

Exploring the multidimensionality of globalization: perspectives and insights

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Purpose

The purpose of this paper is to explore and discuss the multiple complexities of the phenomena of globalization under the microscope of different perspectives, and not just the relative simplicities of the different disciplines that deal with it. This approach leads us to ask: can we engage the phenomena of globalization – globally.

Methodology

Starting with the insights of Ohmae (1995), Bartlett and Ghoshal (2000) and others from globalization literature, this paper will explore the different perspectives of globalization namely: globalization of the natural environment, global economics, globalization of political/legal environments, and global

technologies under the umbrella of global interconnections. This paper will also describe the insights from the arguments of the skeptical, the hyper-global, and the transformational viewpoints.

Significance

Living in a global world of interconnectedness and interdependence, it is important to give comprehensive, holistic and enhanced understanding of globalization from multidisciplinary view point as the effects of globalization simultaneously affecting the individual as well as at a world systemic level. It can also raise the bar of corporate decision making to the better level, being more informed individual, organizational participant and citizen of nation by the interdisciplinary perspectives.

Introduction

There has been a growing sense among many influential academics that the world is getting more and more integrated. This is a symbol of integration and interconnection among different spheres of activities. According to Ohmae (1995), businesses are facing fewer obstacles and barriers to trade between nations and there are very prominent shifts in patterns of international production, investment and trade (Dicken 1992). Bartlett and Goshal (2000) observed opportunities on worldwide level for organizations from many nations. These organizations are constantly contributing on one hand and are being affected by different global shifts in political spheres, technology, culture, ecology and economies on the other hand.

There are different types of research on globalization under different names and topic areas, for example, merits of globalization, sources of globalization, or outcomes of globalization. There are different factors shaping globalization such as economics (Ohmae, 1995; Sideri, 1997; Gupta, 2004) and communication or transportation technologies (Naisbitt, 1994; Ostry and Nelson, 1995). Regarding sources of globalization joint ventures and sharing of assets (Reich, 1991) have been researched.

The idea of interconnections has been addressed via three approaches. First approach given by Stiglitz (2003) and Bhagwati (2004), who analyzed specific global area. For example, economics recognizing and acknowledging global interconnection between markets and other domains such as government. Second approach is sociological approach which focuses on interconnections among two or more than two global spheres (Castells, 1998; Giddens, 1999). Third approach investigates global issues such as environmental preservation as well as rights of women. These issues seem very simple and singular, but in fact they are cross disciplinary and surpass organizational boundaries (Osland, 2003).

Mondialisation, *globalisierung* and *quan qui hua* have referred different connotations. For example, television, textbooks, and articles use the word globalization in different meanings. Management scholars also use global and international as synonyms (Sera, 1992; Parker, 1996; Kanter and Dretler, 1998; Ricks, 2003). According to some management scholars, globalization is a process (Held *et al.*, 1999) characterized by growing worldwide interconnections. These interconnections surpass conventional and traditional boundaries of time, space, nations, societies, and civilizations. According to Parker (1996), global interconnection give way to integration but still others are divisive. For example, 'super-terrorism' (Freedman, 2003) generates interconnection but at the same time demonstrates ideological disconnections. Widespread migration, emergence of new trading blocks, diffusion of culture via media, proximity to vibrant markets, transportation infrastructures, natural resources, global technologies, shaping up global opportunities while integrating nations, civilizations, societies, and organizations on different terms of reference and schedules (Sobel, 2003).

The *Red Book of Endangered Languages* published by UNESCO is a comprehensive list of the world's languages currently facing extinction. Killer language English places against weaker languages and it engulfs the weaker languages. The question arises here, why so much death of languages is being reported in this book? Why language death is reported in 20th century? Australian aboriginal languages have seen lot of pressure and have given away. It has been reported by many studies that Australian aboriginal languages are gradually vanishing. It seems that globalization is engulfing human languages, values, cultures, societies, and civilizations by creating artificial and unnatural contrasts. As stars and galaxies are prey for the black holes, civilizations are prey for globalization. This is sign of shift in power balance, putting stronger nations against the weaker one through globalization. Role of globalization seems as the

black hole for human civilizations by the tool of global convergence and putting stronger against the weaker. This dark side of globalization is also prominent part of criticism on globalization. International diversity and complexity in decision making (Buckley and Ghauri 2004), the different behavior of Chinese business firms from western businesses is also developing new paradigms and new mindsets of globalization (Prahalad and Lieberthal, 1998).

Globalization of the Natural Environment Perspective

There are different ways of accessing global natural environment, for example, preserving global commons (Cleveland, 1990; Buck 1998) which include the oceans, atmosphere, space, and planet's biodiversity. It also includes earth's electromagnetic spectrum (Henderson 1999), i.e. the internet. The degradation of natural resources and rapid consumption of raw materials such as oil, rubber, wood, also generating political and economic strife which becomes major cause of competition and shrinking supplies of dwindling resources. Another sign of global interdependence between human and health of ecology is global diseases such as AIDS / HIV (Garrett, 1994). Natural disaster of 2004 tsunami also has the global impact. In fact we are living in very risk societies and state boundaries cannot prevent us from man-made or natural disasters happened elsewhere (Beck, 2002). Economic growth and population growth both have demands on natural environment by depleting resources, eliminating species, and spreading disease.

On environmental preservation there are two major perspectives: Boom and Doom. Proponents of Boom envision future with prosperity in every inch; while Doom cites global warming, global disease, and species reduction. According to Boom, rapid economic growth will generate technologies to address environmental problems (Simon, 1981). The advocates of Doom target technology and believe that technology is part of environmental problem rather than its solution. Boom and Doom perspective leads us to growth versus environment debate that may lead to win-loose thinking (Porter and van der Linde, 1995).

Global Economic Perspective

FDI, trade and capital all contribute to economic globalization. Globalization of the economy has reshaped some roles for central banks. Financial institutions like World Bank and IMF are also restricting their policy under the impact of globalization. A new breed of dragon multinationals from developing economies (Mathews, 2006) plays its role in emergent global economy with their unique characteristics of strategic and organizational innovations in the process of globalization.

| Rank | Corporation | Home base | Industry | Foreign assets (US\$ bn) | Trans-Nationality Index (TNI) |
|-------------|--------------------|------------------|--------------------|---------------------------------|--------------------------------------|
| 1 | Hutchison Whampoa | Hong Kong | Ports, diversified | 48.0 | 71.1 |
| 2 | Singtel | Singapore | Telecoms | 15.8 | 61.4 |
| 3 | Petronas | Malaysia | Oil | 13.2 | 26.0 |

| | | | | | |
|----|-----------------------|-----------|-----------------------------|------|------|
| 4 | Cemex | Mexico | Cement | 12.2 | 67.9 |
| 5 | Samsung Electronics | Korea | Electronics | 11.4 | 38.5 |
| 6 | LG Electronics | Korea | Electronics | 5.8 | 46.3 |
| 7 | Jardine Matheson | Hong Kong | Trade | 5.7 | 60.7 |
| 8 | Neptune Orient Lines | Singapore | Shipping | 4.6 | 94.8 |
| 9 | Citic Pacific | Hong Kong | Construction | 4.2 | 58.4 |
| 11 | Shangri-La Asia | Hong Kong | Hotels | 3.7 | 78.9 |
| 13 | Guangdong Investment | Hong Kong | Diversified | 3.6 | 92.0 |
| 14 | Flextronics Int | Singapore | Electronics contract mfg | 3.5 | 81.5 |
| 15 | Capitaland | Singapore | Property | 3.2 | 48.1 |
| 16 | City Developments Ltd | Singapore | Property hotels | 3.0 | 62.5 |
| 20 | First Pacific Co. Ltd | Hong Kong | Electrical and electronics | 2.3 | 66.1 |
| 25 | Singapore Airlines | Singapore | Air travel | 2.0 | 27.7 |
| 26 | CLP Holdings | Hong Kong | Electricity, gas, water | 1.9 | 9.7 |
| 27 | Samsung Corp | Korea | Electrical | 1.9 | 25.9 |
| 28 | Kulim | Malaysia | Food & beverages | 1.7 | 42.6 |
| 29 | Keppel Corp | Singapore | Diversified | 1.7 | 29.5 |
| 32 | UMC | Taiwan | Electronics, semiconductors | 1.5 | 28.9 |
| 33 | Fraser & Neave | Singapore | Food & beverages | 1.5 | 54.8 |
| 34 | Hyundai Motors | Korea | Automotive | 1.5 | 21.3 |
| 35 | Nan Ya Plastics | Taiwan | Rubber & plastics | 1.4 | 15.3 |
| 36 | Grupo Bimbo | Mexico | Food | 1.4 | 33.4 |
| 37 | Orient Overseas Int. | Hong Kong | Transport & storage | 1.1 | 59.6 |
| 38 | CP Pokphand | Thailand | Food | 1.1 | 98.7 |
| 39 | Gruma SA | Mexico | Food & beverages | 1.1 | 57.3 |
| 40 | Swire Pacific | Hong Kong | Business services | 1.0 | 31.0 |

Table "Dragon multinationals": Asia-Pacific MNEs in UNCTAD list of Top 50 MNEs from developing economies
Source: World Investment Report 2004, Table 1.3.1

According to Anderson and Cavanagh (2000) Wealth of transnational corporations can better explain the rise of global corporate power in the following report.

- 1) Of the hundred largest economies in the world, 51 are corporations; only 49 are countries. Wal-Mart- the number 12 corporation is bigger than 160 countries including

Israel, Poland, and Greece. Mitsubishi is larger than the fourth most populous nation on earth: Indonesia. General Motors is bigger than Denmark. Ford is bigger than South Asia. Toyota is bigger than Norway.

2) The top 200 corporations combined sales are bigger than the combined economies of all countries minus the biggest nine that is they surpass the combined economies of 182 countries. At least count, the world has 191 countries. If you subtract the GDP of the big nine economies: the United States, Japan, Germany, France, Italy, the United Kingdom, Brazil, Canada and China, the combined GDPs of the other 182 countries is \$ 6.9 trillion. The combined sales of the top 200 corporations is \$ 7.1 trillion.

3) The top 200 have almost twice the economic clout of the poorest of the four-fifths of humanity. The world's economic income and wealth remain highly concentrated among the rich. Indeed, according to the United Nations, some 85% of the world's GDP is controlled by the richest 5% of humanity: only 15% is controlled by the poorest four-fifths. Hence the poorer 4.5 billion people in the world account for only \$ 3.9 trillion dollars of economic activity: this is only a little over half the combined revenues of the top 200's \$7.1 trillion.

Source: From Anderson and Cavanagh (2000) Top 200 The Rise of Global corporate power.

Global Poverty becomes the main agenda of world economic leaders. There is a great gulf between rich and poor economies which is being highlighted again by the challenges which we face by unfettered market systems versus managed ones.

Labor globalization occurs both in manufacturing and service industries. Regarding labor globalization there are three stages: first low skilled manufacturing jobs went global; then comes middle skilled jobs providing back office functions such as call centers, tax preparations, or reading x-rays. In the present time professional labor and knowledge work has globalized. According to Reich (1991) perspective, research scientists, public relation executives, investment bankers, lawyers, real estate developers, engineers, and few global university professors form a new global elite labor market.

Globalization of Political / Legal Environment Perspective

National political systems are increasingly interconnected due to privatization, deregulation, and industrial policy. There are bunch of trade agreements and industry alliances such as OPEC; regional economic agreements such as EU, ASEAN, The African Union; and global trade agreements such as

World Trade Organization (WTO). Terrorism and self-interest has the major impact on the world political and legal scenario. There are increased cross-border criminal activity, human trafficking, money laundering, drug, and terrorism on global scale (Freedman, 2003).

Global Technologies Perspective

Technological revolution has gained its momentum and expanded to digital networks that merge telephone, internet, television, and other media. Modern man has witnessed breakthrough process technologies including JIT, TQM, and Organizational Learning. Information technologies provide ample opportunities for increasing connectivity to almost 2 billion subscribers to global telecommunications services that keep them informed and connected. Silicon Valley has worldwide businesses in Scotland Silicon Glen, China Silicon Alleys, as well as in Singapore, Taiwan, Argentina, and Malaysia. Number of non-English web-users grew from 10 million to 540 million from 1996 to 2003. Speed of change and amplitude of change can be met only with the help of telecommunication connections. It seems that in the phase of technological change nation states will lose their sovereignty and the concept of physical place will become almost irrelevant. Cyberspace governance and virtual 'ba' has become the special issue of big businesses.

Globalization of Culture Perspective

Widespread immigration and global media has profound effects in generating a global culture. Internet has reduced communication barriers and the use of English as a common business language gives us evidence of cultural globalization. This cultural globalization has lead us to the concerns that western cultural imperialism produce with cultural clash (Barber, 1996), or clash of civilizations (Huntington, 1993). The term 'glocaization' or lose connections between what is local and what is global, hybridization or cross vergence in values and improved connectivity and global exposure to media are the hallmarks of worldwide heterogeneity and creates tension among cultural homogeneity and heterogeneity.

In the words of Abbas (2011):

Humanity / human civilizations is divided into four major civilizations at large. In the literature on major four civilizations of the world notable scholars and authors reflect their insights in the table below. (For detail see: Fukuyama (1989), Huntington (1993), Lewis (1990), Smith (2005), Durant (1950), Koneczny (1960), Spengler, Toffler (1980), Mahbubani (1993), Armstrong (2004), and Toynbee (1948, 1953).)

At Civilizational Level Civilizational conflicts are the real cause of Global Financial Crises

| | Indian Civilization | Chinese Civilization | Western Civilization | Muslim Civilization |
|---|--------------------------|-----------------------|---------------------------|------------------------|
| Crises of Values | Peace | Equality | Freedom | Justice |
| Confrontation of Prevailing Disciplines | Culture as discipline | History as Discipline | Science as Discipline | Religion as discipline |
| Overlapping of Forms of Consciousness | Aesthetics Consciousness | Moral Consciousness | Speculative Consciousness | God Consciousness |
| Divergence of essential convictions | Belief in Earth | Belief in Past | Belief in Present | Belief in Future |

Conflict of Faiths – The Real Cause of Civilizational Clash
(Adopted from Waheed's PhD Dissertation, 2007; p. 74)

The Skeptical View of Globalization

According to this group, globalization is simply internationalization by another name (Scholte, 2000). Hirst and Thompson (1996) are of the view that present internationalized economy is not unprecedented and exemplary one. According to them, in some respects it is less open and generalized than the global economy of 1870 – 1914. They made their point that despite there being significant regional players emerging in Latin America, East Asia, and elsewhere they assert that trade, investment, and financial flows remain concentrated in the Triad of Europe, Japan, and North America. And this dominance is likely to continue. These major G3 economic powers have the potential and capacity to exert powerful governance pressures over all financial markets and other economic activities. One can infer that the concept of globalization is nothing else but show its economic magnitude and pace with reference to these G3.

Hyper Globalist View of Globalization

According to this argument globalization is a new stage in human history in which we see power of nation state more than businesses. Power of nation state is supplanted by business activities (Ohmae, 1995). Through this economic and political clout they dominate the world society (Held, 1999).

Transformational View of Globalization

According to this argument the end point of globalization is not yet decided. Interconnection and interdependence will make new links among nations and people and power relationship will be reconstructed. These transformations are just in process and yet to be seen whether they produce positive or negative results in the longer term.

Conclusion

After examining globalization from various perspectives we see there is a strong trend of oversimplification that dichotomizes positive versus negative, rich versus poor, nation versus businesses, and unfettered markets versus managed ones. Globalization is a highly complex and confusing concept oversimplified by considering winners and losers at a single point in time. When we see at the business level, businesses are witnessing dichotomies of local or global, centralized or decentralized. The exact specification of globalization comes from different sources. Undoubtedly our businesses are under the impact of globalization and its consequences so at this point of time it becomes most urgent duty of business leaders to understand what the growing worldwide interconnections does mean for their organizations. Globalization puts up a new challenge of increasing isolation of organization studies as a stand alone specialism within business schools and their disciplines. It also challenges their dependence on an unlimited range of disciplines such as IB. It will create deficit for individual scholars and researchers if we fail to integrate globalization only with social science disciplines in IB. In this way the scholarship of IB will not reach their full potential due to the failure of combining knowledge with other insightful disciplines. At least political economy, anthropology, sociology, cultural studies, economic history should be the part of IB and study of globalization. In this way micro view can be changed and expand into the macro view of exploring new horizons of knowledge economy. Enrichment of research lies with multiple complexities of globalization rather than relative simplicities of the disciplines. Multilayered relation qualities of globalization research range from the effects of globalization on individual to world systemic level. Management scholars have to get out a bit more out of their countries, cities to other places, other realities and other disciplines. Globalization is a phenomenon that spans disciplines and has the potential of visualizing beyond the limited scope and myopic view. Finally we are living in a global world of interrelatedness and interdependence so there is an urgent need of being broadly informed through interdisciplinary perspective so that we can get rid of biases while making rational and pragmatic decisions. As individuals and organizational participants and citizens of nations in an interconnected world we should strive not to become victims of globalization seen only through a singular lens generated from one place or one discipline. After this realization that our perspective even if it is best, is our perspective, can we engage the phenomena of globalization-globally?

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