

Globalization of business environment

[Business](#), [Business Environment](#)



The fundamental key to the success of a business is the contract that exists between an employer and an employee. This contract depicts the nature of the business in regards to the growth of the business. The globalization that the world is facing today has led to the development of a mature market that demands production and provision of sophisticated goods and services. To be able to fulfil the desires of this market the terms of employment that exists in a business should be favourable to the employees to enable them to work to the best of their capability resulting to production and provision of quality goods and services.

The legal notion that binds the employee and the employer is business relationship. Therefore a good relationship between the employee and the employer should be established and maintained as it acts as a bridge between the employer and the employee. Employment relationship stipulates the duties the employee is supposed to do and their rights and benefits. The employer depicts the kind of social security, remuneration and working conditions that he is willing to provide to his employees.

Due to the increased need of goods and services as people are financially stable than in the 1990s there is a huge supply of employees who are willing to engage in any activity that pertains to the fulfilment of those needs. The flexibility that the labour force displays pertains an opportunity for employers to take advantage of their will and develop an employment relationship that does not protect the rights of the employees. The need of the government involvement in employment relationship is essential as they will device policies that contain guidelines protecting the employee the unjust actions of a selfish employer.

For example labour laws have been formulated to ensure the growing business world gets flexible labour that will cater for the wide scope of business, while protecting the security of the labour force by ensuring the rights of the workers are respected (Sparrow & Cooper 2003). The wide scope of business has led to development of employment relationship that is not satisfactory as the operation of the business is over or under the regulations outlined in labour policies.

For instance the environment depicted by the business does not cater fully for the recognition of the law as the labour laws do not cover the wide range of businesses. Therefore the interpretation of the law leads to humiliation of the employees due to neglect of their rights. In other cases the law may not be clear and the employer takes this situation into their benefits by providing an environment that does not adequately fulfil the desires of the workers.

The lack of compliance and implementation of the labour laws into the business strategies or plan creates an unclear relationship between the employee and the employer and in some instances the relationship does not exist (Dundon & Rollinson 2004). The grievances aired by workers due to this predicament was tackled by a conference held by the International Organization (ILO) in 2006, where they formulated strategies that would aid in reviewing the existing laws to cater for the first growing market which has led to the wide scope of businesses.

They also outlined the characteristics of the employment relationship that should exist in the different types of businesses and measures to be taken in case of a violation of this law from the employers. Their initiation to protect the employees relationship further help the formulation of national policies

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and mechanism of monitoring their implementation to provide grounds for the establishment of a good relationship between employees and employers locally and internationally. This is depicted by the mandate formed by the 21st session of the International Labour Organization that was held in 2003.

It demanded that every employee regardless of the type of work they are engaged in should be subjected to working environments and conditions that ensure their dignity and decency are highly maintained. The relationship formed between the employee and employers should have a provision of bargaining power for both parties to help them come to a common understanding on the issues that pertain to the contract formed to allow the fundamental functions of the business to run smoothly.

The work done by the employees in the quest of providing the needed goods and services to the market should be grouped in a legal framework that provides the workers the protection to their rights. Also the policies formed catered for the work force of the growing market to eliminate all opportunity that could lead to discrimination of the employees due to abuse of their rights (ILO 2005).

The relationship that exists between the employer and the employees can be categorized as ambiguous in that, the key principles that define a relationship are not well outlined in the ambiguous employment relationship. The employees are independent and in most cases do not come in to contact with the employer as their salaries or wages are deposited. The lack of a clear definition of the relationship is not intentional, however there maybe cases that result to intentionally nullifying the principles keys of employment relationship from a link that exists between the employer and the employee.

In this kind of relationship the intention of the employer is to evade some obligations that pertain to any legal business such as tax payment and provision of social security to the employers by making the business to impersonate an appearance that is different from what is considered to be a reality (Bach 1999). In such instances the employer is able to detach himself from any activities that link him to his employees resulting to abuse of certain rights of the employees. This kind of employment relationship is referred to as the disguised employment relationship as it denies workers their right to open-ended contracts.

An example of application of this kind of employment relationship is when workers are employed on contract basis where they are renewed after the expiry of their tenure. The workers are denied benefits that befall permanent workers as they remain as temporary employees for as long as the employer uses this kind of employment relationship to manipulate them. On other instances the obligations of the employer are delegated to an employment agency which deals with the employees directly.

Formation of an employment relationship between the agency and the employees is thus difficult leading to deprivation of some of their rights. This relationship is considered to be triangular as the link formed by the underlying contract between the employee and the employer is divided between three parties; the employer, the agency and the employees. Therefore the type of relationship depicted in a business environment highly influences the quality of the goods and services offered by the business (Rose 2004).