

GLOBALIZATION AND THE ORGANISATIONS OF THE THIRD MILLENNIUM CONTEXT

GLOBALIZAREA ȘI ORGANIZAȚIILE MILENIULUI AL TREILEA

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Abstract: *In this paper, we studied the organizations of the third millennium context and the big problem of the humanity, when the all countries lost our nationality value. In this text we present the principal advantages and disadvantages of the globalization*

Rezumat: *În această lucrare, sunt studiate organizațiile mileniului al treilea și o mare problemă a omenirii: globalizarea, când statele își pierd valorile naționale.*

Key words: *globalization, regionalization, management, organization.*

Cuvinte cheie: *globalizare, regionalizare, management, organizație.*

GLOBALIZATION – ADVANTAGES AND DISADVANTAGES

Globalization is a phenomenon rather new, appeared several decades ago. Once globalization appeared, it is no longer possible to visit different places where everything starting with architecture, landscape, language, lifestyle, way of dressing and ending with every people's values were totally different from what we knew. Organizational culture is different from one place to another. Globalization makes everything disappear rapidly. The main purpose of global market and economy is that of homogenizing all countries in a unitary whole.

Globalization of social relationships should be firstly understood as a time and distance rigorously arranged social life. Social life is more and more influenced by events that take place far from the context of our daily activities. Even if today it suffers a fast development, globalization is by no means a novelty; it dates from the period when western influence started to spread through the world. From the outset, globalization of social relationships has been associated with the inequalities from different regions of the world. Regarding this matter, of a great importance is the process through which the Third World's societies have been created.

Globalization is an extremely often used notion lately and may have numerous meanings. By this notion we are to understand global financial markets development, transnational corporations' growth and their growing domination upon national economies, the dazzling development of information technology, telecommunications and audio-visual. Most of the problems people associate with globalization is due to these phenomena, including penetration of market values into those fields they do not traditionally belong to. We can also discuss about information and culture globalization, about the spread of television, Internet and all the other forms of communication and about the increased mobility of ideas marketing.

Globalization may also be associated to a set of structures and economic, social, technological, political and cultural processes that are to be found in the shifting character of production, consumption and trade of goods. Many changes have occurred inside world's economy that faces a triple challenge nowadays: world wideness and its implications inside national economies competitiveness, the contradiction between the laws of market (economy logics) and the states' obligation to ensure a certain degree of "distributive justice", and the ontradiction between economy logics and the necessity of environment protection.

Nonetheless, a clear distinction between globalization and internationalism and transnationalism has to be done. The two processes have their “roots” in the mercantile way of orchestrating commerce in a multinational model of development, especially after World War I.

Economy globalization represents a more and more emphasized interdependence of national economies, consisting in commercial exchange increase within each national economy, also of investments and foreign capitals contributing to National Gross Product. Any flaw that appears to one of the links of economic interdependences chain may lead to a shutting off of the whole flow, because these actors play on all world economy scenes.

As early as 1997, in an IMF report called “The perspectives of world economy”, the great powers have shown their concern regarding the great risks of the second millennium’s end:

- the risk of the developed countries to get “stuck”,
- European unique currency uncertainties,
- A possible stop in the capital flows towards developing countries.

Globalization’s origins can be explained by means of four main characteristics: national economies integration to world markets, transition from “high volume” economy to that of “high value”, end of capitalism and socialism bipolarity regarding costs of production, and – the least but not the last – configuration of new economic blocks.

Globalization has many advantages. Private companies bring a greater profit than the state. Furthermore, the states have the tendency of abusing their own power. Globalization offer an individual degree of freedom to organizations, thing that no state can assure. Free competition on world market has unleashed creative and entrepreneurial talents, thus speeding up technological inventions.

Globalization has also got its disadvantages. In lesser developed countries population has suffered because of globalization without receiving any support regarding the social security system. Globalization has caused a deficient resources allotment between private and public goods. The markets are ready to answer to other social needs also. Global financial markets can cause crises. It is possible that the population in developed countries is not fully aware of the devastating consequences of financial crises because these have the tendency to strike harder the developing countries.

“World society” or “world system” does not show only on the account of interdependence and mutual connections of its components. The supporters of the theory of dependence have shown that interdependence is a mere screen for world domination and supremacy. This is not an alternative suggested but a way of showing that globalization can head both towards freedom and dominance. The latter may be observed, for example in the relationship between the world of metropolitan centre and the world of outskirts. This is a world intercommunion dominated rather by radial relations than lateral ones. Basically, this relation has the logic of “null sum game”: the higher the profit gained by the centre, due to these relations, the greater loss and exploitation of the suburbs.

Nowadays, due to the competition of gaining territories, possessing and exploiting raw materials and acquiring labour force at lower prices, the necessity of mastering information arises. Thus industrial and commercial strategies develop, as well as the military and political ones, creating in this way issues between economic and state laws. Within the last decades, those economic laws have been able to jeopardize state laws stability, due to new forms of capital circulation which have been generically named multinational corporations. These new forms make future decisions regarding investments slip, at least partially from the nation-states control. Reopening world markets, resumption of a sustained economic competition, the disappearance of exclusive hegemony of American capital, the decline of the socialist

alternative; as well as many other causes; have imposed the states to seriously revise the role they were used to play after the 30s, consisting of protecting, guiding and even planning investments.

REGIONALIZATION VERSUS GLOBALIZATION

At the beginning of the third millennium, people and international relations are much more complex than they used to be. It is a paradox that at the beginning of this millennium, the European continent which has a real chance to integrate based on the democracy and market economy values, based on respecting fundamental human rights; poses more and more significantly European security and even the global one, on first rank, maybe even more than before.

On this background of more and more significant globalization, we watch a worldwide phenomenon that represents the landmark of geopolitical earthquake predicted by “the fall of Berlin”. Exponential growth of financial exchanges liberalization and information technology revolution, the birth of Internet; all these are factors with conjugated action, which, in time, will alter the classical vision of states sovereignty.

Romania cannot be an exception to this global rule and it is more sensitive to this phenomenon as for almost 150 years its state becoming had as basis the idea of national central sovereignty. People’s sovereignty does not exist outside the power of state.

More and more often lately, a tendency that can no longer be limited expresses itself: globalization and world wideness

Some scholars consider world wideness as being a developing process, having a global impact; others reduce its content to that of an ideology that legalizes West’s supremacy and consecrates world’s westification or Americanization.

In this context, another notion appears; that of regionalization. This term is defined either as a consequence or a way of protection against globalization and, not the last, an instrument through which a surmount of difficulties generated by too small dimensions of national states created in the postwestfalic period is searched. Regionalization may be of “Rough” essence, which tries to change micro regions in regions of national states where competition prevails over cooperation and the latter may be open and functional to modernizing or even Americanizing the world based on “soft-power”. We must still mention that the only region in the world where a process of regionalizing is visible, is, nowadays Europe.

The notion of regionalization is generally understood as being the creation of a new level in territorial organization of a state; new institutions may vary regarding authorities, responsibilities and institutions, but these are not always over imposed to the existing local institutions, regionalization is a long term process where the state introduces a second level in government.

The two types of regionalization, beyond differences, have got elements in common, relevant in understanding the process. The most important and also the most striking of them is the one referring to frontier permeability.

Frontiers have no longer the role of intangible surrounding of territory. The state inevitably becomes a part of a whole: globalizes world and space or territory is now understood by the thought of flows in all fields: capitals, goods, information, culture, and people. All these flows are both vectors of power for those who know how to create, master, and give them a meaning; and; destabilization factors, if seen as a fatality.

It would be unrealistic if we did not admit that today; Romania cannot be included in the category of powerful states. Nonetheless, it does not mean that such a state cannot still be influent. The first condition in this sense is to accept that our national identity is immovable.

Every group progresses, is not eternal by its own existence. Its future can be long term secure on condition that it adapts to a world that changes. If our national territory remains our destined community of memories, and hopes of future, we have to admit that the twenty-first century nation state shall no longer have the features that we have been accustomed to.

Radical internal changes must take place in the third millennium's society, in order to be able to create and control new structures imposed by national economy connection to world economy, which is a flow economy. It must be understood that the state is no longer the only power vector. This power is already divided among the different fields of globalizes changes. We must be realistic and admit that sovereignty will change its nature and along with it, the notion of state power. Beyond any shadow of a doubt, a certain form of sovereignty is about to disappear in favour of a new system of social settlement which integrate de facto interpretation of national and international.

Without denying its history and traditionalism, today's Romania must open itself for future. It must be capable of adapting its political system to uses of a new form of society that emanates government.

MANAGEMENT, GLOBALIZATION AND REGIONALIZATION IN THIRD MILLENNIUM'S ORGANIZATIONS

Under the conditions of passing from classic production to production of the future assisted by computers, modern organizations management must take into account working out competitive strategies as complex as possible, paying attention to the following:

- noticing various problems that may appear, regarding the quality of goods and services, their delivery on time, customers' demands, and obtaining them at the lowest costs,
- paying attention to more segments of markets at the same time, in order to cover more diversified fields,
- aiming at developing new products.

Third millennium organizations have had a rather fast development from the international organization that appeared at the beginning of the twentieth century, than it passed onto multinational organizations, at the beginning of the 50s, and then, in the 80s, it passed onto global organization.

Scholars consider that multinationalization and transnationalization may be explained on the account of four major problems:

- supply restrictions,
- national space existence,
- international oligopolies structure
- difference between production costs.

Once global organizations appeared, the major components that characterize it appear also:

- applying world networks, mainly due to indestructible connections between all fields of activity,
- endorsing a world strategy for each product or service offered an integrated strategy valid for all organizations on Earth.

A global organization contains a complex structure, ruled by a central authority; all its activities are integrated to a complex international strategy on a universal level. Third's millennium organization is the global modern organization that has to plan its activities on more continents and has a world management of its assets.

The entire planet is considered a global organization, a unitary whole, as Sony's president noticed: "it thinks global and acts local".

According to some scholars, global organizations expansion may be explained by expressing some well defined opinions:

- costs of research and development are higher and higher, due to a more diminished cycle of life for products, obliging organizations either to make strategic alliances with other more powerful organizations: or to increase organization level. Those costs represent barriers in entering on world markets and determine organizations to make savings by increasing their market shares.

- In order to impose to competition on world markets, organizations have to sell on all great markets and create production and distribution subsidiaries in the regions with low costs.

- Organizations have to take most advantage of the chances offered by developing countries in order to obtain services and goods at lower and lower prices.

The world is ruled by gigantic organizations, mega corporations that sell or buy goods and products on international markets and even produce in other countries. In a more and more integrated world market economy without barriers, in order to keep up with competition launched by globalization, most organization make strategic alliances or merge with other organizations, even from the competition. The main reasons of merging are:

- organizations' share costs increase,
- managerial teams performance increase,
- a better use of production power and labour force,
- worldwide economic competition reduction

Global organizations consolidate their position by means of more and more developed information technologies appearance and usage and by means of implementing a continuous training behaviour. Third millennium global organizations are open to everything that is new and, capable to quickly react at information.

Kotler considered that "the companies that will succeed in business in the 90s are those that will manage to create the most efficient global networks".

Globalization age means virtual economy emergence. "Internet business represents an extraordinary efficient tool on cost reduction and getting close to the consumer... the winners are those that will consider Internet a complementary means of their traditional competition fight.

In these globalization times, specialists debate only about "digital organization" "virtual organization" or "third millennium's organization". This type of organization acts on four leading forces:

- Informational revolution
- Intense technology changes
- Globalization
- Demographic changes

The main features that make third millennium's organizations differ from the old ones are:

- information is a simple good, as any other one, it is the basis of modern companies, it is the main source of competition advantages,

- some third millennium's organizations employees do not have a stable working place, they do their job at home by communicating with organizations through information channels, thus achieving great cost cuts,

- organizations have the ability to act on global markets, with lower costs and competing directly with different organizations from remote geographic regions, irrespective of distances that separate them,

- markets that companies get in touch directly have no longer a physical dimension

but also a virtual one, the work of Internet,

- on “WEB planet” competition is harder and harder, organizations confront themselves with unknown competitors any moment,
- modern organizations play amore important political role than in the past,
- Outsourcing is used on a large scale in present economic life, organizations cut all unprofitable activities.

In conclusion, in this era of globalization we witness achieving a new relation between organizations and their environment, their evolution lies under the sign of information technology impact. Global organizations represent one of the most representative progress factors of contemporary economy, they are the vectors that dissipate advanced technologies and contribute to living standard increase and business environment improvement.

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