

THE EFFECTS OF GLOBALIZATION ON THE TRANSFORMATION OF ORGANIZATIONAL MANAGEMENT

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Under the present economic conditions, the accelerated process of globalization poses many problems for the adaptation of the company to the external environment, characterized by fierce competition. In this sense, management is facing numerous challenges related to globalisation, especially in times of organizational change.

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1. THE GLOBALIZED ORGANIZATION

Today, the enterprise focusing only on the national market cannot become successful if it does not take into account the international market environment. Thus, we are witnessing the gradual transition from the logic of focusing mainly on the domestic market to the international market-based, and that both the level of production and that of labor, capital and consumer markets. The phenomenon of globalization is giving the world a new shape and opens new perspectives in the arena of international relations, having a major impact on social, cultural and political levels. Globalization represents a breakthrough, an exchange of information, an economy without borders and without political implications. Globalization, a process that has been lasting for centuries, has numerous consequences

for both national societies and international economic actors. The development of the globalization process determines the fears and some reaction from economic actors, who feel the full realities generated by the process of globalization. This is because globalization does not only offer opportunities to economic organizations, but also concerns and side effects. In order to be successful on the international markets, companies need to focus on:

- to move from the idea of competition to the idea of cooperation, serving the world;
- seek to identify the needs of consumers as they define themselves and it should be the main goal of organizations;
- to recognize and invest in an organization's overall advantage;
- to recognize the positions of individuals involved within and around its organizational structure;

- managers should have a global vision over the organization actions.

Business success will depend on management's reaction towards globalization, i.e. the way in which economic organizations will know how to respond to the demands of the world community. [2]



Fig. no. 1. The process of globalization

In the context of globalization, organizational change involves altering the mission and vision of the organization, the introduction of new technologies with new activities, the introduction of a rating system and performance system, redefined payroll, changes in organizational structure, a new orientation of the target customer groups with other necessities and a totally different behavior than its previous customers, and in particular, the introduction of the system of management guided by objectives. [1]

Organizational change aimed at the modification of procedures and systems, organizational structures and responsibilities, but equally changing skills. In the new construction, the people need new knowledge and empowered to act. In addition, new managers are necessary to support employees to cross the

change. At every level, managers of the organization must have the knowledge needed to achieve constant change to support staff through periods that may prove to be stressful for most of their employees. They are asking a different mindset, a different value system.

In general, the main characteristics of globalization include increased global interdependencies between all economic actors, internationalization of production and trade, a new international division of labour, new movements of migration, a new competitive environment, and liberalization of financial markets, free movement of capital, goods, people and information. In the ordinary acceptance, globalization is considering defining processes on the integration of capital markets and the privatization of commercial production and the means of production. Globalization is all about high mobility of labor, about the distribution of income across countries, about removing the existing fragmentation in the world economy.

Globalization of the economy can be defined as the process of growth, a particularly dynamic interdependencies between national states, due to the expansion and deepening of transnational connections throughout the wider and more varied economic, political, social and cultural spheres. Globalization is the stage reached by the secular process in the internationalization of economies and economic activities, as a result of mutations occurring in the domestic and international economic structures. [4]



Fig. no. 2. The globally integrated organization

2. ORGANIZATIONAL CULTURE IN THE CONTEXT OF GLOBALIZATION

Organizational culture is considered to be “the invisible force” behind the conspicuous and tangible elements from a company, the energy that causes people to act. Management analysts can compare the organizational culture of a company with an individual personality, which meets a number of issues visible and less visible, but providing vision, direction and meaning, the energy required for evolution. In Hofstede’s vision, organizational cultures have penetrated into every corner of our society. Similar to computer software, works like a man’s mental software, and at the same time plays an important role in our way of thinking and loyalty, to act. Organizational culture represents the personality of the organization and defines the way it works. In terms of non-academic language, organizational culture can be understood through “how we do things here”. [3]

Globalization understood as the theory suggests that global culture is promoted by social and cultural development, emergence behavior patterns of consumption and consumerism; the cultivation of certain lifestyles and” globalism implies a new consciousness of the world as a unified space. Globalization may appear as a phenomenon that takes place at the macro level. In fact, the phenomenon manifests itself as a micro-level issue that has an impact on everyday life. The expression of cultural identity and experience are conditional on the vast process of globalization. The term “globalization” has been developed to highlight the realities of our world, namely: the internationalization of markets for goods and services, as well as the emergence and proliferation of multinational companies involved in the development of comprehensive financial, production, marketing and management productions. Globalization processes are a vital component of the contemporary world economy, determining the modality of approaching social and human resource. [9]

In the present economic context, contemporary organizations alongside the contemporary economy are tackled as a whole. Organizations cannot exist in isolation, cannot survive outside of a more extensive network established at all levels and their purpose is “to serve people’s needs (and not vice versa)”. The world economy and hence the organizations are viewed as a unified system, as a whole composed of smaller or bigger parts, more or less developed. Thus, a part of local decisions have to be

taken in the light of the general trend of globalization processes. Organizational culture supports the massive influences that the economic interaction created between states, organizations (corporations), people with a mobility service and various cultural traits. Our society is witnessing a concentrated on establishing cultural synergies, elements that have a character of universality and uniformity without taking into account the specifics of a certain geographical area or a specific group. The world is seen as a source of unlimited potential with new suppliers and new products in a setting designed to enhance organizational competitiveness. Globalization is beneficial for multinational corporations that integrate into their own networks the international production systems. [6]

Given a particular organization, its own culture is identifiable with the human personality. Its transmission channels are varied, depending on the type of the system, such as: a specific attire, unwritten rules, languages or specific jargons that facilitates communication between members of the organization, standards of ethical, moral and social behavior. Research on the elements of cultures or organizational cultures indicate that organizations are perceived as having unique characteristics and having stability in time. It is precisely these elements in terms of stabilizing the internal environment that are changed under the influence of globalization.

Globalization is forcing change and adaptation. From this point of view, globalization requires rethinking the concepts of organizational culture

and cultural identity. Phenomena related to adapting to the process of globalization, internationalization and the so-called “wave” of globalization can be identified as the phenomena of trans-cultural. Organizations are considered a living organism that reacts to changes in the environment and at the same time trying to take advantage of these changes. The modern theory of globalization argue that it comprises two completely contradictory processes of homogenization and differentiation, that there is a complete interaction between localism and globalism, and that manifests the strong resistance movements against globalization processes.



Fig. no. 3. Culture creation and Culture Maintenance in the context of globalization

Globalization understood in the sense of organizational culture, influences organizational behavior. Current studies on the impact of organizational culture on competitiveness have highlighted the need to raise awareness of the administrative apparatus of the value and importance of the components of the organizational culture which may lead to achieving superior performance. Adapting

the organization to the demands of globalization generally means the crossing of several intermediate states between two relatively balanced states (one of the states being national culture). Research on organizational culture represents a way of evaluating the staff without recourse to the use of advanced psycho-social models which may turn out expensive. Organizational cultural manifestation, allows observation of human behavior and attitudes, their motivations, symbols, values, visions and concepts within existing organizational. The results of researches of the organizational culture are becoming more widely accepted by their managers, using them as a tool for improving the structure of the organization. [8]

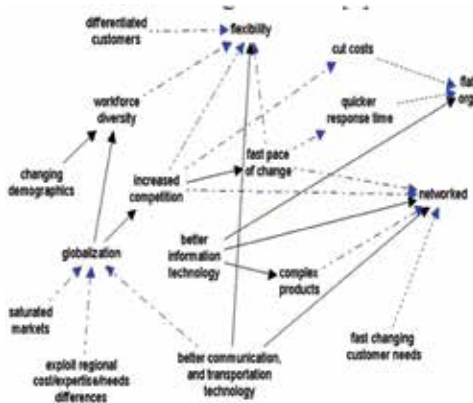


Fig. no. 4. Globalization on the transformation of organizational management

If we look at an organizational process as a normal process, which consists of three stages (input, processing and product) stated the following: the input consists of what a company receives from the external environment (customer

requirements, the legislative framework, the company claims); the input is then processed by the company; finally we obtain a product (products, services, technology), having a single footprint left by the personality of the company. This process is based on the culture and assumptions about how the company should be made. At some point in this process, things can go wrong and the company may encounter difficulties in achieving its objectives. This is the point at which the leaders are forced to start the change process. This process is known to be one of the most difficult undertaken within a company. This is why leaders must thoroughly examine the problem and be sure of what needs to be changed, so that it can determine how to implement the process. [5]

Taking into account the fact that the activity of companies take place in a dynamic business environment, which can be described as fast and choppy, companies must adapt to this trend to be able to meet the requirements of the market. As mentioned before, changing the culture in a company is one of the most difficult processes to be undertaken. It is important for leaders to be prepared and have a solid foundation of knowledge about the management of change. Correlation is required of such knowledge with a good analysis of the situation in which the company is located. Changing the organizational culture can be regarded as a part of a complete transformation. Its implementation may occur at the beginning or at the end of the transformation process. Change within a company can

start with amendments to business solutions or management actions and may be signed by the organization's culture, or vice versa. Cultural change is a species of organizational change, but one important, since any transformation parallels a reassessment of the basic presumptions that individuals take responsibility for them. Organizational transformations pushed by globalization have echoes in cultural layers. Either as the transformation occurs at the level of structure, form of property, the type of technology or managerial strategies, it requires cultural changes, because conservation and cultural inadequacy are opponents in the success of the process. [7]

3. CONCLUSIONS

Environmental and socio-economic transformations require changes in organizations at the level of the structures and the methods used. Organizational change is not an end in itself, but must be regarded as a natural process having as main objective the preservation of a competitive environment. The dynamics of the organization's activities requires at some point a change due to low performance obtained in comparison with planned results, important differences between strategy and what actually happens in the organization.

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