

GLOBALIZATION AND BUSINESS MANAGEMENT WITH SPECIAL REFERENCE TO BANGLADESH

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Introduction:

Management is the most important factor for economic development of any country. In today global economy the dynamic role of management can hardly be exaggerated. Harnessing the natural resources, producing crops, exploiting the queries, running business enterprises, and providing the basic amenities of life and above all utilizing the human resources all depend on effective use of knowledge on management. In fact, management touches every facet of our life. In this combination of our life due to the splendid synergistic combination of science, technology and management.

GLOBALIZATIN:

We all understand that globalization is a process of interaction among people, business houses and governments of different countries mainly by international trade, investment and augmented by information technology. If we view the recent trend of globalization we see an amazing change that is taking place. Volume of world trade grew by 25 times since 1950. Foreign investment in a single year is now close to 1 trillion dollar. The regional blocks and number of free trade associations like, EEU,NAFTA, ASEAN, BIMSTEC and SAARC is more than 200. In fact the pace at which globalization is taking place in today's world it has really become unstoppable.

At present the world the world is witnessing a rapid change in all fields of human civilization. The word we knew is shrinking fast paving the way for globalization. In the backdrop of powerful trade and business interests political boundaries are tumbling, geographical obstacles are being leveled down and cultural barriers are being won in a highly competitive world of today. Economic integration among regional blocks is emerging one after another, political boundaries are transcended by such collaboration and social and cultural organizations. Media is playing a powerful role in this process of economic and cultural integration. The open sky invasion of the satellite channel and the cable network has brought the world much closer then before. The overall global trade is increasing phenomenally every year and after. In business the process of going global is largely marked by increasing volume of export and import and greater number of licensing, franchising, strategic alliances, joint venture and setting up of foreign subsidiaries by business houses. Thomas Friedman while describing the trend of globalization summed it up in one sentence that globalization is "father, faster, cheaper, and deeper."

MANAGEMENT OMPlications OF GLOBALIZATION

Such changes of galvanic proportion stated above demand a dynamic role of management. Management is dynamic when it is proactive and not reactive. A set of managers who smells changes ahead, projects its path and trajectory, stands right there to face with preparedness of an impending disaster is the one who will survive. Those who fail to do so are destined to exit from the corporate world. For today's managers change has emerged as the only constant and the rests are variables. In the backdrop of this crazy time and crazy world, as Tom Peter suggested, the life cycle of many products has been reduced many fold into weeks from years. Naturally, this change driven growth

leaves no complacency for management to bask on the sun of their newfound success as some competitor is waiting round the corner to displace their product and or their business.

Managers of today must always be on guard and ready to adopt change. Sometimes the changes are taking place from within, sometimes the organizations are being swept away by changes from around and environment. Fortune smiles on the companies, which can anticipate the wind of change and place their organization and product in line with that. Those who fail to do that become a memory of the past and soon pass into oblivion.

Like the flight of capital labor is also flying, although at a slower pace. At present, about 80.9 million workers are out in the foreign land. Chinese workers are working in 160 countries of the world so are Indians, Pakistanis and Bangladeshis.

In this age of cutting edge skill, competition is the name of the game and management must be dynamic and ready to face the changes squarely. This ability to adjust to the changing environment makes or breaks a company. Changes might creep in silently or it may come abruptly swamping the organization like an avalanche and in both cases management must not remain unprepared. How little preparedness for catastrophe we tourist industry by surprise. It will take years for the tourism industry to recoup the losses it suffered.

Management needs to be proactive in anticipating changes that may come from the standpoint of customers, competitors or from the changes in the technology or environment. In today's world, drastic change is taking place due to globalization and rapid development of technology. The global economy now witnesses flight of capital from place to place. Country to country in search for new market, cheap labor and wholesome profit. The strong resurgence of Asian economy and the galloping pace of economic development of china, India, Vietnam and host of other countries in the region has raised the hopes of millions for a better standard of living and alleviation of poverty. There is no denying the fact that the engine of growth in these nations had been in the private sector and giant corporate house, which now expanded their businesses to many other countries.

Multinational and transnational companies now dominate the global economy. The popular mode of joint venture and strategic alliance such as licensing and franchising are indication global networking.

GOVERNMENT POLICIES

Our subcontinent is a perfect testimony to the fact that government policies affect the process of globalization. To attract global capital or foreign investment countries in our subcontinent have laid down attractive concessions and investment packages. The government of Bangladesh has set up Export processing Zone (EPZ) with most liberal incentives and policies for India have also opened up their economy for the foreign investment with phenomenal success.

ROLE OF WTO AND GLOBAL PARTNERSHIP

WTO, which was created by Uruguay Round negotiation to replace GATT in 1995, is a body to deal with rules of trade between the nations. Since inception, it has been an object of controversy with respect to its dominance by the rich nations. Critics point out the fact that its obsession to free market economy and its role to work as catalyst to economic integration will benefit the rich nations rather than the poor nations. As a platform of 147 nations, WTO is the only global organization that deals with rules of trade among nations. In view of that, it can play a major role in building global partnership if the inequalities are addressed properly and the interests of the developing countries are not bartered away in the name of free market competition.

POST MFA PERIOD

From the 1st of January 2005 the multi fiber agreement had come into effect removing the quota system of RMG companies, this is a big challenge. They no longer enjoy the quota and have to compete with China and India for the same product in a free market. Although this change was announced much ahead, it will depend on the dynamism of Bangladesh managers whether they can really survive this challenge. Early statistics show the downward trend in export order to US market of Bangladeshi RMG products whereas, the Chinese RMG export has risen steeply in the same market. Needless to say, not all changes will come in phases and with prior warning.

BUILDING GLOBAL PARTNERSHIP IN BUSINESS

Obviously business puts top priority on building global partnership in order to expand their market. Multinational companies are going for huge investment wherever they see profitability. The phenomenal improvement in telecommunication and information technology has made the world financial market to grow, expand and intensify at a pace unheard of before. The ease and speed of transaction of money in the international market has made the international trade deal easier and smoother. The highly aggressive international banks have truly become global by putting their branches in the streets of far flung cities.

The financial networking along with the infrastructure development in telecommunications through submarine cable and satellite connection have revolutionized the system and immensely increased the scope for building global partnership. Under the new set up the list of possibilities is endless. Global partnership in the information technology is a reality now where unique features of comparative advantage exist along with decreasing labor cost.

The horizon of telecommunication is also an open field where much can be done to accelerate the pace of development of the developing countries where the tele-density is one of the lowest in the world. The case of Bangladesh can be cited as an example where joint venture between Telenor, a Norwegian tele-company, Marubeni, a Japanese company and Grameen Bank of Bangladesh have set up Grameen phone a cell phone company which already attained a total client of 2.5 million raising the tele-density of the country to a substantial level and empowered the impoverished village women.

Similarly, in context of pharmaceutical industry, biotechnology and genetic engineering building global partnership can work wonders provided the partnerships are forged with more egalitarian relationships rather than purely commercial motives of profiteering. In 1982 Bangladesh under a pragmatic drug policy, which set the foundation for the growth of its indigenous pharmaceutical industries shunning the earlier dependence on multinational companies for medicine. The result is that the pharmaceutical industry of Bangladesh has rapidly developed producing ninety percent of its domestic demand for medicine and also having surplus for export.

In the case of agro-based industry, I think we should look from the slanders of the developing countries where the stakes are really high since the economy of these countries are highly dependent on agriculture. If I am allowed to take the case of Bangladesh once again where agriculture even now contributes 24% to the gross Domestic Production (GDP) but engages 65% of our labor force, consequently agro based industries are going to touch upon the lives of millions. One should be little cautious however, before making such observations are going to touch upon the lives of millions. One should be little cautious however, before making such observations in view of the fact that the 2004 world indicator published by world bank while reviewing the world economy stated that by and large developing countries are gradually shaking off their dependence on agriculture sector and switching over to manufacturing and service sector as the engine of growth. Agro-based industries offered a big promise for quick and expansive in manufacturing concerns.

Agro-based industries offer a great prospect to the countries like India, Bangladesh, China and Vietnam having a obtain mass of population. Marginal and subsistence farmers can obtain relatively higher price for their commodities when agree business thrives. However, the same conclusion cannot be drawn in term of laborers of agro-based industries. Although flourishing agro-business industries may provide job opportunities, it may not completely free them from exploration.

An interesting feature of agro-based industries in Bangladesh is that its products are exported globally. Since the ethnic Bangles living abroad are the primary customers of the Bangladeshi agro-based products agro-based industries in Bangladesh exports its products to fifty different countries. I am sure some situation with the agro-based industries in India.

Typically there are strong resistances to change. This is quite expected. Many organizations just follow the dictum. "If it is working don't fix it". But one should also remember "what is working today may not work tomorrow". Global economy is changing, so should the management to adapt to the change. One should also remember that as there are strong proponents of globalization there are strong opponents of it as well. Those who oppose globalization blame the rich nations and the glint multinationals for their hardcore commercialism, brutal exploitation of natural resources and consequent environmental degradation. However, the latest world development indicator show that while in 2002 the world economy grew by 1.9 percent lower-middle-income economies saw fastest growth.

CONCLUSION

Time has come to accept the change and mold it for better rather than resist it and be crushed under the avalanches of globalization. Our purpose in life will be better served and our wisdom will be better utilized if we build the bridge of friendship, cooperation and mutual trust.

However, all that said and done, let me share with the voice of the teeming millions who are not represented here today but for all practical purpose who are our backbone and who deserve much better deal than they receive. Globalization is welcome if it is for people not for exploitation, if it is for peace and not for aggression, if it is for improving the quality of our life and not for environmental, moral and spiritual degradation.