

A study of Globalization in International Business

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Abstract

In a rapidly changing environment, organizations constantly change goals and seemingly confront corporate cultural conflicts. And the global economy has altered economic structures and social policies and cause communities to enter to such a dynamic environment. In this dynamic environment called globalization every company should try to learn the lessons of globalization. This paper aims to study the globalization and its related issues in detail.

Keywords: Globalization, Culture, International, Business

1. Introduction

Most scholars would not argue that organizational culture is a source of competitive advantage for firms (Barney, 1986; Kotter and Heskett, 1992; Schein, 1992).

Within the competitive challenges posed by global markets of the nation-states and organizations, forces of increasing complexity and intensity are being identified. Nation-states and organizations use this knowledge to adapt to change and develop processes to identify the characteristics of their global competitors, taking into account their associated competitive advantages. Both entities, as do the new institutions, need to be endowed with powers and abilities to coexist in turbulent environments.

2. Globalization and culture

The globalizing market economy is not a homogeneous structure. It seeks the emergence of a decentralized regulation of markets coupled with a cosmopolitan and liberal democracy provided by transnational institutions. Cosmopolitan nations only work with a cosmopolitan democracy that moves towards globalization but also reaches down to social local organizations. This cosmopolitan democracy expands to regulate the efficiency of the global economy. The global economy, as it is today, is a complex and contradictory set of global markets, national development strategies and competitive corporate strategies (Borras and Zysman, 1997).

According to J. H. Mittelman, globalization is "a historical transformation in economy and cultural diversity." Globalization is the idea of making the world act like a huge country. Globalization affects this world and its people in many ways. Globalization affects the economic status of a country. It has indeed weakened the position of poor countries and exposed poor people to harmful competition.

Globalization and international culture

National cultures are linked to institutional structures of national business systems. The origins and evolution of institutions requires an understanding of cultural differences. International business has traditionally interpreted the term culture to mean national

cultures exclusively and has emphasized the differences among nations as a central, unique focus of the field. This focus is particularly evident in international business research distilling national cultures into a small number of universal dimensions. Hofstede (1991:253) has warned against applying national culture dimensions to subnational levels. This research has long been criticized for oversimplifying the complex cultures, generalizing from a limited number of firms, assuming that culture and social structures are static and ignoring within country heterogeneity.

3. Globalization and partnerships

Findings from the study conducted by the Center for Substance Abuse Prevention (CSAP) have demonstrated that effective community partnerships include the following characteristics:

- A comprehensive vision that encompasses all segments in a community and aspects of community life.
- A widely shared vision that has been agreed on by groups and citizens across the community.
- A strong core of committed partners who have been involved in the partnership from the very beginning.
- Inclusive and broad-based memberships that reflects the participation from all segments of the community, including the work place.
- Avoidance or quick resolution of conflict that might create a misunderstanding about a partnership's basic purpose.
- Decentralized units such as local planning councils or neighborhood teams, which not only encourage action directed at the needs of the small areas within a community, but also enlist residents to take the necessary actions or decisions.
- Reasonable staff turnover that is not disruptive.
- Extensive prevention activities and support for local prevention. (CSAP, 2000).

Partnerships also strengthen democratic practices. The greatest challenge of community's partnerships is to use their own assets and to internalize the need to better their life styles that can be achieved through individual and community empowerment. The factors that exist in a community are called assets defined by three interrelated characteristics: include the capacities of the members, internally focused and driven by relationships. To empower the community means that it may be able to create wealth and the basis of sustainable development using all the resources and all the vehicles at its disposal.

4. Conclusion

The challenge remains the urgent need to develop new social technologies capable of incorporating the informal sectors of the economy so that they can benefit from economic globalization processes. This is in clear contradiction with the current hegemonic development model. The pace, magnitude and direction of change caused by globalization will continue to progress rapidly through technology transfer. It will join societies and cultures, change community values, and widen the gap between the rich and the poor. But it will also create opportunities and challenges for companies and organizations. Managing the change of dynamic management (Dowbor, 2001) requires an ongoing process of adjustment of different segments of social reproduction.

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