

# [In depth analysis of the globalisation issue and its impact business essay](https://assignbuster.com/in-depth-analysis-of-the-globalisation-issue-and-its-impact-business-essay/)

In this paper, Fischer provides an in depth analysis of the globalisation issue and its impact on trade, firms, employees, cultures and politics worldwide. From evolution of concept of globalisation to its adoption in even the lesser developing countries, Fischer has provided a detailed account of developments that occurred over time in field of human and economy development. Fischer has also included the analysis of policy impacts on enhancement of global trade and employment and several developing regions like Africa, Tunisia, Indonesia and Turkey have been discussed which not only includes political but cultural aspects that affect globalisation. The paper is an important input towards understanding globalisation, its impacts on emerging economies and impact of political, cultural and technological developments on globalisation.

## UNCTAD. (2004). Development and Globalisation: Facts and Figures. United Nations Publications. [Online] Available from http://unctad. org/en/docs/gdscsir20041\_en. pdf [Accessed August 14, 2010]

The research paper by UNCTAD presents a detailed survey of developing economies from perspective of globalisation. UNCTAD has selected data from various regions around the world including Northern African states, Central and South American states and Asia. The economic development has been measured in terms of trade policies, FDI, trade figures and other external factors. Also the social and cultural developments in terms of education and other social factors have also been observed in the report. The report is rather a quantitative input to the project as it includes facts and figures regarding globalisation issues in countries including Algeria which is the main focus of the research.

## Rothenberg, L. E. (2003). The three tensions of Globalisation. The American forum for Global education. [Online] Available from http://www. globaled. org/issues/176. pdf [Accessed 15 August, 2010]

Rothenberg presents a critical analysis of globalisation and its perception in various cultures. Three main dimensions or rather tensions of globalisation are investigated in this study: Individual versus societal choices, free market versus government intervention and local authority versus supra-local authority. The paper gives an interesting perspective on globalisation and its affect on various national cultures that will eventually affect organizational culture. The research thus, is a valuable input in interpreting various cultural and economical challenges associated with globalisation.

## Stiglitz, J. E. (2003). Globalisation and its discontents. W. W. Norton

The book by Stiglitz is a critical opponent of disadvantages associated with concept of globalisation and manipulation of global rules and regulations by developed countries or richer participants. The book provides a detailed analysis of under developed nations and developing nations who participated in globalisation process to gain from it but due to the fundamental believe of free markets and austere policies of institutions like IMF, only wealthy nations and participants have gained from globalisation instead of poor and developing nations. The book is a valuable input towards critical analysis of globalisation concept as it gives a candid and realistic view of negative aspects of globalisation.

## Boudreaux, D. J. (2008). Globalisation. Greenwood Publishing Group

The book from Boudreaux is based on the concept of globalisation and its various aspects. The book is a complete guide towards understanding of globalisation concepts and difficulties that participants of global economy face in complex world of Multinationals. Issues like international trade, national wealth disparity, foreign investment and geographical and cultural issues are discussed in the book with relevant issues that international firms face in foreign countries. The book also includes positive as well as negative contributions of globalisation that have been provided over time to developed and developing economies.

## Henry, C. M and Springborg, R. (2001). Globalisation and the Politics of Development in Middle East. Cambridge University Press

In their book, Henry and Springborg present a detailed analysis of challenges affiliated with globalisation and the politics of country. For the case study purpose, authors have selected Middle East where democratization is nil compared to other cultures around the globe. The authors have discussed several challenges that global firms face while setting up operations in countries of Middle East which has monarchs as rulers and thus, the level of educational and social development is a great hindrance for human resource departments. The authors then further go on with study of different cultures and their political situations and deduct a direct relationship between political structure and implementation of globalisation.

## Banerjee, D and Goldfield, M. (2008). Labor, Globalisation and the State: workers, women and migrants confront neo-liberalism. Routledge

The book by Banerjee and Goldfield revolves around the issue of neo-liberal globalisation and how it has affected the developed as well as developing economics around the globe. The research in the book revolves around one main developed economy of United States and one developing economy of India. Banerjee and Goldfield highlight the misconceptions about globalisation regarding liberalized labor market and capital markets and posit that globalisation has varying effects on labor market in practice. The book also emphasizes on negative effects of globalisation on system of wage fixation, employment pattern, and basic rights at work in both developed, as well as underdeveloped countries. The book is a valuable input in understanding the labor issues which later affect the human resource practices in international communities.

## ILO. (2004). A Fair globalisation: Creating opportunities for all. ILO Publications. [Online] Available from http://www. ilo. org/public/english/wcsdg/docs/report. pdf [Accessed August 14, 2010]

International Labor Office’s report on globalisation is a struggle towards pushing governments around the world to embrace the concept of global economy for progress and improvement of economies worldwide. The report emphasizes on establishing open policies towards globalisation and how it can help boost the trade between nations thereby, resulting in improved infrastructure, technology and human resource. The report also presents views and stances of various regions like Africa, Asia, Latin America and Arab nations regarding global standards and suggests universal efforts for successful transition in trade, technology and labor from local to global level. The report also demands for a fair governance system in globalisation policies while holding departments of parliament and governing councils accountable for maintain fair system.

## Crafts, N. (2000). Globalisation and Growth in the Twentieth century. IMF. [Online] Available from http://www. imf. org/external/pubs/ft/wp/2000/wp0044. pdf [Accessed August 13, 2010]

The paper by Crafts is a review of past few years as globalisation spread to various economies around the globe and left its positive as well as some negative effects. Although negative effects of income disparity and economic divergence has emerged along with globalisation. However, remarkable growth has been seen in human development index specifically skill and literacy rate. This report explores contributions that have been made by globalisation, future prospects of where economies around world are heading due to this phenomenon and lastly, what if any globalisation backlashes are expected over the coming decades. The report is a valuable input in studying empirical impacts of globalisation on various regions around the globe.

## Wen, D. (2006). China copes with Globalisation: A mixed review. IFG. [Online] Available from http://www. ifg. org/pdf/FinalChinaReport. pdf [Accessed August 15, 2010]

The report by Wen is an empirical analysis of Chinese economy after entering the era of globalisation. Wen covers almost all aspects of globalisation from policies to urban reforms, impact on quality of life, education and environment including cultural aspects, labor reforms and workforce attitude. The report provides a thorough review of effects of globalisation in economy of China which is relevant to this study as the cultural differences between China and other developed nations such as U. S. and Japan are enormous and therefore, it will be easy to relate to difficulties of cultural context in Algeria due to globalisation.

## Kremer, M and Maskin, E. (2006). Globalisation and Inequality. Harvard University

The paper presented by Kremer and Maskin is a theoretical approach towards understanding the criticism on Globalisation regarding widening the gap of education and money between poor and rich. Kremer and Maskin support the notion that due to several constraining factors like lack of access to education and skill learning, globalisation mainly benefits the rich both in rich and poor economies while the poor can only benefit if he by any means increase his skill or education level. The research includes evidences from several developed and developing nations like China, India, United States and Japan and confers that the concept of globalisation is more complicate than implicated and thus, requires careful consideration by developing or under developed nations before its implementation.

## ILO. (2001). Human Resources Development, Employment, and Globalisation in hotel, catering and tourism sector. International Labor Organization. [Online] Available from http://www. ilo. org/public/english/dialogue/sector/techmeet/tmhct01/tmhct-r. pdf [Accessed August 15, 2010]

The concept of globalisation is widely applicable in industries of hotel, catering and tourism that are in a way interrelated. The report by ILO presents a comprehensive review of hotel and tourism industry which is boosted by globalisation as cross-border travelling increased overtime. According to ILO, the most positively affected sector in this case is the employment sector where employment level and skills of employees have tremendously increased due to global travelling. The inter country interactions with tourists and guests have led local firms to develop training and education programs for their employees which gives development opportunities for both men and women, thereby, affecting the culture as well. The study will be an important input in studying the impact of globalisation of human resource development and culture of developing nations.

## Yusoff, M. S. (2003). Globalisation and Human Resource Development in the Malaysian Public Sector. UN. [Online] Available from http://unpan1. un. org/intradoc/groups/public/documents/EROPA/UNPAN014373. pdf [Accessed August 14, 2010]

Yusoff in his report presents the globalisation approach adopted by Malaysian public sector to avoid consequences of income inequality and win-lose situation between developed and developing countries as conceived by various critics. Yusoff studies various initiatives that Malaysian government has taken in development of its human work force such as remuneration policies that support growth and productivity and can be rewarded accordingly, career development strategies to increase motivation for learning and performance in employees and global training and development programs for locals to adjust to globalisation demands. The study is a valuable effort that provides factors and strategies that can combat negative consequences of globalisation.

## NATIONAL & ORGANISATIONAL CULTURE

## Kefela, G. T. (2010). Understanding Organizational Culture and Leadership- Enhance Efficiency and Productivity. PM World Today. [Online] Available from http://www. pmforum. org/library/papers/2010/PDFs/jan/FP-KEFELE-Managingorganizationalcultures. pdf [Accessed August 13, 2010]

This paper by Kefela revolves around importance of organizational culture in creating effective leadership and shaping the approach of employees towards their goals. A strong organization of efficiency and productivity is created by cultures that promote as well as support structures and policies which lead management into taking actions that can enhance productivity of employees through suitable job designs, hierarchy of command and delegation of authority. The paper by Kefela is an important input in understanding culture separately as well as in organizational context. Also the importance of organizational culture as emphasized in paper is relevant to study of global HRM where clashes between national and organizational cultures are observed.

## Michailova, S and Hutchings, K. (2004). Knowledge Sharing and National culture: A comparison between China and Russia. Journal of Management Studies [Online] Available from http://openarchive. cbs. dk/bitstream/handle/10398/7306/knowledge%20sharing%20and%20national%20culture. pdf? sequence= 1 [Accessed August 14, 2010]

The research report by Michailova and Hutchings is an analytical approach towards understanding the cultural approaches in transitional economies of China and Russia and how national culture affects the processes of organizations such as knowledge sharing. The cultural aspects of vertical individualism and collectivism in these two countries definitely affect the way organizations and especially international operate. The authors have investigated the differences in national cultures of Russia and China and then empirically analyzed how the difference in cultures affect the perceptions of management in firms regarding knowledge sharing which is an essential element in business today.

## Yeganeh, M. E. (2006). The impact of National and organizational culture on information technology (IT). [Online] Available from http://www. nlai. ir/Portals/2/files/faslname/69/en\_content. pdf [Accessed August 15, 2010]

Yeganeh in this paper discusses the increasing importance of national and organizational culture on Information technology and over all global operations. According to Yeganeh, as the world moves towards a global end, use of information technology is also increasing leading to dependency of foreign firms on information technology. However, the national culture prevailing in host country often causes hindrance to achievement of such transfer of knowledge. The paper intends to provide a detailed overview of national culture as well as organizational culture which is believed to overcome any hindrances created by national culture if strong enough and therefore, provides a comprehensive account of various issues like culture and globalisation.

## Edwards, T and Kuruvilla, S. (2005). International HRM: national business systems, organizational politics and the international division of labor in MNCs. International Journal of Human Resource Management. Vol 16. No. 1. [Online] Available from http://org8220renner. alliant. wikispaces. net/file/view/Edwards. pdf [Accessed August 12, 2010]

In this journal article, Edwards and Kuruvilla discussed the issue of national and organizational culture that has been faced by managers of global firms as they enter another country. The concept of International HRM though is a powerful tool to cater to national culture needs as well as organizational goals, yet is difficult to implement as the management often ignores the importance of national culture and its effects on employees while implementing global standards. Edwards and Kuruvilla stressed the need for focus on three main dimensions of national culture that might affect implementation of global HRM: internal organizational politics, inadequate conceptualization of national effects and internal division of labor in MNCs.

## Rutkowska, A. L. (2009). The impact of national and organizational culture on the cooperation of firms – a supply chain perspective. Journal of Intercultural Management. Vol. 1. No. 2. [Online] Available from http://www. joim. pl/pdf/Laskowska-Rutkowska2. pdf [Accessed August 12, 2010]

In this journal article, Rutkowska emphasizes on importance of global chain of knowledge and sharing of technology and how various factors affect the efficient process of globalisation. Among several factors, national and organizational factors are the most important factors that not only affect organization’s output but its resources like employees as well. Rutkowska has selected supply chain as focus technology which is strongly affected by culture as it requires elements of partnership, cooperation, negotiations and information transfer. The article explains in detail various perspectives of national and organizational culture and how organizational culture needs to dominate when it comes to globalized operations.

## Yintsuo, H. (2007). Relationships between National Cultures and Hofstede Model, and Implications for a Multinational Enterprise. Asia Pacific Management Conference. [Online] Available from http://infotech. monash. edu. au/research/centres/cdsesr/papers-pdf/t145. pdf [Accessed August 15, 2010]

This article by Yintsuo draws relationship between real life examples from MNCs existing in high power distance countries like China, Taiwan and Thailand and low power distance countries like United States and Canada. The study is empirical in nature and provides a detailed analysis of effect of national culture on MNCs in that country and how organizational culture can help management in eliminating cultural risk. The five dimensions of culture were used in the study including power distance, Individualism, Masculinity, Uncertainty avoidance and Long-term orientation. Hofstede model of cultural dimension is an important input in study of globalisation and particularly impact of culture in it and therefore, this article gives a significant input in this study.

## Murphy, W. H. (1999). Hofstede’s National Culture as a Guide for Sales Practices across Countries: The Case of a MNC’s Sales Practices in Australia and New Zealand. Australian Journal of Management. Vol. 24, No. 1. [Online] Available from http://www. agsm. edu. au/eajm/9906/pdf/murphy. pdf [Accessed August 13, 2010]

This journal article is another significant contribution towards understanding role of national culture in affecting global operations of firms in host country. Murphy in his research has different implications than Yintsuo’s and Rutkowska’s research as he implies that MNCs need to alter their strategies according to local markets especially when considering sales training as applying foreign practices results in more resistance and risks compared to advantages and gains. The research paper by Murphy can be used as a counter argument in research as organizational culture is given least importance in the project.

## Mowat, J. (2002). Corporate Culture. Herridge Group. [Online] Available from http://www. herridgegroup. com/pdfs/corp\_cultures. pdf [Accessed August 15, 2010]

The paper by Mowat emphasizes on importance of organizational or corporate culture to employees as well as management in order to successfully operate and achieve desired goals. Unlike researchers who place greater emphasis on national culture, Mowat places corporate culture in higher regard as any misunderstanding in corporate culture can damage the profitability and success rate of firms. Corporate culture is an important aspect in Human Resource Management as HR personnel are always expected to mold or persuade employees to achieve maximum benefits for the firm. The paper by Mowat therefore, gives a useful account of internal culture of organizations that build a strong solution for international firms struggling with diversity issues.

## Fey, C. F. and Denison, D. R. Organizational Culture and effectiveness: The case of foreign firms in Russia. [Online] Available from http://swoba. hhs. se/hastba/papers/hastba2000\_004. pdf [Accessed August 13, 2010]

Fey and Denison present an empirical paper on importance of cultural context in countries like Russia which significantly differ in cultural context from that of U. S. or Japan. The researchers, based on the inflexible nature of Russians and turbulent political and social environment of country, have tried to investigate the effects of international Human resource and social frameworks on Russian individuals. Based on these frameworks and empirical research from international firms operating in Russia, Fey and Denison have analyzed common elements in cultures of U. S. and Russia which results in positive existence of foreign firms while dissimilar cultural factors result in discontent attitude of Russians towards foreign firms.

## K’Obonyo, P. (2007). Influence of Culture on Strategic Human Resource Management (SHRM) Practices in Multinational Companies (MNC) in Kenya: A Critical Literature Review. University of Nairobi. [Online] Available from http://www. strathmore. edu/research/strategic-human-resource-mgt. pdf [Accessed August 14, 2010]

The paper investigates misperception of some theorists that application of Strategic Human Resource management is the key solution to diversity management in MNCs. The author asserts that organizational culture though provide a uniform framework and goals for employees in international firms yet national culture in some countries specifically developing nations hold great significance and therefore, it is important to understand perception of workers regarding their national identity to ensure that there is no clash between national and organizational culture. The researcher has also implemented Hofstede’s cultural dimensions’ framework to international firms in Kenya in order to understand the strong influence of culture on them.

## Guidroz, A. M., Kotrba, L. M and Denison, D. R. (2009). Workplace Diversity: Is National or Organizational Culture Predominant? Linkage Inc. [Online] Available from http://www. linkageinc. com/thinking/linkageleader/Documents/Denison\_Consulting\_Workplace\_Diversity\_Is\_National\_or\_Organizational\_Culture\_Predominant. pdf [Accessed August 13, 2010]

This report by Guidroz, Kotrba and Denison is an important contribution towards understanding an important aspect of Human Resource Management under globalisation: Work place diversity. The report emphasizes on emergence of concept of diversity management which is implemented by managers of international firms to deal with the local and international workforce. The report also studies the impact of national and organizational culture on perceptions of employees regarding their treatment under foreign firms as culture shapes individuals’ perceptions. The report is a significant addition to literature review as it covers all aspects of globalisation including HR policies and frameworks, workforce issues and diversity management.

## Ghauri, P. N and Usunier, J. C. (2003). International Business Negotiations. Edward Elgar Publishing.

This book is another contribution towards issues of international business which is everywhere in today’s world. The authors have emphasized on two major aspects of globalisation: culture and communication that significantly affects business dealings and negotiations which are integral parts of International business. The authors discuss in detail the concept of international business negotiation and its importance, cultural dimensions that affect negotiations and guidelines to international managers based on real life examples and case studies from different cultures. The book is an important input in understanding concept of globalisation and factors of negotiations that initiate the global business.

## Silverthorne, C. P. (2003). Organizational psychology in cross-cultural perspective. NYU Press.

Silverthorne in this book has emphasized on the differences between various cultures and how human psychology varies from nation to nation depending on culture of that nation. This aspect of culture also affects the organizational culture of MNCs and international firms who aim at implementing similar psychological theories in each nation. The author has covered various aspects of Human Resource Development in the book including leadership, motivation, conflict and power, negotiation and communication that managers face in foreign nations and with their employees. The book covers all essential elements of globalisation and HR factors affecting its implementation.

## GLOBALISATION AND ITS EFFECTS

## Rioux, S. M., Bernthal, P. R and Wellins, R. S. (2000). The development of Human Resource practices survey report. Development Dimensions International. Vol 3. No. 1. [Online] Available from http://www. ddiworld. co. uk/pdf/theglobalisationofhrpractices\_fullreport\_ddi. pdf [Accessed August 15, 2010]

Rioux, Bernthal and Wellins have presented a paper pertaining to several HR issues that surround managers in this global world and analyze the issue by observing HR practices of managers around the globe. The report also emphasize on issue of national and corporate culture which often gives organizations a hard time in adjustment in other countries. Leadership adjustment, recruitment, local differences with culture and training and development are few HR issues that managers face in host countries. The authors also emphasize on the social, economic, cultural and political differences that limit the consistent HR practices by a firm across globe. The report helps in understanding the difference between corporate and national culture and what role these factors play in global context.

## Cesyniene, R. (2008). Globalisation and Human Resource Development. Economika. [Online] Available from http://www. leidykla. eu/fileadmin/Ekonomika/82/41-56. pdf [Accessed August 15, 2010]

The article by Cesyniene represents negative effects of globalisation on Human Resource Practices of firms operating outside their home country. The author appreciates the positive aspects of globalisation such as free trade and technology flows cross borders leading to competitive business environment. However, the establishment of business outside home country involves several other problems like national culture differences and thus different personality traits of employees. The author compares cultures of economies like U. S., U. K, France, Japan and Lithuania where differences in cultures lead to perception differences in terms of compensation, reward, working conditions, delegation of authority, training and social interactions within firms.

## Poor, J. (2005). Internationalization and Globalisation in Human Resource Management. [Online] Available from http://kgk. bmf. hu/system/files/Poor. pdf [Accessed August 15, 2010]

In this paper Poor presented the concept of International HRM (IHRM) which emerged as a result of globalisation. Poor posited that internationalization of firms requires all operational and marketing activities to be delivered in consensus with local culture and market etiquettes and therefore, the HR practices need to be global as well to avoid the chaos of national and international culture and its adoption difficulties. Poor distinguishes clearly between local and international HRM and thus, provide a detailed analysis for foreign firms to operate under a global framework of HRM that can reduce cultural, employment and operational risks in foreign country.

## Tomlinson, J. (2003). Globalisation and Cultural Identity. GT Reader. [Online] Available from http://www. polity. co. uk/global/pdf/GTReader2eTomlinson. pdf [Accessed August 15, 2010]

Tomlinson in this paper presented an argumentative analysis in favor of globalisation and its positive impacts on cultural identities. The paper is presented to counter the criticisms of various researchers over negative impacts of globalisation on cultural identities whether in organizations or marketing campaigns or even products. Tomlinson considers national identity as a strong cultural point which is highlighted by globalisation instead of being crushed and thus, rejects the notion of critics of globalisation. According to the paper, Tomlinson suggests that globalisation brings with it modernity and updated reflections upon life which positively enhances cultural identity whether it is in form of modern organizational practices or products for consumers.

## Goyal, K. A. (2006). Impact of globalisation on developing countries: with special reference to India. International Research Journal of Finance and Economics. [Online] Available from http://www. eurojournals. com/IRJFE%206%20goyal. pdf [Accessed August 15, 2010]

This paper by Goyal intends to study the effect of three major policies of Liberalization, Privatization and Globalisation on developing countries’ economies. This impact is studied on basis of Foreign Direct Investment and export and import trades in countries like China and India and implies that LPG itself is a progressing concept however; the wrong selection of policies is what makes an economy suffer from dark side of globalisation. The paper is an important input in understanding the effects of globalisation and assessing factors that positively or negatively align a country’s strategies to positive effects of globalisation.

## Eregare, E. A and Afolabi, A. O. (2009). The Effects of Globalisation and Deregulation on Nigerian Culture Industries. Journal of Social Sciences. Vol 21. No. 2. [Online] Available from http://www. krepublishers. com/02-Journals/JSS/JSS-21-0-000-09-Web/JSS-21-2-000-09-Abst-PDF/JSS-21-2-145-09-360-Eregare-E-A/JSS-21-2-145-09-360-Eregare-E-A-Tt. pdf [Accessed August 15, 2010]

The report by Eregare and Afolabi critically analyzes the effects of Globalisation on Nigeria’s culture. Where the authors appreciate the economical growth that has been spurred by globalisation and privatization, they also become cautious of the penetrations in Nigerian cultures that globalisation has made possible for other nations. The authors consider American and European cultures as strong ones compared to Nigerian culture and thus, warn against the takeover of one culture by another. The report provides a fair evaluation of effects of globalisation as both negative and positive aspects are discussed by authors.

## Pickering, J. (2002). Globalisation: a threat to Australian culture? Journal of Australian Political Economy. [Online] Available from http://www. multiculturalaustralia. edu. au/doc/jape48\_3. pdf [Accessed August 15, 2010]

Pickering positively analyzes cultural changes in Australia that have been brought by globalisation both in consumers as well as in employees. Despite the criticisms of anti-globalisation personnel, Pickering points out various positive changes brought by globalisation, for instance, improved skills of employees, modern technology, promotion of human rights and modern culture. The paper is an additional evidence of positive contributions of globalisation towards national culture as well as organizational culture.

## Lee, E and Vivarelli, M. (2006). The Social Impact of Globalisation in Developing Countries. FTP Institute for the Study of Labor. [Online] Available from http://ftp. iza. org/dp1925. pdf [Accessed August 14, 2010]

Research by Lee and Vivarelli is another negative perspective in popularity of globalisation as the researchers condemn surety of successful globalisation in every case. Lee and Vivarelli have analyzed globalisation in context of FDI and trade increases where according to their research, FDI and open trade alone cannot bring positive effects on economy. Another perspective of concentrated employment is used in the paper which emerges as result of different demographics, education level and cultures of countries and therefore, can result in increased poverty. Similarly, increased imports can affect the local industries affecting employment as well poverty level. The paper provides limited yet strong evidence on effects of globalisation.

## Campe, C. V. (2008). Globalisation and its effects on nationalism. [Online