Globalisation and its Impact on Managerial Skills

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ABSTRACT

Just as development, innovation and change has been the buzz words for the last 20th century so has been the word globalization. From the days of industrial revolution in the late 17th century to the early 19th century when it would take months to travel from one corner of the globe to another, distance and time barrier where the main causes of hindrance for the world to communicate and now in the 20th century to think of the world as a global village is just like a day dreamer’s delight has come true. The end of the 20th century will be remembered for bringing the dream of globalization to reality. 20th century has been marked by the revolution in information technology, which perhaps been the most momentous contributor towards the world now being termed as global village. On the one side, several outcomes of this transformation are within the reach of a large number of human beings; in the shape of PC’s availability of Fax machines and internet facility are its examples. Who could have thought of its widespread availability in developing nations like India three decades ago? Globalization as a trend has made its impact on each area of human activity particularly economically and culturally.

In this context, the present paper will examine first brief perspective of globalization. Second, it will elucidate the basic managerial skills. Finally, it will examine the implications of looking at the impact of globalization on managerial skills.

Key words: Globalisation, Managerial Skills.

INTRODUCTION

Globalization (or globalisation) is the term to describe the way countries are becoming more interconnected both economically and culturally. This process is a combination of economic, technological, socio-cultural and political forces. Globalization is often used to refer to economic globalization, i.e. integration of national economies into the international economy through trade, foreign direct investment, capital flows, migration, and the spread of technology.

Globalization in the era since World War II is largely the result of planning by economists, business interests, and politicians who recognized the costs associated with protectionism and declining international economic integration. Their work led to the Bretton Woods Conference and the founding of several international institutions intended to oversee the renewed processes of globalization, promoting growth and managing adverse consequences.

The frontiers of the state with increased reliance on the market economy and renewed faith in the private capital and resources, a process of structural adjustment spurred by the studies and influences of the World Bank and other International organisations have started in many of the developing countries. Also Globalisation has brought in new opportunities to developing countries. Greater access to developed country markets and technology transfer hold out promise improved productivity and higher living standard.

LITERATURE REVIEW

An organization’s talent can be a source for a sustained competitive advantage and can affect important organizational outcomes such as survival, profitability, customer satisfaction level, and employee performance (Pfeffer, 1994; Prahalad, 1983). Being at the center of globalization, multinational organizations need to learn to integrate diverse value systems and espouse shared global work values to create an environment, where workers are able to communicate and coordinate their activities to reach common goals (Rosenblatt, 2011; Erez and Drori, 2009; Ralston et. al., 1997). According to the McKinsey Global Institute, only 13 to 19 per cent of 33 million university graduates in developing countries are suitable to work in a multinational company, due to their lack of language skills, low quality of educational system, and lack of cultural fit. Also, only a fraction of these people are willing or able to relocate to foreign countries for employment (McKinley Global Institute, 2005 - I). from developed countries, but from the developing countries themselves as they pursue their own nation building.

Human resource professionals at multinational companies in emerging markets such as China, Hungary, India, and Malaysia
have reported in a recent survey that candidates for engineering and general-management positions exhibit wide variations in suitability (Guthridge, Komm, and Lawson, 2008). It also remains the biggest challenge for global organizations’ human resource departments to manage a workforce diverse in culture and language skills, and distributed in various countries. It is critical that the businesses not only familiarize with local ways of doing business, and understand the needs of local consumers, but also develop a global mindset among their employees.

The changes in organization and work practices in high-performance enterprises have profound implications on the skills required from employees (that is, skills are a derived demand, based on the way in which work is organized). High-performance work organizations typically use self-managed work teams, multi-skilling, job rotation, cross training and the devolution of decision-making. These methods confer greater flexibility on the organization, but can only work if employees acquire technical skills in addition to those normally required in a traditional organization (Ashton and Sung, 2002: 83). Designing work in this way inevitably demands higher levels of skills from employees. In the high-performance workplace, workers must possess the cognitive and diagnostic skills necessary to perform a broad range of frequently changing tasks (Howell, 1994: 6). For workers, it means they must acquire the social and problem-solving skills needed for the management of production, in addition to the technical skills required. This generates the demand for learning to become a continuous process (Ashton and Sung, 2002: 73).

MANAGERIAL SKILLS IDENTIFIED

Every human being has some potential of certain kind inside him some of which are explicit i.e. of which one is aware of and some are implicit i.e. one is unaware of it. Being manager is not an easy task as they have to get the work done from the people and more so in today’s global environment where the work place is full of diversity. Manager needs to use and influence behavior of people around to reach the goals of the enterprise. In doing so manager use the managerial functions – planning, organizing, leading and control; while “playing” the following roles in the enterprise.

- **Interpersonal skill** – Figurehead, Leader, Liaison
- **Information roles** – Monitor, Disseminator, Spokesperson
- **Decision-making role** – Entrepreneur, Disseminator, Spokesperson
- **Resource Allocator**, Negotiator

To accomplish all the above roles managers requires special skills set. These skills directly affect the results of the manager, and they are acquired by the mangers through their experience over the period of time and can also be learned and gained by training.

Managerial skills can be divided into the following skill sets:

- **Technical skills** – The technical skills implies the ability to understand any activity e.g. any procedure, process or any methodology which involves a specified knowledge and analytical ability for doing the managerial work. The technical skills for managers represent the usage of methods like break even analysis in planning or ability to prepare for and conduct a structured interview.

- **Interpersonal skill** – These skills are also termed as “human skills” and this skills set refer to the ability of the mangers to work with, understand and motivate other people. People are most valuable resource of any enterprise and manager needs to know how to lead people. Abilities include motivation of workers, solving work conflicts, communication and working with people. Therefore interpersonal skills are essential on every level of management.

- **Conceptual skills** – These skills are must for middle or top managers. This is the ability to “see organization as the whole”. It includes recognizing how the various functions of the organization depend on one another, and how changes in any one part affect all the others. It extends to visualizing the relationship of the individual business to the industry, and the political, social and economical forces of the nation as a whole.

- **Communicational skills** – Manager needs information for decision-making. Ability to disseminate and receive information is thus important tools for manager. It is not only verbal communication, but the manager should be able to distinguish non-verbal signals, mood and feelings to filter the right information.

The chart given below depicts the relative importance of each skills set at various levels of management. The figure clearly suggests that as the level of management increases the relative importance of each skill set starts to vary. Conceptual skills, interpersonal skills are more important at middle and top level of management as most of the time of managers at these levels is spent in handling, motivating and evaluating the people at work and setting up the priorities for the work groups. Communication skills has been given equal importance at all the levels of management while technical skills as can be clearly seen from the chart lose importance as the level of management rises up the order.

Impact of Globalization on Managerial Skills

Economic and technological globalization has allowed for a greater exchange of goods, technology, information and people across borders. Globalization has affected the people skills of today’s manager with the requirements to respect diversity, be mobile and manage across great distances.
Globalization has made the task of managers much more complex as they are required to manage the work force consisting of employees who are from different cultures, customs, social practices, values, economic and political systems and management beliefs. This has caused new challenges for managers to update their managerial skills. It is the need of the hour for managers of today to enhance their managerial skills so that they can make the individuals from different cultural backgrounds to work together. Managers not only have to improve their own skills but they also have must ensure that employees with the requisite knowledge, skills, abilities, and cultural adaptability are available so that they may be successful in global assignments.

Factors affecting Managerial Skills in Global Environment:
Following are some of the factors which are significantly influencing the managerial skills.

Factors affecting Technical Skills:

•  Technological Advancements: One of the main cause of globalization has been rapid technological advancement. Gone are the days were managers use to acquire certain technical skills and use to spent their whole professional life with only those set of skills. Technological advancement has put forth in front of today’s manager following challenges.

  1. Managing a virtual workforce: Managers are increasingly required to manage employees and teams several time zones away. With a remote team, a manager cannot show up at an employee’s desk to address a problem. Managers today must be adept at technology as well as managing remotely through e-mail, conference call, video-conferencing and other mediums.

  2. Upgrading technical and professional qualification: Since in today’s global environment managers are required to manage the workforce in diverse working environment for e.g. the techniques of production may be different in different countries. A manager working in developing country like India may have to adopt different technology in some developed country similarly legal framework within which the organization have to work are different, professional qualification acquired in one country might not be suitable or accepted in another country. So this calls for continuous improvement of technical skills of managers to cop up with ever changing technical environment.

Factors Affecting Conceptual Skills
Impact of globalisation on the conceptual skills is immense as we know that conceptual skills involves the ability to use information to solve business problems, identification of opportunities for innovation, recognizing problem areas and implementing solutions, selecting critical information from masses of data, understanding the business uses of technology, understanding the organization’s business model are greatly influenced by following factors.

•  Changing trends in business environment: Globalisation and increased competition has made the business problems more complex. Due to globalisation business problems are not confined to the frontiers of a country rather they are transfrontier. As new markets open up old one perishes thus putting immense pressure on the conceptual skills of managers as they have constantly identified new ideas and concepts to survive the competition.

•  Ever changing nature of work: As the business operations becomes more complex the nature of work also gets complicated. Managers are confronted with challenges like managing workforce with flexible working patterns, developing HR initiatives to manage employee morale and developing proactive employee development programmes etc. This puts lot of pressure on the conceptual skills of the managers as they handle the heterogeneous composition of its workforce but they have also to deal with the much higher education and knowledge content of them. The general educational levels have improved worldwide, the information technology revolution has made the masses in general more knowledgeable and ever improving, thus putting immense pressure on the interpersonal skills of the mangers as they have to themselves keep a praise of the latest developments to keep themselves ahead of the workforce working under them.

3. Foreign Assignments: A manager may be asked to take on a foreign assignment. This requires the manager to rise to the challenge of living in another country, mastering considerable cultural and language differences.

Factors Affecting Interpersonal Skills
Globalisation is putting immense pressure on manager’s skills to handle employee. The task of managing the workforce has now become extremely complex and challenging. Following are some of the factors influencing the interpersonal skills of managers.

1. Heterogeneous Workplaces: As a result of globalization, businesses around the world are more heterogeneous places to work. Even employees at the same company may come from a variety of countries and cultures and have different ways of looking at things and approaching their work. Managers must respect diversity and effectively bring people of varying backgrounds to work harmoniously together.

2. Educated and Knowledgeable Workforce: Not only the managers have to deal with the heterogeneous composition of its workforce but they have also to deal with the much higher education and knowledge content of them. The general educational levels have improved worldwide, the information technology revolution has made the masses in general more knowledgeable and ever improving, thus putting immense pressure on the interpersonal skills of the managers as they have to themselves keep a praise of the latest developments to keep themselves ahead of the workforce working under them.

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are important conceptual skills. People with strong conceptual skills are often identified as effective leaders or managers. This generally is due to their abilities to understand the organization as a whole and develop creative strategies.

Factors Affecting Communication Skill
Ability to transform ideas into words and actions, credibility among colleagues, peers, and subordinates, listening and asking questions, presentation skills and spoken format, presentation skills; written and graphic formats. Communication skills are affected by factors such as cultural, social practices and values etc. Managers’ having to adapt their communicational skills intune to these factors so that he can effectively manage their workforce.

Suggestions for managers to cop-up with pressure of Globalisation
Following are some of the suggestions for manager to improve their managerial skills.

- Vocational and on the job training programmes help in developing technical skills.
- Recognise the feelings and sentiments of people of different culture.
- Develop ability in successfully communications his ideas and attitude to others.
- Develop ability in understanding what others by their actions and words are trying to communicate to him.
- Interpersonal skills can also be effectively aided by a skilled instructor through use of case problems coupled with imprompt role playing.
- Training can enhance previously acquired conceptual skills; coaching by superiors to subordinate is one best technique for this.
- By moving promising young men and women through different functions of the business but at the same level of responsibility will help in improving the conceptual skills.
- Special assignments, particularly the kind which involve interdepartmental problems can also help in improving the conceptual skills.
- To improve the communications skills the manager may join personality development programmes and workshops.

CONCLUSION
Good set of managerial skills for one country will not automatically be good managerial skills in another country for several reasons. Good managerial skills may be deemed so by certain characteristics that are favoured in a particular culture and society, and these characteristics or habits may not be appreciated or held so highly in another country. Countries have their own cultures and social standards, and this is important when considering managerial skills sets. There are several skills that a leader can have that will make them successful globally, and these skills are strong business knowledge, awareness and sensitivity to cultural differences and standards, courage, commitment, and integrity. A manager that has knowledge of a countries ethics, beliefs, and customs and basic skills can provide beneficial leadership to a business in another country. Globalization has made it imperative for today’s manager to be is trained in cultural standards of a country and respects these standards.

REFERENCES