the set guidelines. There has also been a greater emphasis on education, mobility and training. One of the economic forces facing Rolls-Royce is globalization as discussed in the first section. There is also a reduction in manpower and productivity. Strategic partnerships are very prevalent today as well as revenue and risk sharing partnership. The number of suppliers is reducing who are also joining hands together. There is also frequent organizational change. Among the social factors the environmental issues, multi-skilling, ageing population and multicultural work environment. Technical factors include knowledge management and e-, growth and application of computing power, common and standardization methods, integration as well as knowledge re-use and internet and internets. Environmental factors are increasingly gaining references in the business circles as climatic changes become more rampant. This has put many companies under pressure on the same scale. Royce has not been excluded

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either as such forces has demanded for more environmental friendly products like environmental friendly engines. Legal factors have also affected Royce especially on local sourcing and recruitment issues.

Legislation of laws which requires the company to exercise its business in a given predetermined way forces it to revise its policies and growth objectives. It has to strive to make sure that these objectives are achieved within the context of the stipulated laws.

The above detailed analysis directly impacts the way Royce conducts its business. It has to use its strengths to overcome its weaknesses and its opportunities to subdue its threats. Rolls-Royce also has to consider all the forces highlighted in the PERST and PESTEL to ensure that its operations are successful. The ability to relate a company with its external environment is a key ingredient of success. Failure to do that is the beginning of failure which culminates with a business exiting from the market.

5. How the organization apply new technologies and their impact on people and process. Critically analyze the impact on the business strategy of the external business environment

Rolls-Royce has reported a shift on technological advancement by launching tunnel thruster in a bid to capture greater market share for competitive reasons. This new brand will see the firm target and entrench marine market niche by introducing an advanced level of rim drive as form of integrated system that combines hydrodynamic, mechanical and electrical component for efficiency purposes. There two greatest impact that the new technology will have on the firm's capacity to meet the dynamic technological needs as

well as the perceived divestiture capacity in the changing technological world. First, the firm will record an increase in market share and subsequent increase in electronic and mechanical components sales volumes.

It's worth noting that the technology comes at time when the need for business unit expansion is evident in Rolls-Royce Plc. As such the firm moves in by including viral features aimed at providing advantages to various consumers. As confirmed by Gunnar Johnsen the firm's R&T project manager, the numbers of trials subjected to the new invent guarantees consumers good quality product not only in Sweden but across cultures. Secondly, consumers being key external stakeholders will greatly appreciate the introduction of efficient fuel vessels aimed at reducing running costs associated with their work, and possibly increase their profit margins. For example, with the introduction of Olympic's UT 712L, consumers have repeatedly identified with the product as one of the modernized DP2-dynamic positioning as well as efficient equipment/system that has considerably made work at the dock safer.

As drawn from fiscal 2009, the firm has considered an improvement on civil nuclear business segment by establishing a modernized firm in UK to center on testing as well as assembling nuclear components for various nuclear power stations. Additionally, the new technological advancement will see the firm advance in the supply of assorted digital instrumentation as well as control systems. With the new shift in technology more operational procedures at engineering level will advance in meeting civil aerospace business requirements.

6. Look into the current and likely future demographic trends in the UK and internationally. Also explore the causes of key social and ethical management trends in the UK.

According to the UK social institutions and policies are based on the supposition of a nuclear family with a male who is the breadwinner. Marriage is viewed as a contract between the two parties (male and female) and roles are divided between the two principals (Finch, n. d, p. 1). However, women are deemed to be more dependent on their husbands as well as the marriage institution for their economic sustainability. It is also viewed as a circle within which sex, love and childbearing occur. However, this has all changed in the last century spurred by the emergence of contraceptives, equal opportunities liberation, broadening of white collar jobs, rise in individualism and the availability of jobs for the subsistence earners. Women have now assumed a moiré instrumental role in the society especially in education and labor market. Gender equity in these areas has greatly improved as women continue pushing for their rights. Besides the changing role of women in the society in UK, the population has also increased (Finch, n. d, p. 2). This has been complemented by changes in family composition with an increase in the number of ethnic minority groups. According to the current demographic trends marriage is continually losing its importance where its role as n economic essential for women is waning. This is because they now able to work away from home thus gaining independence. This has reduced the number of marriages occurring in the UK. Particularly, first marriages are rare to in the current and economic and social environment characterized by independence. Divorces are also on the rise which has been attributed to privatization and individualization of marriages (Finch, n. d, p.

2). Separations have also increased in the last decade. There has also been a decline in remarriages as people now prefer to seek their happiness elsewhere outside the marriage institution. However, a notable demographic trend in UK is the low birth rate. It's believed that the current fertility rate is incapable of replacing the population for the next 30 years (National Statistics, 2005, p. 1). It's imperative to note that the birth rate surpasses the death even the fertility rates are low. This is an echo of the international scenario where population is increasing exponentially especially in the third world countries. Into the future, there is a projected increase in the number of household. This will result from an increase in population in the next ten years being projected to clock 65 million. The number of immigrants is also set to increase while emigrating and retiring Britons are also set to decline in the future. Marriages are bound to decrease as women gain economic liberation more and more. The changes in the social and ethical management trends in the UK has been prompted by changes in issues like globalization, changes in competitive environment, demographic trends, regulation, social trends and government policies. These changes have created a very turbulent environment and volatile. In this regard, they have been forced to come up with measure and strategy to ensure their survival.

7. Evaluate the evaluation of regulation of business activity and discuss enterprise's corporate governance concept

Regulation of business activity is an ancient exercise which has been practiced for years. It is done to ensure that business activities are carried out in the right way. Its importance increased with the onset of industrialization as the scope of business activities enlarged. Industrialization

led to emergence of big business and small businesses alike. Ensuring that every business had a fair playing ground was important. This was ensured by making social reforms and laws which regulated how business activities should be conducted. Being a form of government involvement, it continued to increase as complex business activities emerged and as cross trade affairs increased. Along the way enroute to the current level of government regulation, the general public and the business have been forced to lobby for reduced business activity regulation at times. This is in cases where the government has tightened the regulations too much. Massive changes in the economies which characterized the 21st century prompted the government to play a more vibrant role in overseeing business activities. This is the period when numerous business scandals rocked the corporate world. They had devastating impacts on the larger economy and that is why the government had and has to continually intervene. Today, business activity regulation is equally effective and that is why the today's business environment stable and promising. Rolls- Royce has a strong reference to corporate governance. This is the contextual framework through which it is managed, directed and controlled in the best interests of all involved stakeholders. It has a combined code on corporate governance which lays down the standards of good practice (Rolls-Royce, 2009, p. 66). These issues relate to remuneration, board composition, accountability and audit as well as relations with stakeholders. The company board is comprised of a chairman who is non executive, CEO, 4 executive directors and 7 non-executive directors. The non executive directors are independent of the company's management and are appointed by the board. The Group Executive runs the company within the strategy which is determined by the

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board. There are also principal board committees which includes nomination, remuneration and audit committees.