

Globalization's impact on management styles assignment

[Sociology](#)



Globalization's Impact on Management Styles MNGT 5000 Submitted to: Dr. Harvey C. Hutchison July 20, 2008 Myrtle Beach, South Carolina Abstract
Globalization has had a very complex impact on management. Business leaders are finding themselves making frequent changes to their management strategies and styles to keep up with local as well as international competitors. This paper will give a definition of globalization as well as provide a description of the impact of globalization on traditional management styles.

The paper will discuss the transformations made by many companies from doing things the traditional way to doing things in a way that will ensure them a top position in a thriving society. It will also demonstrate how globalization has opened up many doors for thriving businesses and given them a leg up against some of their biggest competitors. Globalization has help to knock down boundaries between various countries and stabilized communication issues. Many foreign countries have begun to make English the second language to stay in the running with as well as to work in conjunction with its American Competitors.

Introduction This research papers intent is to address the impact that globalization has had on businesses and their management styles. The business industry has not always been what it is today and possibly would not have made it this far had it not crossed international boundaries. Globalization was likely the best idea that thriving businesses have ever had. What better way to expand a business and its revenue than to open up its doors to individuals worldwide. Globalization has also helped businesses cut

back on production costs. What costs ten dollars to manufacture and produce in the United

States may only cost a few cents in foreign countries. Outside manufacturers have also been able to produce some goods in shorter amounts of time helping businesses meet supply and demand at a much quicker rate. Being able to market and distribute a product or service quicker than one of your biggest competitors can mean a leg up in a world where businesses are always working to get ahead. It is my belief that globalization has added structure to the varied management styles used by many business owners and managers. Research Methodology The topic that I chose to research was surprisingly difficult to find detailed information for.

I searched various online magazines such as Business Week and HR Magazine. These magazines offered little to no help, providing minimal information not worth mentioning. Searching the Webster Library online offered little help as well. There were various article abstracts that seemed to contain stimulating information, however full-text versions of the articles were unavailable for viewing. At that point I started to question my decision to explore this particular topic. I then decided to look to my text book, Management: Leading and Collaboration in the Competitive World, to lay the foundation for my research.

It was there that I found the most information on globalization and management. I picked out the key concepts that would aid in the explanation of my topic. My next venture for information took place by surfing the internet. It was here that I sought the research of prominent business

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scholars and journalist who have studied and examined globalization and its direct relationship to management. The quality of the information that I found made it difficult to pick out what was the most significant. I narrowed my search down to four online journals and articles that provided me with enough information to draw my research to a strong conclusion.

My main goal in completing this research paper was not only to further educate myself on global issue, but also to further educate anyone that had no clue just as I did. Most of the time we as individuals will receive a products or good and notice that the manufacturing labels expresses that the item was either purchased or designed in a foreign could. With so many barriers separating us it hard to believe that we are brought together by everyday household items. This has to be the most extensive research that I have performed.

I truly had to think and dig deep to piece together scattered information in a way that would make sense to my readers. Literature Review What is globalization? Globalization is the integration of systems worldwide (Bateman & Snell, 2008). For an organization to maintain competitive in the evolution of the business environment, the organization must constantly look out for the opportunities to grow. As a major factor in most business functions, globalization has allowed businessmen all over to explore a much wider group of customers eliminating the dependency of local and limited clientele.

There is also a much broader environment for international networking that allows business to gain insight on worldwide interest that could assist in the

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expansion and development of an up and coming or already established company (Recklies, 2001). When a business ultimately decides to enter into a globalize mind set there are a few things to consider. They must first be certain that this is a risk that they are willing to take simply because it is not guaranteed that all business that take their products and services worldwide will be successful in doing so.

According to Dagmar Recklies, a business decision to go global must be accompanied by a strong vision, commitment, and determined leadership of the owners and managers. He then goes on to say that these managers and owners must be convinced that this is a strategically important step for the businesses long-term development(Recklies, 2001). This type of integration isn't one to enter into lightly and it must be understood that only new and unfamiliar opportunities can be developed from the removal of international barriers and restrictions (Vedpuriswar, 2001).

The ability to operate globally is an ability that grows more and more complex as time passes. A business owner or manager must be able to promptly respond to the supply and demand needs of not only its local consumers but also its international consumers and counterparts that are working together to make business boom (Vedpuriswar, 2001). Most importantly a manger must be able to manage. Management is working with resources and individuals to accomplish goals set by an organization (Bateman, 2008). A managers main goals for his business hould be to achieve effectiveness and to be efficient. In order to achieve these goals there are four functions of management that need to be followed: planning,

organizing, leading, and controlling (Bateman, 2008). The planning process of management come into play when a company is trying to initially set goals for the organization. It is during this process that it is determined where the business is and where it is trying to go. Organizing is the arranging of human, financial, physical, informational, and resources necessary for attaining the prior set goals.

After an organization has planned and organized its' goals it should then begin to stimulate its counterparts to working and communicate in conjunction with one another to achieve one common goal. This is where your management from all levels come together to unify the organization. The last level to complete would be the controlling aspect of management. In this process it is the managers job to keep track of performance. This means making sure that all plans are working to the advantage of the organization and recognizing any need for changes (Bateman, 2008).

Management revolves around three different levels of managers. There are the top-level, middle-level, and frontline managers. The top-level managers are the strategic managers that concentrate on long-term involvements of the organization. The middle-level managers are the tactical managers that focus on general goals and plans set by the top-level managers. They determine how they will work best for the organization. Frontline managers oversee the operations. They usually work directly with the lower level employees implementing the plans approved by the middle-level managers (Bateman, 2008).

Now what roles do globalization and management play in direct relation to one another? Findings and Discussion Although there have been several attempts to argue that globalization is the driving forces behind the declining economy, researchers have shown that this decline is the result of poor business decisions primarily made by business owners in higher power positions. Over the years globalization has made a lasting impression on management styles. Bateman and Snell suggest that companies and managers face a growing need for good, new ideas in regards to management styles.

In order for an organization to be successful at what they do they must learn to harness their, “ knowledge management,” power which by definition is aimed at discovering and harnessing the organizations intellectual resources (Bateman, 2008). Collaboration across international waters requires a business to be able to manage without being in direct contact with all individuals or products. They aren't always able to oversee the inside workings so they have to be confident that their management skills are advanced enough to withstand the distance.

Companies and their managers or owners must be able to adjust to the overseas requirements of management. A organizations system of working should always consider the possibility for expansion with this expansion it should be expected that eventually international boundaries will be crossed. If in the instance a company decides that this is a step that it is willing to take, then prior to taking this step they should equip themselves with the

necessary knowledge and know-how that is need in order to function in an overseas environment (Lechner, 2000-2001).

Having experienced considerable enhancements, several companies, by simply altering their management styles, have been able to expand their businesses and offer their goods and services to consumers abroad. The United States alone has benefited greatly from this now open economy (Broda & Weinstein, 2005). A global mindset is needed to develop management styles that can be used locally and overseas. It would be a bad idea for business to hire individual who have had first had experience dealing with the international areas that they aim to work with (Vedpuriswar, 2001).

Many companies tend to keep the same mentality even after they globalize their businesses. They still want to think that there is still a main branch of business and that all other branches should focus on and follow the exact same management styles that were set prior. In this case management styles should be generated based on the location and the target consumer (Vedpuriswar, 2001). " A good manager should know that there is a competitive struggle to survive and win," says Bateman and Snell.

The way a manager manages his company determines how much of a competitive edge they will have over their competition and how well they will do in a global environment. A management role is not something to take lightly. A manager should be able to perform in a manner that is best for the organization. Conclusions and Recommendations The effect that globalization has had on management style is one that should be noted. The

organizational strategies and management style of many business were not as strict as they should have been.

Many companies and organizations left it up to the employees to run the business and offered little to no involvement. The fact that now some business can be conducted internationally, more and more business owners and managers are beginning to realize that their direct involvement is necessary to ensure the success and continuous growth and development of their establishment. I think that it is very apparent that globalization deserves some of the credit for adding structure to varied management styles. Some business of today may not have made it this far had they not been open to change.

Change is one of the main elements of growth if anything is ever suppose to expand beyond its beginnings. Globalization has broken down numerous boundaries and acts a guiding light to current and upcoming business all over the world. Entrepreneurs can look at the positive effect that globalization has had on current business and model their business along the same lines. Even if the business isn't intended to function internationally the detailed structures of management styles that have developed since globalization has come into play are promising in any atmosphere involving business.

Globalization isn't a concept to be taken lightly. I would strongly recommend to any potential businessman or already established businessman to review the pros and cons of converting a business to a worldwide market. This evaluation is necessary because not all businessmen can handle the stress

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of overseeing a wide range of work related areas. While local business may good profit from selling its goods and services to individuals within a certain region, its remarkable to think of how much more revenue would flow in if a high demand product or service can be marked worldwide for a reasonable amount of compensation.

Not only will this method of business handling increase revenue, but it will also open up a new span of clientele. Clientele that if satisfied with previous encounters that will most likely stick beside the business owner no matter what products or services there are to be offered. I had no idea that there was so much to be learned in regards to the way businesses are run. It still fascinates me that an American businessman can supply his products or service not only to local American but to individuals all over the world.

Doing this research has made me want to test my hand eventually at a being an independent business owner, simply to get a first had experience at what have the world in the palm of my hand is like. BIBLIOGRAPHY Bateman, Thomas and Scott A. Snell. (2008). Management: Leading & Collaboration in the Competitive World. Boston: Irwin McGraw-Hill. Broda, Christian and David Weinstein. (2005, April). Are We Underestimating the Gains from Globalization for the United States? Current Issues [Online]. Available: http://www.newyorkfed.org/research/current_issues/ci11-4/ci11-4.tml [2008, July 2]. Lechner, Frank. (2000-2001, July). Globalization Theories. The Globalization Website [Online]. Available: <http://www.sociology.emory.edu/globalization/theories01.html> [2008, July 7]. Recklies, Dagmar. (2008, July 16). Small and Medium-Sized Enterprises and Globalization.

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