Bhupendra Bagdi

GLOBALISATION AND THE CHANGING TRENDS IN EMPLOYMENT

ILE Project

Class : TYBA (Economics)

Roll No : 162

|  |  |  |
| --- | --- | --- |
| **Sr.**  **No.** | **Contents** | **Page**  **No.** |
| 1 | Abstract | 2 |
| 2 | Introduction | 2 |
| 3 | Review Of Literature | 3 |
| 4 | Methodology | 5 |
| 5 | Meaning Of Globalization | 5 |
| 6 | Trends In Employment | 7 |
| 7 | Conclusion | 12 |
| 8 | Bibliography | 13 |
| 9 | Acknowledgement | 14 |

**ABSTRACT**

Economic globalization refers to the increasing interdependence of world economies as a result of the growing scale of cross-border trade of commodities and services, flow of international capital and wide and rapid spread of technologies. It reflects the continuing expansion and mutual integration of market frontiers, and is an irreversible trend for the economic development in the whole world at the turn of the millennium. The global workplace is rapidly changing whereby, in the past, workers went to their jobs to perform a task. Now, the workplace is changing into a place in which workers both work and learn as organizations transform themselves into learning organizations. The fast globalization of the world’s economies in recent years is largely based on the rapid development of science and technologies, has resulted from the environment in which market economic system has been fast spreading throughout the world, and has developed on the basis of increasing cross-border division of labor that has been penetrating down to the level of production chains within enterprises of different countries.

**INTRODUCTION**

Economic globalization is one of the three main dimensions of globalization commonly found in countries, academic literature, with the two others being political globalization and cultural globalization, as well as the general term of globalization. Economic globalization refers to the widespread international movement of goods, capital, services, technology and information. It is the increasing economic integration and interdependence of national, regional, and local economies across the world through an intensification of cross-border movement of goods, services, technologies and capital. Economic globalization primarily comprises the globalization of production, finance, markets, technology, organizational regimes, institutions, corporations, and labour.

While economic globalization has been expanding since the emergence of trans-national trade, it has grown at an increased rate due to improvements in the efficiency of long distance transportation, advances in telecommunication, the importance of information rather than physical capital in the modern economy, and by developments in science and technology. The rate of globalization has also increased under the framework of the General Agreement on Tariffs and Trade and the World Trade Organization, in which countries gradually cut down trade barriers and opened up their current accounts and capital accounts. This recent boom has been largely supported by developed economies integrating with developing countries through foreign direct investment, lowering costs of doing business, the reduction of trade barriers, and in many cases cross-border migration.

While globalization has radically increased incomes and economic growth in developing countries and lowered consumer prices in developed countries, it also changes the power balance between developing and developed countries and affects the culture of each affected country. And the shifting location of goods production has caused many jobs to cross borders, causing some workers to change careers.

Employment has featured as a critical item within the development agenda of many countries. Approaches to the subject have differed in diverse periods within the last 50 years. In the earlier years of development planning, unemployment was not conceived as a significant challenge; nevertheless, employment has attained a reasonable magnitude generated within the development process to productively employ the growing labour force. A considerable rate of economic growth coupled with an emphasis on labour intensive sectors such as small scale industry was envisaged to attain this objective. The challenge with rising unemployment rate within the developing countries has been the result of a speedy but unbalanced development. Meanwhile, speedy rates of economic growth, especially within Asia has accelerated job creation to a point in which it is matching or even outpacing growth of the labour force.

The number of ethnic minorities entering the labour force has risen dramatically in the 21st century essentially due to immigration and equality policies that facilitate minority hiring and promotions. The number of senior citizens within the workforce has risen owing to the rising age of the population in Western nations and the erosion of retirement benefits. Majority of countries have instituted multiple rights for job applicants and employees to guarantee that all people have an equal opportunity in securing employment and gaining advancement.

**REVIEW OF LITERATURE**

Globalization is the phenomenon of increasing interconnection between the world’s economies as reflected in the flow of goods, capital, people and ideas. I learned that you can’t get it right without getting the economics right. The laws of economics are as difficult to defy as the laws of physics. No matter how strong the political will, a bridge configured certain ways will stand and bridges configured other ways will collapse: how strongly politicians feel either way does not matter. Similarly, if you print too much money you will have inflation, if you borrow too much you will not be able to pay back your debts, if you prohibit exchange you will be impoverished relative to what openness would make possible. All of these will hold true regardless of what a politician might say.

There are a set of economic laws that one has to understand and respect in shaping policy. At the same time, within the constraint of the laws of economics, the art of policymaking is to recognize how people feel, understand their concerns, and make the best possible policies in a political context.

In John Maynard Keynes’ book “The Economic Consequences of the Peace” (1919) he has explained globalization simply from an economic point of view, and highlighted the importance of the transfer problem the fact that when you force a country to pay resources, it not only loses those resources but, because it has to sell more, it puts its goods on sale, which is further impoverishing. And it established a model that no economist has subsequently lived up to, the model of an economist as both an analyst and an extraordinary polemicist.

At the same time, Charles Kindleberger’s book “Manias, Panics, and Crashes: A History of Financial Crises” (1978) carries the message that, while policies may change and economic circumstances may vary, human psychology and oscillation between fear and greed are likely to always be with us. There will be a tendency, after any period when things go well for people, to become complacent and take more risks. Kindleberger’s message is that complacency can be a self-denying prophecy.

An excerpt from the “UK Essays.com” a prominent UK online print media platform states that the global workplace is rapidly changing whereby, in the past, workers went to their jobs to perform a task. Now, the workplace is changing into a place in which workers both work and learn as organizations transform themselves into learning organizations. As learning organizations, firms avail an ongoing work-related training to all spheres of employment, avail information and resources, stimulate the exchange of ideas, and reward employees to gain fresh skills. Firms have been constantly invested massive resources so as to avail educational services to their employees. This is in line with the emerging new economy driven by technology. Presently, firms are rethinking the manner in which they undertake business as a way to enhance productivity and the quality of their products and remain competitive within the rapidly changing environment. Organizations have realized that investment in human capital in the form of training and development delivers enhanced returns.

In the last four decades, the labour markets have constantly undergone changes whereby, globalization and industrial restructuring has significantly impacted on the size and composition of the workforce. The rising mobility of labour, goods, and capital linked to globalization also impacts on wages. Industrial restructuring that has also been typified by a decline within manufacturing and growth within the service sector impacts on the distribution of employees across industries occupations, and geographic regions. Moreover, deunionization and the declining value of the minimum wage in recent times have influenced worker access to health care, plus other employee benefits.

**METHODOLOGY**

The researcher has chosen secondary sources of data collection for this project. Secondary data for this study was acquired from a variety of online databases of journals, books and other such sources. A case study was very instrumental in providing major data for this project.

**MEANING OF GLOBALIZATION**

Economic globalization is the increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, services, technology, and capital. Whereas the globalization of business is centered around the diminution of international trade regulations as well as tariffs, taxes, and other impediments that suppresses global trade, economic globalization is the process of increasing economic integration between countries, leading to the emergence of a global marketplace or a single world market. Depending on the paradigm, economic globalization can be viewed as either a positive or a negative phenomenon. Economic globalization comprises: globalization of production; which refers to the obtainment of goods and services from a particular source from different locations around the globe to benefit from difference in cost and quality. Likewise, it also comprises globalization of markets; which is defined as the union of different and separate markets into a massive global marketplace. Economic globalization also includes competition, technology, and corporations and industries.

Current globalization trends can be largely accounted for by developed economies integrating with less developed economies by means of foreign direct investment, the reduction of trade barriers as well as other economic reforms, and, in many cases, immigration.

International standards have made trade in goods and services more efficient. An example of such standard is the intermodal container. Containerization dramatically reduced transport of its costs, supported the post-war boom in international trade, and was a major element in globalization. International Organization for Standardization is an international standard-setting body composed of representatives from various national standards organizations.

A multinational corporation or worldwide enterprise is an organization that owns or controls production of goods or services in one or more countries other than their home country. It can also be referred as an international corporation, a transnational corporation, or a stateless corporation. A free-trade area is the region encompassing a trade bloc whose member countries have signed a free-trade agreement (FTA). Such agreements involve cooperation between at least two countries to reduce trade barriers – import quotas and tariffs – and to increase trade of goods and services with each other. If people are also free to move between the countries, in addition to a free-trade agreement, it would also be considered an open border. Arguably the most significant free-trade area in the world is the European Union, a politico-economic union of 27 member states that are primarily located in Europe. The EU has developed European Single Market through a standardized system of laws that apply in all member states. EU policies aim to ensure the free movement of people, goods, services, and capital within the internal market.

Trade facilitation looks at how procedures and controls governing the movement of goods across national borders can be improved to reduce associated cost burdens and maximize efficiency while safeguarding legitimate regulatory objectives.

Global trade in services is also significant. For example, in India, business process outsourcing has been described as the "primary engine of the country's development over the next few decades, contributing broadly to GDP growth, employment growth, and poverty alleviation".

William I. Robinson's theoretical approach to globalization is a critique of Wallerstein's World Systems Theory. He believes that the global capital experienced today is due to a new and distinct form of globalization which began in the 1980s. Robinson argues not only are economic activities expanded across national boundaries but also there is a transnational fragmentation of these activities. One important aspect of Robinson's globalization theory is that production of goods are increasingly global. This means that one pair of shoes can be produced by six different countries, each contributing to a part of the production process.

**TRENDS IN EMPLOYMENT**

The global workplace is rapidly changing whereby, in the past, workers went to their jobs to perform a task. Now, the workplace is changing into a place in which workers both work and learn as organizations transform themselves into learning organizations. As learning organizations, firms avail an ongoing work-related training to all spheres of employment, avail information and resources, stimulate the exchange of ideas, and reward employees to gain fresh skills. Firms have been constantly invested massive resources so as to avail educational services to their employees. This is in line with the emerging new economy driven by technology. Presently, firms are rethinking the manner in which they undertake business as a way to enhance productivity and the quality of their products and remain competitive within the rapidly changing environment. Organizations have realized that investment in human capital in the form of training and development delivers enhanced returns.

In the last four decades, the labour markets have constantly undergone changes whereby, globalization and industrial restructuring has significantly impacted on the size and composition of the workforce. The rising mobility of labour, goods, and capital linked to globalization also impacts on wages. Industrial restructuring that has also been typified by a decline within manufacturing and growth within the service sector impacts on the distribution of employees across industries occupations, and geographic regions. Moreover, deunionization and the declining value of the minimum wage in recent times have influenced worker access to health care, plus other employee benefits.

In the first decades from the start of 1950s to the early years of the 21st century, the number of women within the workforce has increased dramatically yielding enhanced programs aimed at aiding working mothers. In the early, 1950s, lower that 30% of women worked outside the home compared to 21st century in which close to 40% of workers are women. The registered changes have led to an enhanced emphasis on day care, flexible work schedules, and leaves of absence to care for children. The employment policy has evolved in the course of the 20th century and 21st to emphasize enhanced inclusion of all people pursuing employment. The global workforce has grown dramatically and diversified to embrace more women and minorities. These changes began with the massive entry of women, and ethnic minorities into the workforce during the World War II.

Employment has featured as a critical item within the development agenda of many countries. Approaches to the subject have differed in diverse periods within the last 50 years. In the earlier years of development planning, unemployment was not conceived as a significant challenge; nevertheless, employment has attained a reasonable magnitude generated within the development process to productively employ the growing labour force. A considerable rate of economic growth coupled with an emphasis on labour intensive sectors such as small scale industry was envisaged to attain this objective. The challenge with rising unemployment rate within the developing countries has been the result of a speedy but unbalanced development. Meanwhile, speedy rates of economic growth, especially within Asia has accelerated job creation to a point in which it is matching or even outpacing growth of the labour force.

The number of ethnic minorities entering the labour force has risen dramatically in the 21st century essentially due to immigration and equality policies that facilitate minority hiring and promotions. The number of senior citizens within the workforce has risen owing to the rising age of the population in Western nations and the erosion of retirement benefits. Majority of countries have instituted multiple rights for job applicants and employees to guarantee that all people have an equal opportunity in securing employment and gaining advancement. The laws has made it unlawful to: discriminate within employment based on race, sex, religion, colour, or national origin; not pay male and female employees equally when they undertake the same of considerably similar forms of work; utilization of age as a determining factor in hiring, discharging, and promoting employees; discriminating against persons with disabilities who are sufficiently qualified, with or without accommodation of undertake key functions of a job.

Affirmative action plans have traditionally being employed to enhance the representation of minorities, disabled people, and females within the workforce. These programs are designed to remedy the impacts of past discrimination, and to address the complexity that firms face in competing with bigger, more established firms. Affirmative action plans encompass goals and timetables (not quotas) has gained widespread acceptance within the industry, but they have equally attracted heated debate that peaked during the 1990s and early 2000s. Critics to such plans assert that such plans contradict the ideals of true equality, especially in case where there is no proof that the employer directly discriminated against persons who would benefit from such plans. Furthermore, critics have asserted that such plans yield reverse discrimination. Advocates for such plans maintain that they are critical in guaranteeing that employers do not engage in discriminatory employment practices. Furthermore, affirmative action within employment practices guarantee the representation of minorities or other groups within certain workforce irrespective of whether their real discrimination against the individuals.

Feminization of the work force has overtime been a general trend within the labour markets of western societies in the last two decades. The process of changing female economic roles has particularly gained momentum within Scandinavian countries whereby Labour force participation rates among women have reached the highest levels among the industrialized economies. These trends are anticipated to continue toward the end of the century. Labour market status is critical to the position of women within the contemporary society. The higher levels of labor-force participation among women are mainly perceived as an indicator of women’s progress toward equality with men.

Social factors are interconnected to changes witnessed within social structures and avail insights into behavior, tastes, and lifestyles patterns of a population. Age and gender have a critical significance on employment trends and understanding such changes is essential to development of strategies that align with social and cultural differences that differ from one country to another. Language, lifestyle patterns, and religion patterns are all critical information for successful business management.

Legal factors that impact on business strategies are linked to changes witnessed within government laws and regulations. Laws keep on changing and it is essential that workers are aware of these changes, especially in the arena of employment law and health and workplace safety. Economic factors encompass changes within the global economy whereby rise witnessed within economic activity lead to an increase in employment opportunities. The factors propelling global integration such as trade expansion, technological change, and the internationalization of production has altered the composition of output in both developed and developing countries. Offshoring has overtime become an increasingly common practice of locating jobs within low-cost labour countries. The practice has been expanding in both service and manufacturing jobs driven by the quest for labour-cost saving, regulatory avoidance, and pursuit of productivity.

The processes of informalization of jobs observed amid the past decades have impacted on both high and low-income countries. The processes of informalization and decentralization influencing current labour market trends align with sharp rises in employment instability and increasing number of employees experiencing the stressful consequences of workers experiencing stressful episodes of unemployment. Job and labour market insecurity has yielded a pronounced effect on workers at the bottom end of educational and labour market hierarchies. Moreover, workers attitudes towards firms and the culture of work keep on changing whereby, the “happy worker” model prominent in the past, with stable employment and strong loyalty to the company are increasingly becoming less relevant for a large section of the working population. Consequently, more unstable employment contracts have had a negative influence on employee discipline, absenteeism, and employee’s commitment to the employer.

Labour turnover rates have spiked significantly with highly skilled professionals being the least committed to their employers since they are assured of high chances of finding work elsewhere. Younger and older employees appear to vary in their commitment to the firm’s objectives, as well as desired working conditions such as the length of the working day and other factors impacting on the organization of work. The diminishing significance of internal markets has delivered numerous advantages to several firms such as the capability to respond quickly to market changes, flexibility within production and decreased costs in the short run. Nevertheless, it has also generated problems for human capital, especially with regard to inability to retain the best workers.

Career trends keep on changing as a great career choice today may not be the best choice a few years from now. There are numerous factors that impact on an individual’s employability, most of which are linked to the job market. Hence, in keeping an eye on the trends within the marketplace, individuals can be ready to respond as factors that are ever changing and proactively manage one’s career for long-term success.

Just as everything changes overtime, employment is no different. There are numerous employment trends to consider amid a job search. For instance, in the 21st century, it widespread for people to change their employment frequently; indeed, the trend details that people change positions every three years. Second, presently, it is imperative that people should become computer literate or upgrade their current skills. Computer software programs are changing at a phenomenal rate and employers expect that their employees know the latest version of the software programs that are utilized within the business environment, as well as computer for business communication. Third, compensation and education are interconnected and education beyond high school into college is necessary to secure a professional position.

Moreover, the remuneration in the current employment sector is in tandem with the level of education. Forth, the number of women who have entered the employment sector and successfully climbed the corporate ladder has risen over the years. Fifth, majority of the jobs in the contemporary business world can be termed as found within the hidden market given that the bulk of the positions are never advertised. Furthermore, companies are downsizing and restructuring at a rapid pace and is increasingly becoming the order of the day. As a result, competition is increasing for fewer positions. Moreover, the demand for information Technology (IT) professionals is envisaged to continue to increase. There is a trend toward new jobs within smaller businesses, and fewer jobs are found within larger corporations.

Some of the biggest trends impacting on the job market entail: an aging working population; better medicine that has enabled people to live longer more productive lives; enhanced costs of childcare, which has made childhood education a more lucrative and stable profession compared to the past; rapid technology growth and the advance of ideas has propelled the need for constant upgrades that guarantee IT professionals a consistent job security in the next decade. The continual innovation provides as assurance that technology will continue to play a central role within the workplace. The next is also likely to feature distributed work as a growing number of employees, especially specialized consultants and leaders divide their time among numerous locations at companies or client relationships.

The contemporary business world has witnessed numerous opportunities to grow or learn new skills such as health insurance, flexible work schedules, and provisions for retirement. Well designed benefits programs that respond to the needs of employees have been proven to yield a measurable effect of productivity. An attractive benefits package remains a powerful recruiting tool for employers pursuing to hire and keep talented workers.

Presently, businesses are working leaner with close to 35% of the employers reporting that their staff is lower compared to pre-recession levels in line with the changing focus and hiring in other areas. Similarly, workers are increasingly changing jobs as they become more optimistic regarding their jobs prospects for the right opportunity. In the contemporary business world workers report that affordable benefits are more significant than the salary. Similarly, organizations are increasingly creating new functions along with more conventional job opportunities as employers add fresh functions within their organizations in response to popular movements. Jobs related to social media, green energy and healthcare reform are constantly being added to the conventional employment portfolio. Other trends manifested in the industry include video monitoring, less moonlighting, adopting a global perspective, relocating talent, promoting without pay, and going casual.

The changing patterns of employment by occupation are increasingly dominated by long-term trends instead of the cyclical position of the economy. Industries and career paths are increasingly becoming extinct versus those that are advancing via a process of natural selection. Hence, there are some careers that are increasingly dying due to the altering technological, social, economic, and business landscape. Some of the careers that can be considered as dying include postal service workers, office and administrative workers, manufacturing assembly jobs, and telemarketing and door-to-door sales. The thriving career in the 21st century encompass aspects such as data scientists, research and design managers, medical assistants, computer programmers and network administrators.

The broad adoption of eco-friendly approaches to economic production and consumption is altering the nature of work and skills required by many workers. Although, greening economies presents challenges, it also avails significant potential for job creation, which is essential in addressing long-term employment concerns. The absence of skills imperative to satisfying the requirements of changing and newly emerging occupations that impedes on green investment and impedes on green economic development. Green structural changes are anticipated to be profound within certain factors.

Previously, ads were placed in the newspapers while today job seekers no longer turn to the want ad pages but to web pages. In today’s dynamic economy, there are several things that remain critical whereby three pillars avail stability within workers’ lives: rising economic security over a lifetime; a work and family balance, and workplaces that are safe and fair. The utilization of technology and the internet within workplaces has overtime become pervasive and the functions performed using computers will dramatically rise. The influence of technology is likely to surpass new equipment and faster communications as work skills continue to be redefined and reorganized. The rise in global competition will continue to impact on the form of work being undertaken within workplaces with the creation of high-skilled jobs and lessening demand for low-skilled work.

Working families are also likely to continue to pursue stability in the midst of the recorded dynamic changes within the economy and population. Three critical challenges for the 21st century workplace and work-force will yield: the challenge of being skilled within the new economy as technology and population for individuals with access to the tools to build their skills, but minimize the supply of lower-end jobs; the challenge of flexibility and family as employers pursue more flexibility to compete within the global marketplace and employees pursue enhanced opportunities to spend more time with their loved ones; and, the challenge of destiny and diversity as employers hire from a more varied pool of workers within the future generating new opportunities for economic growth, but also increasing the probability for persistent discrimination and inequality. Technology has dramatically altered work as we know it, especially assistive technology that has opened fresh opportunities for individuals with disabilities.

Critical demographic trends are anticipated to take place within the workforce over the next 10-15 years. The emerging patterns derive from the changes registered within birthrates (low in late 1920s and early 1930s, high in the late 1940s through to 1960s, and reserved growth in the late 1970s through the early 1990s). The population and labor force are likely to continue to diversify as immigration continues to rise. These trends comprise a sharp reversal of the last decades, especially within the prime-age category of workers masking a significant change within the group. The specific trends within the age composition of the workplace differ with future time periods and are subject to uncertainty linked to labor force participation rates.

**CONCLUSION**

Globalization is a broad concept that flows through many aspects of the world. Key areas of effect of globalization are economy, trade, industry, finance, culture and health etc. The impact of globalization on international finance is a buzz topic in today’s context with the world financial crisis. International finance is a main area that has a significant impact from globalization. Economy and international finance are closely interconnected where international finance accommodates the world economy. There are number of benefits international finance and it can be stated as the backbone of the economy. International Monitory Fund, World Bank are the key institutions of international finance. Structure and the practices of international finance are largely impacted from globalization. Although the world has faced financial crisis the importance and the volume of international finance is high. However proper governance of international finance is of vital importance due to the complexities of impact of globalization. Developing countries have a significant impact on their overall economy with globalization. Their financial system has a number of effects. They are largely benefited by World Bank and other institutions which is essentially important for the development of these countries. However at the same time with imposed conditions and rules by these institutions they have to face problems in terms of the internal affairs.

Overall international finance is both positively and negatively impacted from globalization. It has always helped for the development of the financial system, Improvement in the financial infrastructure and availability of new and more capital. But globalization can also lead to crises if there are imperfections in international financial markets. In conclusion globalization is double edged sword affects International Finance. A well thought through process of activities would enable a country to maximize the benefits while reducing the adverse results.

Over the last decade, especially in the last three years, employers and employees have faced considerable human capital challenges and an uncertain economy. The economic downturn that started in 2008 has had a considerable impact on companies and yielding decisions arrived at by management. These decisions have influenced employee engagement levels and perceptions globally yielding to changes in prominent drivers of employee engagement. Amid uncertain times, organizations should focus on harnessing the discretionary effort that enables employees to deliver. This makes significant difference in the manner in which companies are influenced during the economic downturn.

It is essential to keep in pace with the trends registered within employment. This demands that employees continue to upgrade their skills. It is also essential that employees do what they enjoy and choose something about which they enjoy and are passionate about. Employees should target smaller companies as they are likely to have enhanced opportunities compared to large companies. In doing so, the workforce should incorporate work life and learning in everything they do so as to enjoy the rewards. This should be guided by well defined career goals and career plan.

**BIBLIOGRAPHY**

**Internet Articles:**

https://www.coursehero.com/file/p6sc49j/SUMMARY-AND-CONCLUSION-Globalization-is-a-broad-concept-that-flows-through-many/

<https://en.wikipedia.org/wiki/Globalization#Economic_globalization>

<https://www.un.org/en/development/desa/policy/cdp/cdp_background_papers/bp2000_1.pdf>

<https://www.ukessays.com/essays/business/the-changing-trends-in-employment-business-essay.php>

\*All webpages were last accessed on 13th March, 2020.

**Books:**

The Economic Consequences of the Peace by John Maynard Keyens

Manias, Panics, and Crashes: A History of Financial Crises by Charles Kindelberger

**ACKNOWLEDGEMENT**

I would like to express my special thanks of gratitude to my ILE teacher Miss Nandini Sengupta for her able guidance and support in completing my project.

I would also like to extend my gratitude to the Head Of Department Mr Ravikirna Garje for providing me with all the facility that was required.