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e-mail: [office\\_jedep@spiruharet.ro](mailto:office_jedep@spiruharet.ro)

## FOREWORD

Globalization shapes our lives in a great extent: we work from 9 to 5, having our co-workers located in different countries, we eat food coming from various location all over the world, we use communication devices made in some Asian countries, and we share happy or sad moments with “friends” that we have never seen before. Internet connectivity becomes more and more an indispensable. Is this about global citizenship, the sense of belonging to the global community is more powerful than citizenship itself.

Recently, the DHL Global Connectedness Index <sup>1</sup> reveals that the world ended 2017 more globalized than ever, despite the predictions and the Brexit and Trump shock waves. The year 2018 brought new obstacles, such as tariff tiffs, the global business competition is still on track. The executives must think to build their business in new coordinates that might overcome today’s turbulences. More than ever, successful business decisions should rely on accurate perceptions of the environment, and a clear-eyed view of how globalization measures are trending. The Netherlands is the world’s most globally connected country. Singapore leads on the size of its international flows relative to domestic activity, while the United Kingdom has the most global distribution of flows around the world. Countries that integrate more deeply into international flows tend to enjoy faster economic growth and even the top-ranked countries have untapped opportunities to strengthen their global connectedness.

The foreign operations of multinational firms around the world generate only about 9% of global output. Exports of goods and services add up to 29% of world GDP, but even that figure comes down to about 20% if one adjusts it for output that crosses borders more than once. Succeeding across borders and distances is still much more difficult than winning at home, but some of the same barriers that constrain international flows also increase the rewards for companies that find ways to overcome them.

In this rather “hostile” environment, companies should think to implement organizational changes as rapidly as possible. The most convenient way to design potential organizational changes is in terms of three layers: What structure? Who leads? And how do we work together? Structural changes are the most disruptive, but more complex strategies, such as those combining substantial amounts of aggregation and adaptation, often require more complex organizational structures.

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<sup>1</sup> Altman, S., Ghemawat, P. Bastian Ph. – DHL Global Connectedness Index 2018: The State of Globalization in a Fragile World



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One-third of respondents in a recent McKinsey survey of global executives<sup>2</sup> said that uncertainty over trade policy is their greatest concern—and three-quarters of all companies say their global investment strategies are changing as a result.

So, strategic approach should tackle the internal structures and the mindset. More fundamentally, the organization could improve its health only by changing mindsets about how it should be run. To unlock the necessary entrepreneurship and creativity, the managers would have to shift employee mindsets from “my job is to follow the rules” to “my job is to improve what we do and how we do it.” Another issue is the way organizational silos had tightly controlled information: the traditional command-and-control structure had ingrained a “trust your leader” mindset. Shifting to “trust one another” would help employees share knowledge more freely. Finally, at the heart of the effort to increase personal ownership, mindsets would have to change from “I own what I control, and others hold me accountable” to “I own the full positive impact I can have on others and the business broadly.” Once the skill-set and mindset shifts required were fully understood, strategic plans were adjusted to ensure that they enabled the needed shifts and thereby paved the way for successful execution of the strategy. So, this is the ideal workflow able to generate and implement change, but we frequently see companies miss some of these vital steps. It seems that most companies ignore the peril of not being flexible and adaptive enough internally as well as externally. That makes the difference between success and failure in a globalized market.

Editor-in-chief,

Prof. Manuela Epure, PhD

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<sup>2</sup> McKinsey’s Survey of Global Executives- <https://www.mckinsey.com/business-functions/organization/our-insights/leaders-in-the-crisis-mckinsey-global-survey-results>



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