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**THE INFLUENCE OF GLOBALIZATION ON THE EMPLOYMENT**

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**Abstract:** Globalization did not affect just the model of organization of the company and its operations but also the employment system through its constant growth. Countries became more open, with larger size and with bigger impact on the markets. That led to more employment that is not restraint just to the country where the company operates, lower prices and bigger incomes. With the expansion of companies, the technology started to grow and the transfer of the technology becomes a usual process. The need for innovations and new ideas also become very important for each organization. According to the World Bank data from 1990 to 2017 the total labor force is in constant growth. Open economies grow more rapidly than the closed ones, so we can say that globalization add to overall employment and decrease the number of poverty. This mobility of employees that today is very normal and regular process then it was years ago before globalization. The process of mobility influence culture diversity in organization, motivation of employees and transfer of knowledge.

With the globalization grow also a problem with quality of employment too. This expression reflects a view that intense international competition between developing countries to attract investment from multinational enterprises encourages companies to hold down wages and to ensure a cheap, compliant work force. This results in diminishing in both wages and employment conditions. These situations may result from interventionist government policies to increase the attractiveness of their economies to international investors or because of a failure of firms, industries, or countries to align themselves in a profitable way with global markets. Globalization has coincided with an apparent redefinition of work from permanent to flexible employment and from centralized sites to distance work. Indeed, some visions of the future suggest that jobs will be replaced by work; individuals with the requisite skills will find work, but few will enjoy the security and opportunities for upward progression provided by traditional careers. In recent years, labor markets have become increasingly fragmented, with strong growth in the informal economy, which describes economic activities, often illegal, that are not registered or acknowledged by state authorities and that thus avoid taxation. Such informal employment arrangements include street vendors and home workers. Informal employment has increased significantly in both developed and developing economies. Many of these workers are women. While women workers have long been disadvantaged in labor markets in a number of ways—traditionally having lower wages, greater job insecurity, and limited unionization—these inequities are likely, on balance, to be made worse by the processes of globalization.

**Keywords:** Globalization, employment, management, staff, adjustment

**1. INTRODUCTION**

How to secure employment? Every employee wants to be secured in his job position. This sound like utopia because of the uncertainty of existing employment. Because of that a lot of authors still arguing is the globalization good or bad for employment. Back in 1980 nearly 70 percent of all workers in the world were sheltered from international competition by restrictions on trade and capital flows. By 2000, less than 10 percent of the global work force enjoyed such conditions. The problem of employability still depends on the complexity of the job. With the development of new technology and IT sector a lot of companies started to transfer their production units overseas as direct investments or off shoring companies. With new changes a lot of employees were satisfied with the opening of the new position but the old one were not because in their main countries a lot of positions were cut. Again we are still in question: Is the globalization good or bad for employment?.

**2. GLOBALIZATION AND STAFFING POLICY**

Globalization brings strains on the efficiency of labor markets and on their adjustment. Because of that we can say that more competitive and growing economies tend to have flexible labor markets and decentralized bargaining over wages and working conditions. There are significant differences that some authors agree between labor market

adjustment in the United States and Europe. Adjustment processes in the flexible U.S. market focus on relative wage movements rather than on enduring unemployment. The opposite is true on the European continent where wages are inflexible but unemployment is high. Indeed, there are interesting interactions between the two markets. Rising unemployment among the unskilled in Europe benefits unskilled U.S. workers, whose wages fall less than they would otherwise.

The advanced countries need to upgrade their economies in terms of technology and the amount of value added to production to reduce direct competition with low-wage developing economies.

When we mention globalization and its influence we must mention staffing policy. There are three types of staffing policy common in international business. The staff can be chosen solely from the parent-country nationals; a mixed staff can be utilized, in which parent-country nationals occupy key positions at corporate headquarters, while host-country nationals manage subsidiaries; or the best candidate can be tapped for management staff, regardless of nationality.

The first staffing policy or we can say the one in which all key management positions are filled by parent-country nationals was very common and widespread at the beginning of globalization. Firms such as Procter & Gamble, Philips, and Matsushita originally followed it. In many Japanese firms, such as Toyota and Matsushita, Japanese nationals still hold key positions in international operations. This policy was common because the companies in that period of time believed that there was lack of qualified individuals in the host country to fill senior management positions especially in less-developed countries. This argument still stands today even years after globalization started. In a lot of countries in transition or with lower economy still companies do not believe that there are enough qualified management staff. The next argument is that if companies are managed by their staff then they will have the same standards and management processes across all business operations. This is still common in some Japanese companies. The last argument is that for transferring skills and competencies, the best way is to do with transfer of managers that already have those skills. Even these staffing policies are still actual we can say that they can lead to resentment, lower productivity, and increased turnover. Also the rigidity in the staffing policy does not allow understanding and mixing the cultural differences that can be very good for companies' progress, consumer behavior, distribution channels, and political relations.

A second type requires host-country nationals be recruited to manage subsidiaries, while parent-country nationals occupy key positions at corporate headquarters. Experienced international organizations such as Shell, DuPont, and AT&T hire host-country nationals instead of transferring their staff to work in professional positions in foreign operations. They choose this type because believe that managers from host countries are less likely to make the mistakes arising from cultural misunderstandings and are less expensive. As the first type has some negative effects, also this type has to. The biggest negative effect is the gap that can arise between managers from host – country and parent –country. Also we must mention the language and cultural barriers and national loyalty.

The third type seeks the best people for their company regardless of nationality. This type has the most positive effects because on the first place is staff competencies and knowledge. With building a team of international managers the company can fit different cultures and enhance its international network. But still as for the first two types also some authors still argue that this type of policy do not take in consideration a strong unifying corporate culture and an informal management network, both of which are required for a global business strategy. In addition, the multinational composition of the management team tends to reduce cultural misunderstandings and to enhance responsiveness to local market conditions.

However, many countries want foreign subsidiaries to employ their local citizens. And this type is not so adaptable for them. Also there are a lot of training costs for the companies, relocation costs and the need for a compensation structure with a standardized international base pay level that may be higher than national levels in many countries. But still, we cannot forget that the choice of staffing policy is affected by national culture. European companies are more likely than U.S. or Japanese firms to choose managers regardless of nationality. This approach is encouraged in the European Union by firms wishing to improve the mobility of workers and managers throughout Europe. Japanese firms favor their own nationals, in part because employing Japanese managers in key roles in foreign subsidiaries facilitates the control of key business processes such as engineering and quality control. U.S. companies also are more willing to transfer their managers and to employ local citizens only for operative position. We can say that globalization influence a lot the process of employment but there are still some particular national habits in staffing policy.

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### **3. GLOBALIZATION AND INTERNATIONAL BUSINESS**

Globalizations regarding international business influence the companies to send employees overseas for various reasons. Most of them are sent because of shortage of skilled managers, some of them to enhance skills and knowledge of local managers or just to improve the capability of the company overseas.

The selection process of managers that should be sent overseas must follow certain criteria because they did not just change their job positions but also their way of life. This includes the adaptability and flexibility of the family to transfer and their ability to adapt to new culture. Also the other important thing is the technical competence that depends from the various factors of the country. A lot of problems arise from unsatisfactory technical competences and condition that can be found in the new country. Also we must mention the ability of the managers that are sent abroad to deal effectively with their colleagues, subordinates and business clients. This ability includes living and working among new system of values, customs and beliefs and way of conducting the business. Even they gain success in socializing in the new environment; success of the company depends also on the transfer of knowledge and communication. As another important factor that should be taken into account is the knowledge of the candidate about the host country's language and culture in order to lead successful overseas assignment. For example, in China or Japan, knowing how to communicate in basic Chinese or Japanese conversation would impress Chinese/Japanese partners and help the expatriate manager to enjoy a better working and living relationship with locals. These factors that we mention, if are not properly taken into account can lead to very unsatisfactory results for the company. For that reason each employee that should be sent overseas must pass appropriate training before transfer. Some of the companies to avoid this training s that can cost the company and to avoid the time spent in preparation recruits students that demonstrate considerable international orientation or have cross-cultural experience. The company that started with recruiting students and gain success is the Colgate-Palmolive and after that other company starts to follow it.

### **4. GLOBALIZATION AND WOMAN MANAGERS**

When we discuss about the influence of globalization on the employees, we cannot forget that globalization do not influence just the staffing policy or the culture but also on the gender equity. At the beginning of the mobility of the staff, male employees were in greater number then female. This was influence by the traditions of the country and the education as well as political freedom. Today we can say that globalization had huge effect on woman managers. A lot of research show that still woman that come from the poorest country are with low rates of mobility instead of advanced economy, where skilled woman managers respond positively to the opportunities that globalization offer. According to the data of pew research center in more than 80 countries women make up around 40% of the workforce. These data are counted in a period from 2010 to 2016. According to their data European countries, U.S, UK and Canada have a high proportion of women in the workforce instead of countries in South or Central Asia that have relatively low percentage. Only Bhutan and Kazakhstan are with high percentage of female share in the labor force. We can say that these data maybe are not so complete taking into account that a lot of women work is not reported and cannot be considered. The United Nations estimates that the monetary value of the world economy represents only 59 percent of real global output and that more than two-thirds of the difference is accounted for by women's unpaid work. Economic growth and intense competition have added to the demand for top-quality managers regardless of gender The impact of globalization on the female position is still not clear. A lot of women managers have huge positive results overseas but some of them still face barriers from the stereotype, cultural traditions or discrimination. Progress up the managerial ranks appears to be extremely difficult.

### **5. CONCLUSION**

We have also seen that globalization has had a big impact on labor organization and management approaches to staffing policy and employment general. The competitive pressures resulting from globalization have reinforced the need for economic approaches to the management of human resources, highlighting the need for cooperation, stability, and flexibility. In a number of industries, companies have utilized new work forms including part-time, casual forms of employment that have contributed to the growth of informal labor markets and declining levels of union representation. Globalization influences the labor union and the competitiveness.

The important thing that we can see from this discussion is that in spite of increasing globalization, a lot of policies for employment still depends from the national policy and culture. The international competitiveness growth did not raise the rate of employment. A lot of countries in transition to attract foreign investments have trends to reduce taxes, entry barriers and certain laws but they still are not aware of the mobility of employment. There are still needs

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for certain specific labor regulation that will secure the vulnerable group of employees and to enhance positive effects that globalization can have on the labor market. Also for more successful results the important thing is to have political and social cohesion and improvement in labor market regulation and the environment. And a year after the appearance of globalization we cannot give a certain answer about is the globalization good or bad for employment. Still depends from the country and from many factor from the environment. But one thing is certain, globalization has a huge influence on employment and labor market as well as competitiveness and culture.

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