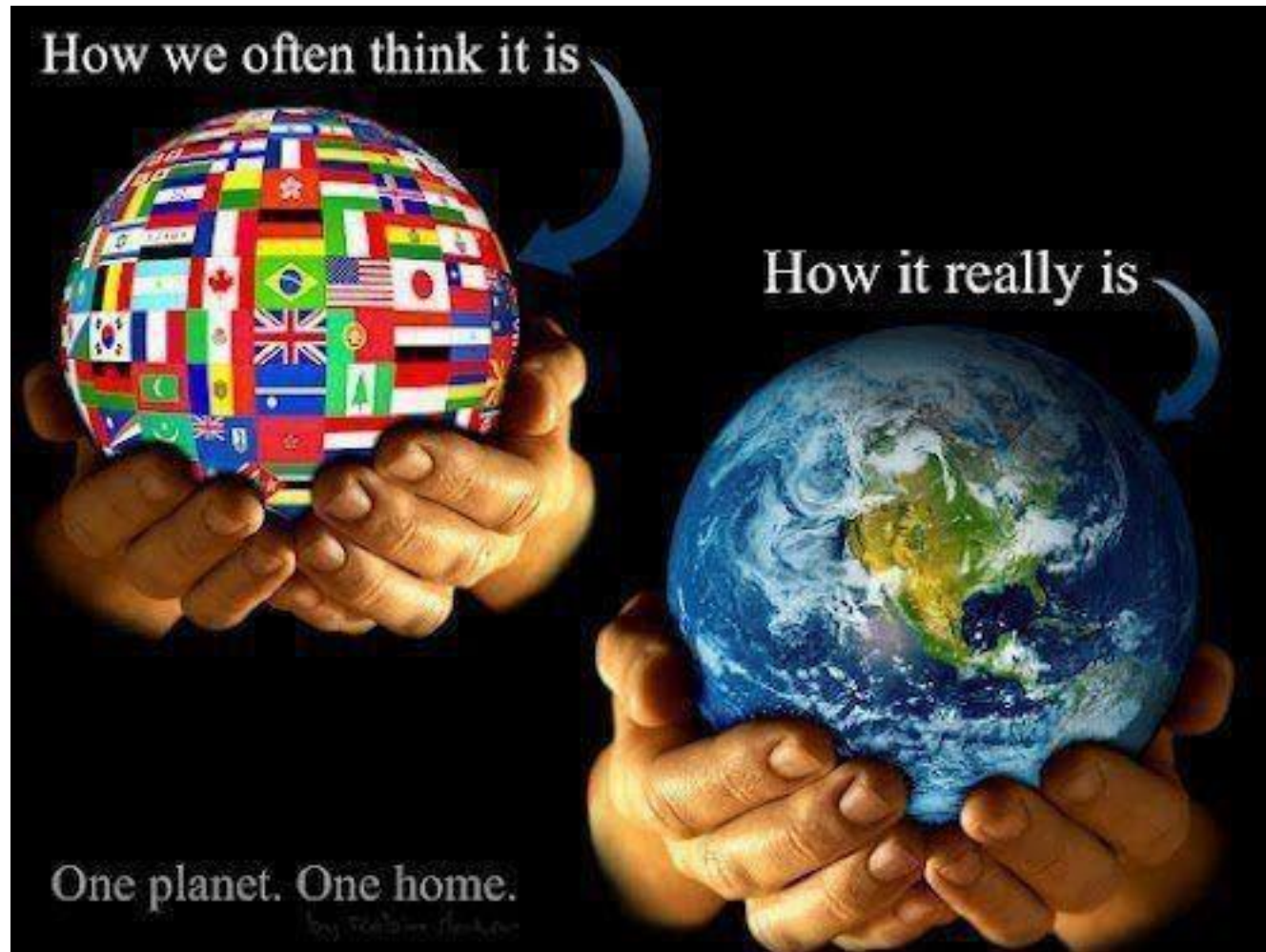


# Borderless World




# Global Management Perspectives

- Ethnocentric Attitude
  - Belief that **home** country has the best work approaches and practices
- Polycentric Attitude
  - View that managers in **host** country know the best approaches and practices
- Geocentric Attitude
  - A **world-oriented** view that focuses on using the best approaches and people from around the globe
- GET IN YOUR GROUPS and come up with at least one “example of a particular “Best work approach” from each of the following perspectives: Ethno, Poly, and Geo. Explain why you feel it is the best.

# Managing in a Global Environment – Economic Environment

- Economic Systems
  - Market economy
    - An economy in which resources are primarily owned and controlled by the private sector
  - Command economy
    - An economy in which all economic decisions are planned by a central government
- Monetary and Financial Factors
  - Currency exchange rates
  - Inflation rates
  - Diverse tax policies

# Global Competitiveness Ranking

|  | The top 10 most competitive global economies |              |
|---|--|--------------|
|   | Global Competitiveness Report 2016-2017      | Global rank* |
| Switzerland   |  | 1            |
| Singapore   |  | 2            |
| United States   |  | 3            |
| Netherlands   |  | 4            |
| Germany   |  | 5            |
| Sweden  |  | 6            |
| United Kingdom  |  | 7            |
| Japan   |  | 8            |
| Hong Kong SAR   |  | 9            |
| Finland   |  | 10           |

Source: The Global Competitiveness Report 2016-2017  
\*2016-2017 rank out of 138 economies.

# Regional Trading Alliances

- The European Union (EU)
- North American Free Trade Agreement (NAFTA)
- Free Trade Area of the Americas (FTAA)
- Southern Cone Common Market (Mercosur)
- Association of Southeast Asian Nations (ASEAN)
- African Union

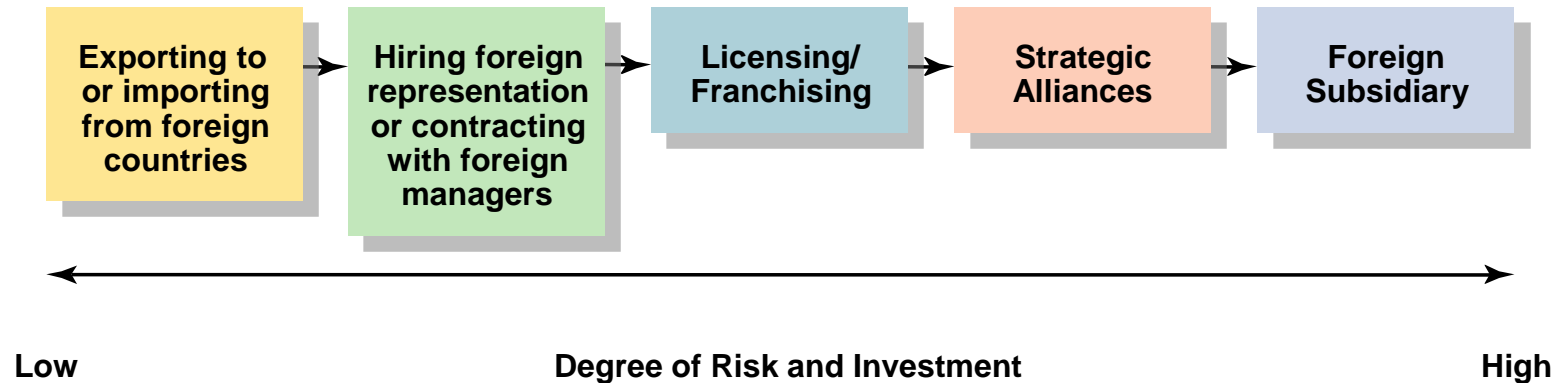
# The World Trade Organization (WTO)

- Evolved from the General Agreement on Tariffs and Trade (GATT) in 1995
- Functions as the only global organization dealing with the rules of trade among nations
- Has 164 member nations
- Monitors and promotes world trade

# Different Types of Global Organizations

- Multinational Corporation (MNC)
  - A firm that maintains operations in multiple countries but manages from the home country
- Transnational Corporation (TNC)
  - A firm that maintains operations in several countries but decentralizes management to the local country
- Borderless Organization
  - A firm that organizes along business lines without consideration to artificial geographic barriers

# How Organizations Go Global





# Going Global some distinctive definitions

- Strategic Alliance
  - Partnership between an organization and a foreign company in which both share resources and knowledge in developing new products or building new production facilities
- Joint Venture
  - A specific type of strategic alliance in which the partners agree to form a separate, independent organization for some business purpose

# Managing in a Global Environment - Culture

- The Cultural Environment
  - National Culture
    - Values and attitudes shared by individuals from a specific country that shape their behaviour and their beliefs about what is important
    - May have more influence on an organization than the organization culture

# The GLOBE\* Framework for Assessing Cultures

- Assertiveness
- Future orientation
- Gender differentiation
- Uncertainty avoidance
- Power distance
- Individualism/collectivism
- In-group collectivism
- Performance orientation
- Humane orientation

\*Global Leadership and Organizational Behaviour Effectiveness

# The Challenge of Global Management

- Increased threat of terrorism
- Economic interdependence of trading
- Dealing with increased uncertainty, fear, and anxiety
- Acknowledging cultural, political, and economic differences
- Avoiding parochialism