THINK INDIA JOURNAL

ISSN:0971-1260

Vol-22-Issue-32-December-2019

Impact of globalization on Trends and Innovation in Management

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ABSTRACT
Globalization has taken center stage now a days. In today's new era of complex business environment, Organization has to face many new challenges. To deal with new challenges and complexity of businesses, Organization has to adopt new theories and practices of management to achieve their own set strategic goals through which it will able to survive in national economy as well as in world economy.

Along with the fastest growing world economy, management practices keeps on changing. Old practices of management has been transformed through innovation. From above context the main purpose of this paper is to enlighten the new methods and technique in management to meet the standards of global markets. And to understand the challenges of globalism on business.

Keywords: Globalization, Current trends, Management Practices.

1.1 INTRODUCTION

Globalization, welcomes new markets and labor pools through innovative technologies have impact on business model, capital flow and invest demand which is now less predictable to meet these challenges. Organization become more sophisticated in the adoption of best management practices. Recently companies are more sensitive to and more keenly aware of the role that culture plays. And this can be achieved only through continuous improvement in knowledge and education of manager at all the levels in order to meet the requirement of global market. In global market one hand diverse consumer are changing behavior rapidly and on other hand the manufacturers are creating the demand for unusual products and services to affect the habits, desires, and lifestyle and somehow create customer awareness about what new is happening in the world. Globalization intricates the world economy along with global image expectations and in such a scenario the task of management needs to adopt recently management practices that fits in global market and satisfy their customer as well employee of an organization within their core competences manager should adopt new practices and develop strategies which would successfully accomplish their goal. Another challenge for managers in global context is to recognize the talent in diverse workforce and need to treat them in a fair and equitable manner. In global era age, race, gender, religion, ethnicity background of the workforce changing continuously, manager must establish HR policies and practices which increase the satisfactions among employees to take the advantage of skills and experiences from diverse workforce.

This paper examines the recent trends in management practices which come due to the frame of globalization.

1.2 RESEARCH METHODOLOGY

The paper has studied the impact of globalization on current trends and innovation in management practices. This research is based on descriptive in nature and utilize the secondary data. In the view of the objectives defines methodology adopted for this study is explained as under

1.3 OBJECTIVES

- To study the concept of globalization.
- To study and analyze the current trends in management due to globalization
- To study challenges due to impact of globalization on management.

ISSN:0971-1260

Vol-22-Issue-32-December-2019

1.4 CONCEPT OF GLOBALIZATION

Globalisation is the ongoing process of exchange of goods and services across the different culture, technology and people. Globalization allows the free movement of goods, services and people across the cross boundaries of various countries. Globalization has gained popularity after Cold war in early 1990s, as it create the modernization. After the Cold War term globalization used more prominently due to more interdependent of various countries in terms of its economical and informational dimensions. Globalization can refer to those spatial-temporal processes of change, which consist the fundament changes in organisation through expanding human activity across the world. Best way to define Globalization which provides the platform of communication and technologies spread throughout the world. The elements of globalization include capital, labour, management, news, images, all transporter information. The main drivers of globalization are multinational corporations, transnational media organizations, intergovernmental organizations, non-governmental organizations and alternative governmental organization. From humanistic perspective, the globalization implies both negative and positive consequences: narrows and widens the gap between nations, increases and decreases the political domination, smoothest and multiplies the cultural identities. Globalization have five different dimensions as a economic globalization, political globalization, cultural globalization, communication globalization and technology globalization. Due to globalisation world get more connected and create a new bond called Information technology into global village. Globalisation means countries liberalize their import policies and welcome the capital flows in nation through FDI channel into different sectors. In succeeding articles, we look at the various dimensions of globalization and the impact it has had on management practices. Globalization means the interconnectedness of world through business a due to difference in culture every country have to change their own technique and practices according the need of global market in order to survive in global competitiveness. The concept of globalization is not new for world but to respond to the worldwide trend in globalization, significantly affect the most of MNC companies .Due to increased competition in global market , many companies have to run along the world and have to adopt current and innovative trends in management practice so they can manage their operations smoothly and effectively.

1.5 CURRENT TRENDS IN MANAGEMENT PRACTICES

a) Remote Working

Remote worker is someone who works outside of a traditional office. An employee might work from home, from café or from anywhere that is not a regular office; although depending on the type of job they do.

Remote Worker is on the rise because of having the ability to work from outside of a corporate office has been feasible for few decades, Working remotely is only now becoming mainstream because of having following factors:-

- Remote worker more balance work and personal life than usual employees
- Due to hiring remote worker company save the cost in expensive office space.
- Compaines utilized that time of employee which were wasted in commuting.
- Improved geographical coverage.
- This concept provides the flexible working time.
- Companies get more chances of getting additional skills.

Blueface predicts that by 2025, Remote working will increased significantly and give tough competition to work location.In 21st century where we are in world of artificial intelligence, companies also requires new knowledge, skills to compete the global market and this chances will satisfied by using the modern method of management practice called Remote working where recruiter hires required talent in the form of remote worker from anywhere in the global world. Thats why companies feels potential in the area of remote working concept. In fact, according to the survey by AND CO and REMOTE YEAR 55%of respondents said they worked remotely 100% of the time.

ISSN:0971-1260
Vol-22-Issue-32-December-2019

b) Crisis Management

In the age of globalization companies feels more surprises and changes in business environment. The process by which an organization deals with disruptive and unexpected events that can harm the organization called Crisis Management. In other words crisis management is one of the recent management practices adopted by organization where they already knew that the old system cannot be maintain for longer span. And management has to use innovative practices so that they have solution or protection against the sudden shocks which would harm their business. Simply say , Crisis management is the art of preventing the business from sudden loss when threatened by crisis. Gloalisation significantly played role in spreading the crisis in global market. As global market is integrated whole economy of world and its to be stated that, the crisis that was made in one country like US has impact on the rest of the other countries merely because the process of globalisation have meant that if US sneezes, the rest of the world catches a cold.

c) Work life Balance

The topic of work life balance is prominent in the academic and corporate world. According to a global survey by the International Bay Association global employment Institute (GEI), Global HR leader consider the top HR issues as a work/ life balance in the organization. Global companies face the difficulties in formulating their HR polices particularly when they have more diverse workforce with their quite different cultures from original countries. As Work/ life balance has become central part of an organization because of three factors – Global Competition, Personal lives/ family values and Aging work force present challenges that exacerbate work/life balance. These above factors somehow create pressure on employee as a results they are less satisfied with their jobs , fed up with their personal life, a greater incidence of work/ life conflict. A work life balance survey conducted in 2002 by True career states that 70% of more than, 1500 respondents said they don’t have a healthy balance between personal work lives. Recently many MNC companies understanding the balance between the work and life as work life is responsible for acquiring and retaining talent globally. And that’s why many companies providing work life balance program which have potential to improve employee morale, reduce absenteeism and retain organization knowledge. By providing work life balance program it not only gives benefit to employee but by this program companies ultimate aim of reducing cost can be also be achieved. It means that it’s a win- win situation for employee and employer. This is proven by study conducted by work Institute of America “ Holding a Job, having a life; strategies for change” that employee finds the solution to reduce overtime, stress and workload and increases flexibility and family valuable time.

d) Training Millennials

Millennials have been shaped by the forces of globalization, making society increasingly connected and interdependent in terms of economic integration, communication exchange, cultural diffusions and travel millennials leverage complex social networks that span the globe, largely through social media.

A Survey held by new research commissioned by western union on more than 10,000 millennials reveal that this group is confident that globalization will make the world a better place to them. And they committed to lead the change in the world. From above context millennials are next generation which have different thinking from tradition ones and this thinking realized by most of companies and want new blood in their organization for example; Tetra Pak company who the is global leader in packing solutions across the more than 175 countries and company has over 24,000 employees in which more than 40% of tetra Pak staff are millennials because they believe that next generation are quite different and have capabilities of doing something new and innovative in dynamic working environment.

e) Customer Focused Organization

Since 1985, Globalization has been increased the foreign direct investment as a result more countries integrated as well as new channel for more customers come directly contact with more countries. Due to this global customer create more pressure on companies to deliver better service. And in the view of customers’ expectations, management of most of MNC companies are now more focused on customer satisfaction.

ISSN:0971-1260

Vol-22-Issue-32-December-2019

Customer focused concept is not new for any organization but in global environment it played significantly role in deciding the future of any companies. Customer can become weakness or strength of any organization. Now a days organization invest huge amount in customer relationships.

1.6 CHALLENGES DUE TO GLOBALISATION IN MANAGEMENT

Along with current trends and innovation in management practices which can be adopted by many companies in benefits of a more globally connected economy

But question arises that is only by following current practices in management will helps frim in achieving in its own strategic set goals and survive in global market. Some argue that the expansion of global trade creates unfair exchanges between larger and smaller economies.as due to globalisation where old practices has been changed similarly globalization comes with new challenges in management and this should be understands by manager so that they can create more innovative solution to face this challenges.

As MNCs do business in new global markets, they may encounter several significant challenges:

Ethical Business Practices: One of the most considerable challenge faced by global companies , ethical business practices in areas such as labour, Corporate governance, insider trading , bribery, social responsibility have played a substantial role in the success or failure of global players. In some nations, where bribing public officials is relatively common to those which give favours to frim. Although national and international laws exist to crack down on bribery and corruption, some businesspeople and organizations are pressured to go along with locally accepted practices.

Organizational Structure: Another obstacle faced by companies is to establish the efficient and effective corporate structure which deals with new region within the value chain. International expansion needs lots of investment in order to manage operations with local environment.

Public Relations: MNC are usually easily accepted by local nation and have access to establish good image in its local market. But significant challenged comes when they have to maintain global image in the eye of local public.

Legal and Regulatory Structure: Every nation has distinct laws and regulations to regulate business. MNCs need to understand in - country laws and adopt that regulations. They can take help from legal expertise so that they to ensure profitability before entering a new market.

Technology: We are the world of technology where level of technology is responsible for development of nation. It's also create attractiveness among the companies of doing business. Companies may encounter a variety of technological challenges doing business in foreign countries, such as training workers on unfamiliar equipment; poor transportation systems that increase production and distribution costs; poor communication facilities and infrastructure; challenges with technology literacy; lack of reliable access to broad-band Internet and related technologies that facilitate business planning, implementation, and control.

1.7 CONCLUSION

Globalization creates greater opportunities for companies in terms of economy, trade, industry, finance, culture and health etc. Globalization affects the company's management in every terms so that we can't deny the importance of globalization in structure and practices of management. Globally the world is changing in pace of fast speed, with this changes the organisation environment in terms of leadership, employee job satisfaction, wages, promotional tools, stakeholder expectations, customers patterns of buying etc are changed. And to manage all this factors every companies have to adopt new and innovative practices so that they can successfully maintain its image in global market.

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ISSN:0971-1260

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