

## Week 10 Lecture 1: Globalization in Business

Scene #	Scene/Interaction	Narration
1	<p><b>Interaction Type:</b> Conversation  <b>Scene:</b> Classroom</p>	<p><b>Dr. Benson:</b> In today's lecture, we will discuss globalization and global linkages, environmental factors on a global scale, cultural differences, technological advances contributing to opportunities in global business, and minimizing trade barriers</p> <p><b>Dr. Benson:</b> What do we mean by globalization?</p> <p><b>Ryan:</b> It's conducting business transactions in foreign countries.</p> <p><b>Dr. Benson:</b> Well, that describes just part of it. Globalization is a process of interaction and integration among the people, businesses, and governments of different nations. This process is typically driven by international trade and investment and aided by information technology.</p> <p><b>Tonya:</b> What is the impact of globalization on national economies?</p> <p><b>Dr. Benson:</b> The impact of globalization is becoming evident in the way the societies and economies of the world are becoming increasingly interlinked. This process of global integration is driven by a wide range of factors such as political and economic policies, technological advances, and the migration of people and workers around the world.</p> <p><b>Anthony:</b> What drives globalization?</p> <p><b>Dr. Benson:</b> Drivers of globalization include the economy, free markets, advances in technology, the Internet, and intergovernmental organizations.</p> <p><b>Rosa:</b> How do the economy and free markets contribute to globalization?</p> <p><b>Dr. Benson:</b> Globalization has been driven by policies that have opened domestic and international economies. A significant driving force behind globalization is the free market. National governments have negotiated dramatic reductions in barriers to trade. They've also established international agreements to promote trade of goods, services, and other investments. People and companies can now conduct business everywhere in the world.</p> <p><b>Cheryl:</b> How do intergovernmental organizations influence globalization trends?</p> <p><b>Dr. Benson:</b> Governments across the world are now working closer together than ever. This is partly inspired by the free market and the need to maintain good trading relationships. Under globalization, politics can be played through governmental integration schemes among trade</p>

	<p>blocs or intergovernmental agencies. Examples of such institutions include the European Union, the International Monetary Fund, or IMF, and the World Trade Organization, or WTO.</p> <p><b>Dr. Benson:</b> Any other questions? [Slight pause] Okay. Let's discuss our next topic: globalization and global linkages.</p> <p><b>Dr. Benson:</b> How can global linkages be beneficial?</p> <p><b>Tonya:</b> Global linkages can help businesses lower labor costs.</p> <p><b>Dr. Benson:</b> Global linkages have provided opportunities in trade, unity in diversity, and peaceful relations in many parts of the world. Global linkages have helped provide a boost to trade practices and reduce cultural differences. For example, the recent global economic crisis has prompted unprecedented cooperation between the world's major economies with the goal of standardizing and effectively regulating the global financial markets.</p> <p><b>Cheryl:</b> I think developing countries have benefited the most from these linkages.</p> <p><b>Dr. Benson:</b> Well, proponents of globalization argue that it allows poor countries and their citizens to develop their economies and raise their standards of living. Many manufacturing companies in developed countries have taken advantage of opportunities in some developing countries. An example is low labor costs. This has caused them to move manufacturing operations to countries such as India and Indonesia, a move that has contributed to job losses for many in developed countries.</p> <p><b>Dr. Benson:</b> Any other questions? [Slight pause]. Now, let's discuss our next topic: environmental factors on a global scale.</p> <p><b>Dr. Benson:</b> What are some of the environmental factors affecting globalization?</p> <p><b>Anthony:</b> Competition in the global market</p> <p><b>Dr. Benson:</b> Yes! This is a significant factor. Others are political, legal, socioeconomic, and cultural factors. Globalization has created a market dynamic that fosters new competition, demands higher levels of efficiency, and requires true expertise in supply chain optimization. Globalization has significantly increased market competition. This competition can be related to product and service costs and prices, target markets, and technological adaptation. Opportunities for lower labor costs in some developing countries have enabled businesses in developed countries to produce at less cost. In return, they are now able to pass on the savings to consumers through lower prices.</p> <p><b>Rosa:</b> Does globalization impact customers and suppliers?</p>
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	<p><b>Dr. Benson:</b> That is a very good question. Yes, it does. New competitors with flexible supply chains are effectively competing against established market leaders. As a result, customers now have a wider pool of alternative products on the global market. Therefore, as globalization equalizes the business landscape, the ability to embrace innovative and different products becomes even more critical. Speed within the supply chains will become the new competitive weapon. Then, the questions become how fast, and at what price, can a business sell its new products to customers in order to beat the competition?</p> <p><b>Tonya:</b> How do political issues influence globalization?</p> <p><b>Dr. Benson:</b> Global linkages have made it easier than ever to visit or conduct business effectively with other nations. Due to this radical shift, national economies and cultures have become connected. If something happens on one side of the world, it can severely impact the other. As such, global political issues like terrorism, climate change, and international crime are increasing. The global scale of these issues makes it difficult for a single nation to control. For this reason, global political institutions are being developed in an effort to help create global goals and to coordinate and manage international efforts.</p> <p><b>Dr. Benson:</b> Any other questions? [Slight pause] Great! Now to our next topic: cultural differences.</p> <p><b>Dr. Benson:</b> Globalization has encouraged the spread of customs, language, and products. Global connectivity has opened markets where people can purchase goods and services that were not previously available to them. Today, you can find Coca-Cola, McDonald's and KFC in most major cities throughout the world. Globalization has allowed people to become familiar with the cultures of other countries, thus allowing for a greater understanding.</p> <p><b>Ryan:</b> How can cultural differences impact globalization?</p> <p><b>Dr. Benson:</b> Globalization has been instrumental in bringing diverse cultures from remote parts of the world together. While advances in technology have transformed global business activities, it remains uncertain as to whether increasing globalization will lead to a reduction in cultural differences. However, to succeed in the global market, businesses that operate in foreign markets need to understand how differences in culture, technology, and legal systems impact them. This awareness enables them to develop the most effective training tools or best practices to mitigate any adverse impact these differences might have on their business.</p> <p><b>Anthony:</b> How can cultural differences hurt a business?</p> <p><b>Dr. Benson:</b> Cultural differences can contribute to misunderstanding between employees. It can cause delays to operations, increased frustration, and, in some cases,</p>
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	<p>resentment among employees.</p> <p><b>Tonya:</b> How can a business reduce such risks?</p> <p><b>Dr. Benson:</b> It is important for management to provide employees with training that emphasizes tolerance and respect between local and foreign personnel. It is also important for foreign personnel to obey the national laws of the countries of operation.</p> <p><b>Ryan:</b> How have technological advances contributed to globalization?</p> <p><b>Dr. Benson:</b> Ryan, that is a very good question, which leads us to the next topic. Technological advances have contributed to opportunities in global business. Technology has not only brought the world closer together, but it has allowed the world's economy to become a single interdependent system. This means that information can now be shared quickly and efficiently and can help break down language barriers and geographic boundaries.</p> <p><b>Rosa:</b> Have technological advances improved the speed of doing business in the global market?</p> <p><b>Dr. Benson:</b> Yes, technological advances now enable global economic structures to transform the way they organize production, trade goods, invest capital, and develop new products and processes. Now, sophisticated information technologies allow for instant communication and helps break distance barriers in the global market.</p> <p><b>Dr. Benson:</b> Any other questions? [Slight pause] Now on to our last topic: minimizing trade barriers.</p> <p><b>Ryan:</b> What is free trade?</p> <p><b>Dr. Benson:</b> Free trade is a system in which goods, capital, and labor flow freely between nations, without barriers to block the trade process.</p> <p><b>Anthony:</b> How does globalization promote free trade?</p> <p><b>Dr. Benson:</b> Many countries today have embraced globalization and work with other nations to break trade barriers that impede opportunities. National economies now operate within the context of the global environment. For example, in the past few years, technology advances and free trade have blurred the lines between individual national economies. Many countries have free trade agreements, and several international organizations promote free trade between their members. For example, The General Agreement on Tariffs and Trade, or GAAT, is an international trade agreement that has taken steps to lower tariffs and promote free trade worldwide.</p> <p><b>Rosa:</b> What about NAFTA?</p> <p><b>Dr. Benson:</b> The GAAT agreement was signed by 125</p>
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		<p>countries in 1995. The agreement allowed the free flow of goods across national boundaries. This opened the door for many countries to enter into agreements with international trade blocs in an effort to further break trade barriers. For example, governments of the United States, Canada, and Mexico created the North American Free Trade Agreement, or NAFTA, to allow unrestricted trade among the three nations.</p> <p><b>Dr. Benson:</b> Any other questions? [Slight pause] Now that you're familiar with globalization and global linkages, environmental factors on a global scale, cultural differences, technological advances contributing to opportunities in global business, and minimizing trade barriers, let's stop for a moment and apply this knowledge to the scenario interaction for this week.</p>
2	<p><b>Interaction Type:</b> Assessment  <b>Scene:</b> Background graphic should look like a mobile device such as a tablet or iPad device. Include photos of scenario character "Chris" and "Erica". Use the same voice as the instructor for the narration. Make it seem as though they are listening to the teacher while looking at the assessment text on their mobile device. Show text and include audio.  <b>Assessment Type:</b> multiple choice question.  <b>Correct Answer: D</b></p>	<p><b>Dr. Benson:</b> If Chris and Erica chose to expand their business into a foreign country, which of the following challenges could adversely impact the success of their business?</p> <p>A: Language barrier          B: Differences in Culture          C: National laws          Or, D: All of these</p>
2a	<p><b>Interaction Type:</b> Assessment Feedback  <b>Scene:</b> Same as assessment, however please change the character images to express the look of an incorrect answer if the answer given is incorrect, or a correct answer if the answer given is correct. Also show the feedback in text form as well as audio.  <b>Number of Attempts:</b> 1</p>	<p><b>Feedback Answer A:</b> This is not an appropriate answer. Although language barrier could be a potential challenge, there is more than one option. The correct answer is D. Language barrier, national laws, and differences in culture are all potential challenges that can impact the success of the business.</p> <p><b>Feedback Answer B:</b> This is not an appropriate answer. Although national laws could be a potential challenge, there is more than one option. The correct answer is D. Language barrier, national laws, and differences in culture are all potential challenges that can impact the success of the business.</p> <p><b>Feedback Answer C:</b> This is not an appropriate answer. Although differences in culture could be a potential challenge, there is more than one option. The correct answer is D. Language barrier, national laws, and differences in culture are all potential challenges that can impact the success of the business.</p> <p><b>Feedback Answer D:</b> Correct! It is all of these. Language barrier, national laws, and differences in culture are all potential challenges that can impact the success of the business.</p>
3	<p><b>Interaction Type:</b> Conversation  <b>Scene:</b> Classroom</p>	<p><b>Dr. Benson:</b> Let's look back at today's lecture. We learned that globalization is the process of interaction and integration among the people, companies, and governments of different nations. We learned that globalization allows politics to be played through governmental integration schemes. We also</p>

		discussed technological advances contributing to opportunities in global business and minimizing trade barriers.  This concludes our lesson.
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