

UDC 339.9

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THE IMPACT OF GLOBALIZATION ON CORPORATE CULTURE AND COMMUNICATION

Visible features of globalization are open borders and lack of barriers for market entry, due to which we observe significant increase in international trade, capital flows, labour migration. The world becomes more and more interdependent, companies - transnational ones, business – international. This process is going on at a high speed in deep interaction with political, economic, social and cultural events. It is getting more and more difficult for companies to communicate in global environment. To overcome these difficulties they need to have a clear understanding how globalization influences corporate culture and communication. The answers for this question let the companies be more flexible and efficient in foreign markets as well as more competitive among rivals.

During the research some visible features and outcomes of globalization will be regarded. The focus will be mostly done on the European economic integration, progress in information and knowledge communication technologies and environmental challengers. In each case the peculiar characteristics of the process will be distinguished, its influence on corporate culture and communication will be determined and corporate reaction on these challengers will be viewed.

European Economic Integration Impact

The most visible wave of European economic integration is falling international barriers to trade, capital flow, technologies exchange, labour migration; strong cooperation nearly in all spheres and sectors of economy. Europe is in the process of one single market formation. It is related to commodities, financial derivatives, financial assets, technologies, natural resources, energy etc. Actually it might be observed the formation of one united society with the same currency, policy, custom duties, values and expectations. The more integrated the society is the more unified living standards it has. As Levitt says, “consumer goals worldwide become more and more alike” [1, p. 521]. As a result the companies have to adjust to new business environment and customers’ expectations.

The impact of European economic integration on corporate culture and communications is obvious. Companies face with strong level of competition and their employees have to be more innovative, creative and

communicative. Herrmann observes another tendency: “most humans seem to have a basic need to belongingness and therefore feel happier in the culture they know” [2], it is not an easy task for them to adjust to a new culture. Operating in new markets they might feel uncomfortable and thus less effective. One more feature of European integration is transparency in all procedures, thus the process of communication in and out of the company has to be transparent enough to let it be well integrated in European business environment.

To respond the challengers of European economic integration the companies should change their policies. As Levitt says, “companies must learn to operate as if the world were one large market – ignoring superficial regional and national differences” [1, p. 521]. Thus most companies become transnational ones. According to Levitt multinationals tend to offer “globally standardized products that are advanced, functional, reliable, and low priced to enjoy economies of scale in production, distribution, marketing, and management” [1, p. 521]. To launch these products they have to employ personal able to work at the large European market maintaining high European standards of services. Brickley, Smith and Zimmerman emphasize that “employees are expected to be focused on quality and customer service” [3, p. 273]. To meet customer expectations most companies introduce new compensation schemes enhancing their workers motivation to behave with clients in a proper manner even without formal policies to follow. Training sessions appear to be a good tool to develop these skills.

Progress in Information and Knowledge Communication Technologies Impact

Over the last century a lot of modern technologies appeared to relieve everyday life, increase human well-being and create the basis for sustainable economic development. Milgrom and Roberts [4] determine recent features of technological changes stressing that technologies become more flexible, the same information and communication technologies can be used effectively in a variety of different companies and different economic sectors, the process of technologies exchange becomes faster and faster, high speed of technological changes require the companies to keep in step with progress and

new innovations. More attention is paid to individual qualities and value of knowledge. Highly ranked experts with professional knowledge of foreign languages and cross cultural differences are in a high demand as they are able to work in subsidiaries and extend companies business abroad.

Recent information and knowledge communication technologies evolution make a great influence on employees' behavior, career paths, way the employees communicating with each other and corporate culture as well. Milgrom and Roberts state that many workers are expected to be skilled enough to be able to move from task to task, engineers are required to be aware of the capabilities and needs of different parts of the company and thus are rotated frequently among jobs [4, p. 588]. The same changes affect top managers who are responsible for strategic decision making and thus have to be far ahead of their rivals in actions and strategy. A week point is highly skilled international labour migration. Herrmann mentions in her research that it gets a tendency to transfer experts from country to country to help build new subsidiaries [2]. But there might be a danger as the experts get more professional in foreign market they might leave the company for a better job and nobody can predict their career path decision. As we have seen companies become more and more dependant from knowledge and skills of their employees.

To prevent the loss of high qualified workers companies have to be accurate in personal management. As Milgrom and Roberts note companies should recognize the importance of knowledge and skills of their employees and entrust them with more responsibility and discretion [4, p. 588]. Motivation for active participation in manufacturing process and design of new products seems to be the best solution for keeping workers with a company for long term. In this case different types of profit shearing schemes have to be introduced to the personal. What about skills and knowledge of the personal it is a main concern of the company to train and reward workers to be multiskilled. In this context fruitful cooperation between companies and universities creates new opportunities for implementation of long life learning concept in practice. Effective, ongoing communication with customers to learn their needs and expectations is essential as well. To carry out all these tasks companies have to develop an effective policy of information and knowledge communication.

Environmental Challenges Impact

During the last century the world community made a significant step forward in economic transformations and social reforms. Such rapid development puts great burden on environment and leads to irreversible climate changes. Humanity has already faced with such problems as freshwater limits, ecosystem destruction, biodiversity loss chemical pollution, greenhouse effect etc. The most threatening environmental challenges for goods manufactures appear the quality, quantity and

availability of natural resources. These issues endanger further economic development and become a burning issue for stakeholders in the world.

Environmental challengers impact on companies today activity is not less than some other factors, sometimes it is even more visible and tangible. For example, the quality of natural resources might not be sufficient for production of high qualified goods in a full range. In this case the company has to search for substitutes or new supplies. Companies' activity is limited by availability and quantity of nonrenewable resources, every day they have to compete for resources at the international level trying gain in a new market. Such serious problems as global warming, depletion of ozone layer can not be ignored by ordinary companies as well. They have to be equal partners in international alliances assembled to cope with new challenges. In all these cases effective communication in both internal and external environment is needed.

As we see the development of corporation has to be in a closed interaction with local ecosystem. Although the balance between economy, society and environment is essential this state is impossible to reach unless the way of thinking in society is not changed. It is important to change economic agents' attitude to the environment. Ecological responsibility has to be deeply integrated into modern corporate culture. Companies should switch on new innovative development models which assume improvement of manufacturing technologies, energy saving policy and rational attitude to natural resources consumption. In this context knowledge become the most influential factor of economic changers. As Fritsch, Schmidheiny and Seifritz argue in their book on ecologically sustainable growth society [5], knowledge accumulation allows accelerate technological changers and speed production process improving. But quite important question arises how to initiate knowledge communication among experts and decision makers. Complete answer is given by Eppler in the Paper: 'The Concept of Knowledge Communication and its Relevance to Management' [6]. The results of these two publications might be a good background for an effective policy of information and knowledge communication elaboration.

Conclusion

From examining Milgrom's, Roberts', Eppler', Levitt's, Brickley's, Smith's, Zimmerman's, Fritsch's, Schmidheiny's, Seifritz's works it gets possible to state the following. European economic integration, progress in information and knowledge communication technologies and environmental challengers are the most influential globalization factors. To overcome their impact the companies have to develop an efficient policy of information and knowledge communication. The basic components of this policy should be new compensation schemes enhancing workers motivation to behave with clients in a proper manner, training sessions to develop

appropriate communicative skills, fruitful cooperation between companies and universities to train and reward workers to be multiskilled, ecological responsibility cultivation in the frame of corporate culture, new innovative development models assuming improvement of manufacturing technologies, energy saving policy and rational attitude to natural resources consumption. Due to this policy implementation companies might be finally well integrated into European business environment and exercise successfully advantages of international cooperation.

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Хоменко Я. В., Хоменко І. А., Бородіна Є. С. Вплив глобалізації на корпоративну культуру та комунікації

В статті розглянуто основні особливості та наслідки глобалізації. Акценти зроблено на процесі єв-

ропейської інтеграції, прогресі інформаційних технологій та технологій з обміну знаннями, а також на нових викликах з боку оточуючого середовища. У кожному окремому випадку визначено особливості цих явищ, характер їх впливу на корпоративну культуру і комунікації та можлива реакція на ці явища з боку корпорацій.

Ключові слова: глобалізація, економічна інтеграція, корпоративна культура, комунікації, оточуюче середовище, інформаційні технології, технології з обміну знаннями.

Хоменко Я. В., Хоменко І. А., Бородіна Є. С. Влияние глобализации на корпоративную культуру и коммуникации

В статье рассмотрены основные черты и последствия глобализации. Акценты сделаны на процессе европейской экономической интеграции, прогрессе информационных технологий и технологий обмена знаниями, а также на новых вызовах со стороны окружающей среды. В каждом отдельном случае определены особенности этих явлений, характер их влияния на корпоративную культуру и коммуникации и возможная реакция на происходящие события со стороны корпораций.

Ключевые слова: глобализация, экономическая интеграция, корпоративная культура, коммуникации, окружающая среда, информационные технологии, технологии обмена знаниями.

Khomenko Y. V., Khomenko I. A., Borodina E. S. The Impact of Globalization on Corporate Culture and Communication

In this paper some visible features and outcomes of globalization are regarded. The focus is mostly done on the European economic integration, progress in information and knowledge communication technologies and environmental challengers. In each case the peculiar characteristics of the process are distinguished, its influence on corporate culture and communication is determined and corporate reaction on these challengers is viewed.

Keywords: globalization, economic integration, corporate culture, communication, environment, information technologies, knowledge communication technologies.

Received by the editors: 23.11.2015
and final form 28.12.2015