

GLOBALISATION DRIVERS IN THE TWENTY FIRST CENTURY

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Abstract: For a global manager it is said that twenty first century offers an exciting and challenging atmosphere to work. Does it mean a big change in the way the business has been conducted so far or simply means a change in emphasis on certain ways. These currently, are some of the issues which are currently engaging the attention of economists, trade pundits and students of international business in general. So far, every manager has been used to work in a particular way. It was OK in a not so dynamic world of the past. But in a constantly changing world of to-day, where past is replaced by dynamic present and the dynamic present is being replaced by more challenging future, the old ways of thinking and action plans are no longer suitable to the present day. So, one has got to be extra alert and sensitive to the realities of an increasingly globalised world. All this means a bit of uncertainty and unpredictable nature of the future.

PREDICTIONS

Let us look at some of the predictions made by economists on the 21st century and how it is different from the century that has just gone by i.e. the 20th century.

Discontinuous Change and Speed

While there were some stability and predictability of reasonable nature in the 20th century, the 21st century will be marked by discontinuous change i.e. change with a difference. In other words it is a change to take care of new realities of business. Earlier, while size and scale of operations were given importance, now the speed and responsiveness of the managers will be important.

Leadership From Everybody

So far, one used to look for leadership from the top but now leadership is expected from everybody. Earlier there was some organizational rigidity in an organization, but in future it will be a permanent flexibility; meaning flexible thinking will be of prime importance.

Vision and Values

As regards controls are concerned, they were used to be dictated by rules and hierarchy, now

they will be dictated more by vision and values. Information on any subject used to be kept as closely guarded secret, but now it is going to be shared by many who matter.

Creativity and Intuition

So far, every manager is used to be dependent on quantitative analyses for any facts and figures collected, but in future the creativity and intuition of managers will be the dominating factors.

Tolerance for Ambiguity

While there used to be a need for certainty in any activity in general, one has to tolerate a certain amount of ambiguity that may come naturally in a dynamic situation. Although risk taking is one of the fundamental principles of any business activity, some managers are always reactive and averse to risk taking but in future they got to be proactive and entrepreneurial by and large.

Corporate Interdependence

So far, many corporates are used to be independent by and large without depending on others; but in the 21st century, corporate interdependence will be the order of the day as no company can isolate itself in the dynamic world of the future.

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Virtual Integration

Integration is always seen as a position aimed at consolidating one's position in the business, like vertical integration from top to bottom; but in future integration will no doubt be there but virtual being so in effect though not in name, but in nature. A virtual reality is computer generated simulation of activities. This will greatly help in arriving at final decisions.

Focus on Competitive Environment

In the 20th century the main focus in any organization used to be on internal organization, its growth and prosperity but in future the main focus will be on competitive environment with which one lives.

Reinvent the Advantage

Companies were used to focus on identifying the competitive advantage that a company may have had and make it sustainable for the future, but from now onwards they have to constantly reinvent that advantage as the so called advantage which appears to be advantageous to-day may not be there or may not last long.

Create Tomorrow's Markets

There has always been some complacency on the part of global managers by competing today's markets only but in future what is more important is creating tomorrow's markets as markets of to-day may not remain the markets in future.

From the above comparison of the 20th and 21st centuries, it is clear that the future may not be easy to predict as it is full of changes thereby leading to uncertainties.

DRIVERS OF GLOBALISATION

Globalisation can not take place on its own. There are many drivers that drive the globalisation process. They may include the following:

- a) Market Drivers;
- b) Cost Drivers;
- c) Government Drivers; and
- d) Competitive Drivers.

Market Drivers

Market drivers would include per capita income of the people, convergence of life styles, and increased trade etc., (more travellers visiting places means more integration), establishment of world brands (they will be facilitated by expansion of markets), regional standards (which may be facilitated with the growth of globalisation and increased global advertising which has become easier with the advent of E-commerce and the internet).

Cost Drivers

Cost drivers cover factors like economies of scale (market expansion facilitates), technological innovation (new and improved technologies that may improve productivity), advances in transportation (new and improved modes of transport), emergence of newly industrialized countries (serve as models to be emulated) and in carrying cost of product development relative to market life etc. These factors have their impact on the cost aspect, and they determine the way the globalization takes place.

Government Drivers

Governments too can play their role in the globalization process. Under government drivers we may include factors like reduction of tariffs and non-tariff barriers, creation of trade blocs (which is considered a partial globalisation), decline in the role of government (more as a facilitator than controller), privatization (government moving out of business) and shifts to open market economies (from protective regime to open economies).

d) Competitive Drivers

It is said that competition benefits all. The competitive drivers include: (a) increased ownership of foreign acquirers (more monopoly with managerial control); (b) increased formation of strategic alliances; (c) more countries becoming key competitive battle grounds; (d) rise of new competitors; and (e) growth of global networks.

Conclusion

It is now realised that globalisation does not come freely. It costs substantial amounts in terms of restructuring the economy as a whole. Each nation has to liberalise internally before embarking on liberalising the external sectors.

Developments in the international arena have led to the conclusion that no nation can afford to be left behind the path of globalisation. If it does not focus on the process of globalisation, it is likely to be marginalised. In other words no country can remain insulated or isolated from the rest of the world.

The role of global managers in this fascinating world of the 21st century will be that of constantly re-inventing the advantages and creating tomorrow's markets rather than being satisfied with the present ones. Knowledge

is the key to success in these days. As the twenty first century is going to be increasingly knowledge-based, focusing on new and innovative technologies needs more and more knowledgeable workers. These knowledgeable workers are expected to play a crucial role in determining the contours of emerging digital economy all over the world.

Who are the winners in the knowledge economy? Currently information is being produced like any other product of mass consumption. It is those like Bill Gates who know how to produce information and knowledge better and faster than others who would win the race and take it all.

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