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Effects of Globalization on Organizational Performance

Assignment 20

Chapter 1

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Chapter One Overview of the Study

Introduction

Globalization has been among the forces that ~~have impacted~~~~have been impacting~~ the global economy. According to Passaris (2006), the social, economic, political, and educational landscape has changed profoundly. Globalization, coupled with advanced information and communications, free trade ~~and has~~ opened borders ~~has~~, improved economic integration and made time and geography irrelevant. For entrepreneurs, their roles and functions have become significant as the era presents both vast opportunities and challenges alike.

The phenomenon of globalization has necessitated changes in business enterprises. Passaris (2006) observed that in this new wave of change, business organizations are defining rules of engagement on the economic front as they experience the emerging opportunities and contemporary challenges. However, entrepreneurs need to identify the vision, use effective leadership, and implement an excellent business strategy to take advantage of the opportunities while managing the downsides of globalization. The author emphasized that a timely response, adequate resources in terms of materials and human capital, and a competitive strategy are critical for leveraging the benefits of globalization and managing the adverse effects (Passaris, 2006).

The effect of globalization on performing organizations is an essential study. Understanding the impact of globalization on an organization's performance could arm entrepreneurs with the information they need to identify opportunities that the new global economy presents. It could also enable them to recognize the challenges and develop measures to respond to the adverse effects on time, so they maintain a competitive advantage (Passaris, 2006). Research on the impact of globalization on organizational performance is of the essence

because it would explore the positive and negative effects of the concept on performing firms. The information would provide more insights on the impact of globalization on organizations to help leaders decide on how to improve performance by highlighting the opportunities and the challenges.

Background of the Problem

Globalization has been a driving force in the recent past, with both positive and negative effects on various aspects of life. [According to Passaris \(2006\)](#), over the years, globalization has evolved to reflect the ambitions and priorities of multiple generations. The international outreach of countries and states for economic, trade, military, and geopolitical benefits has gone on for centuries and engulfed almost every nation in the world. [Even in ancient times and the not so distant past](#) ~~Since the old days~~, the process of globalization has taken various forms and progressed in varying directions. The rising of the ancient empires that conquered and stretched to vast areas such as the Babylonian Empire, the Roman empire, and the British Empire all show the permanence of globalization and its effects to date [\(Passaris 2006\)](#).

[Different approaches have been used to achieve globalization. Passaris \(2006\) traced its roots to empire building in the ancient times where parties employed military power to present globalization that involves the signing of agreements, sharing of information and technologies among nations. The author noted that by discovering and exploiting new lands, using military power to conquer adjacent territories, and the signing of multilateral trade agreements by allies, the process of globalization has been driven throughout the history of humanity. A steady progression of globalization characterized by economic ambitions achieved through wars, colonization, mercantilism, economic, and political supremacy, and more recently via multilateral trade agreements and international commercial liaisons, has been documented.](#)

History, therefore, illustrates that for globalization to be where it is today, it has taken the power of weaponry and a stroke of a pen. Modern globalization has various dimensions among them political, economic, social, religious, cultural, and environmental (Passaris, 2006). All these constructs are critical in the globalized world.

Financial liberalization and technological change have been significant facilitators of globalization. According to Passaris (2006), the two factors and the recognition by critical policymakers that liberal, open, and regulations-based international financial and trading systems are vital in the progress of the global economy has played a significant role in facilitating globalization. The new global economy has, therefore, become international both spatially and in substance. However, Dolar and Shughart (2012) cautioned that globalization is not yet fully accomplished due to some nations imposing strict legislation, such as in the entry of financial institutions. For example, in the U.S. the Patriot Act places strict compliance requirements for emerging financial institutions, and these restrictions are even stricter on non-US banking institutions. Despite such restrictions, Passaris (2006) maintained that there is now the free flow of capital, goods, labor, and services in free trade regions, the development of financial institutions and instant access to information and communication through digital networks, which have created an economically connected world that is more interdependent than ever before.

While globalization has existed in some form since ancient times, Passaris (2006) explained that its effects in the business world were first felt in the 1980s. From then on, the author expounded that the basis of globalization has resulted from innovations and technologies, especially in information technology and industrial automation, among others. Other characteristics include the liberalization of politics and the movement of people and ideas across

nations (Sengul, Alpan, & Erren, 2015). These factors have affected organizations, particularly business ones, differently.

Broadly speaking~~From a broad dimension~~, large organizations and small firms, who could adapt to the changes brought about by globalization have,~~have~~ benefited from it/globalization. Passaris (2006) argued that the liberalization of markets presented new opportunities to corporations, but it also brought about enormous competition. Small and medium enterprises had to implement measures to remain afloat, or it would force them to close business. Those who adapted and survived the wave of globalization reaped its benefits and have grown to become international businesses (Passaris, 2006).

Adoption of new ways of producing goods, service delivery, expansion of markets and internal changes has facilitated the growth of small and medium-sized enterprises (SMEs) and large businesses (Sengul et al., 2015). However, some people have raised concerns about inequalities between countries, with some complaining about others getting all the opportunities, leaving them worse off. Feelings of discontent have been documented across the world, and there are even efforts to de-globalize the globe (Verbeke, Coeurderoy, & Matt, 2018). Blackman, Verbeke, and Schulz (2017) provided a few examples of de-globalizing activities, including xenophobic attacks against immigrants, firms fighting against foreign investors, and labor unions calling governments to act as companies outsource services to low-wage countries. Despite the attacks on globalization, Verbeke et al. (2018) concluded that it is a growing force, and it has net-efficiency gains for companies. Applying technologies and resource pools among business partners, the cost of production per unit can be lowered, and firms can take advantage of the skills and innovations of the global business community and adopt the best industry practices to gain a competitive advantage. Understanding the opportunities and the threats of globalization

to an organization is therefore critical for organizations to leverage the gains, since it is an ongoing force, and to know how to adapt to the risks.

It has been a problem defining the effect of globalization, but recently scholars seem to be incongruent about the multifaceted impact of globalization. Based on its effects, scholars have come up with different conceptualizations. One popular conceptualization of globalization was by Keohane and Nye (2000), as cited in Goryakin, Lobstein, James, and Suhrcke (2015). The authors identified three distinct dimensions of globalization, namely economic, political, and social. One is the economic component that entails the flow of goods, services, and capital together with the perceptions and the information, which go with market exchanges. Passaris (2006) discussed other definitions of economic globalization. The author wrote that the global integration of nations' economies through investment and trade flows together with the production of goods and services reflect economic globalization. Another definition is that it is the process of speeding up the integration of international markets that culminate in a connected, borderless global market. Other aspects of the economic dimension of globalization include the internationalization of economic activities such as production, transfer of technologies, and human capital leading to rapid growth and advanced economies.

The other dimensions of globalization have been explained. Based on Keohane and Nye (2000) and cited in Goryakin et al. (2015), the political component refers to the effect of government policies at micro and macro levels. The authors also observed that researchers have documented national government policies that focus on opening trade boundaries and making new political liaisons with other nations. The social element encompasses the flow of ideas, information, culture, and people exchanges. The integration of cultures of the world as people

move from one area to another has been recorded. The three components of globalization have become a field of interest to various scholars who try to understand the impact of the paradigm.

Before Keohane and Nye (2000) conceptualized globalization into political, economic, and social dimensions, the most focus was on the economic effect of globalization. Goryakin et al. (2015) attributed the reason there was little attention given to the other impacts of globalization ~~was due to~~ the fact that the economists were the first to test and quantify the effects of globalization. The authors pointed out that, earlier ~~studies focused~~ ~~studies, focused~~ on the flow of goods and services. Standard measures that the researchers used included total exports and imports and foreign direct investment. They critiqued this narrow approach to globalization and emphasized that globalization is not only about the flow of goods, services, and capital. The authors support Keohane and Nye's (2000) definition of globalization effects. They, therefore, adopted [the Konjunkturforschungsstelle \(KOF\) index of globalization from the study of Dreher et al. \(2008\)](#) ~~KOF index of globalization~~ in their [own](#) study, where they examined the impact of globalization ~~effects~~. The ~~KOF Index tool~~ [KOF Index](#) quantifies the impact of globalization in different countries based on the three dimensions.

Scholars have developed additional definitions based on how globalization impacts different aspects of the society and its principal drivers, such as information technology and market liberalization. Acosta and Gonzalez (2010) stated that globalization is the rapid emergence and ease of movement of products, humans, and capital through multiple international boundaries. Their definition includes the economic and social dimensions of globalization as Keohane and Nye (2000) had defined the concept. Vivarelli (2004) viewed globalization as the integration of international economies through foreign direct investment, trade, migration, and capital outflow. Dicken (2007) emphasized ~~that~~ the increased rate of

interconnections and interdependence among countries of the world characterized by rapid social, economic, political, cultural, and technological interactions. Another definition is by Rothenberg (2003), who stated ~~ds, that~~ “Globalization is the acceleration and intensification of interaction and integration among the people, companies, and governments of different nations” (Dicken, 2007, p. 1). To this end, globalization can be termed as a multifaceted process and a complex phenomenon. However, considering all the definitions outlined herein, there is a congruence among authors that globalization has economic, social, and political aspects at all levels of organization such as in institutions or organizations, countries, and worldwide. Therefore, for the proposed study, globalization is the acceleration and integration of political, economic, and social aspects and technological advancements at an organization level.

Recent studies have examined the impact of globalization on organizations looking at various dimensions of performance. Some studies investigated the effect of globalization on a firm's performance, using stock market index returns as a measure. Karadagli (2012) conducted a longitudinal survey of seven emerging countries, including Turkey, Brazil, Indonesia, Mexico, China, India, and Russia, from 1998 to 2007. The ~~surveyy~~ examined how overall globalization levels (political, social, and economic) affect a firm's performance. The ~~researchers'~~ ~~findings~~ ~~researchers'~~ ~~found there~~ ~~findings~~ ~~within the data~~ ~~revealed a~~ ~~revealed~~ ~~was a~~ significant relationship between globalization level and a firm's performance. Other studies have determined the performance of firms in the globalization era by examining profit margins, return on assets, market share, and shareholder income. Thoumrunroje (2004) studied how globalization ~~affectseffects influence~~ the performance of firms based on return on assets, shareholder income, profit margin, and market share. Others, such as Stefko and Sojka (2015),

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studied the impact of globalization on internal organizational relationships with employees and communications.

The following studies have shown the double-sidedness of globalization. Wokoma and Iheriohanma (2010), and Thoumrungroje (2007) highlighted the positive effects such as the intensive flow of goods and services between countries, opportunities for multinationals, and adverse effects including issues of unemployment because of outsourcing of services to low-wage countries. All these factors show that even in organizations, globalization effects might create opportunities and threats. Understanding the effects of globalization on the performance of an organization is central to this study's objective.

On the question of how globalization influences the organizational performance, there is no one study that conceptualizes the ~~question concept~~ in the three dimensions (financial, employee, and operational performance of a firm), which the **proposed** study intends to explore. However, a few studies have developed criteria for measuring each of the aspects. For instance, Stefko and Sojka (2015) explained organizational performance as the changes associated with ~~the to the~~ positive or negative impacts of globalization, such as increased production as multinational corporations access raw materials, human capital, and capital from multiple countries, which enhance its competitive advantage. Other indicators include diversity of workforce, ~~which that~~ leads to expansion of the skills and talent pool and the extensive use of technology to bring about innovations. In contrast, diversity ~~of the workforce of workforce,~~ could present new challenges in terms of leadership needs due to language barrier and differences among employees. ~~Furthermore, Also,~~ unlike larger firms who may enjoy economies of scale, small and medium enterprises may have challenges making it in open markets. All of these elements affect the organizational performance according to the authors.

Additionally, some authors have used specific indicators to assess operational, financial, and employee performance. Sengul et al. (2015) ~~looked~~ researched at ~~how~~ the effects of globalization ~~affects~~ among operational performance in four aspects. ~~Specifically~~ ~~namely~~ cost, flexibility, quality, and delivery speed. The authors examined globalization as increased competition, perception of new opportunities, cost pressure, and speed of technological changes. Stefko and Sojka (2015) measured employee performance in terms of interpersonal relationships and their interactions with the managers, which affect their work productivity. Financial performance of firms have also been assessed by various studies with most focusing on return on capital, profit margins, and other aspects of financial health. Thoumrungrroje (2004) examined how globalization ~~affect~~ ~~effects~~ influence of the performance of firms based on return on assets, profit margin, shareholder income, and market share.

In concordance with the above review, for the proposed study globalization will be defined as the percentage of sales for domestic and foreign transactions. Within the proposed study, a firm must have a domestic versus foreign ratio at a minimum of 25% of total annual revenue to be considered a global organization. This metric is used simply to ensure that businesses with no meaningful involvement in global trade are considered for the study, which could affect its results. There is no particular criteria as to what trade a firm must engage in to be considered in this study: any firm that meets the aforementioned metric criteria can be used. However, only U.S. based firms will be used in the study. The aspect of globalization will also include any opportunities and threats brought about by economic and social, ~~social, and political~~ aspects. The organizational performance will be represented by the overall perceived performance of a firm in terms of employees, operations, and finances. Operational performance indicators will include improved production efficiency, extensive application of technologies in

service delivery and new product development and innovations. The elements of employee performance will include turnover rates, retention rates, and employee productivity and engagement. Finally, financial performance indicators include return on assets, market share, and profit margin.

In concordance with FBasically, following the review above, for the proposedeurrent study globalization will mean any opportunities and threats brought about by economic, social, and political aspects of globalization. _Organizational performance will be represented by the overall perceived performance of a firm in terms of employees, operations, and finances. Operational performance indicators will include quality, flexibility, delivery speed, and cost. The elements of employee performance will include employee productivity, and employee relations with colleagues and managers. Finally, financial performance indicators return on capital, market share, shareholder income, and profit margin.

Statement of the Problem

The problem being addressed within the proposed study, is that a lack of understanding of how the political, economic, and social elements of globalization affect different aspects of organization's performance, including such as financial, employees, and operational performance is lacking, making some firms to be disadvantaged and unable to leverage the opportunities that globalization presents while managing or adapting to its threats (Sengul et al., 2015).

The impact of globalization on the performance of organizations has been a subject of interest to scholars. A few studies have found a relationship between globalization and the organization's performance. _Stefko and Sojka (2015) examined the impact of globalization on selected indicators of firm activities and found that there was a positive and statistically significant correlation between perceived level of globalization and performance where "r" was

equal to 0.723; hence, acceptable at 0.01 significance level. The same study found a negative relationship between globalization and employee relations ($r=0.433$) and work-life balance (0.677). Furthermore, there is a concern among scholars about the disparities between the impact of globalization on the performance of large versus small organizations. Sengul et al. (2015) found that small and medium enterprises reported negatively about the benefits of globalization, arguing that competitiveness and monopolization of market segments are significant barriers to their entry into the market and their sustainability.

Another study examined the effect of globalization on human resource performance and motivation. With the background of that human resource practices play a significant role in the performance of an organization, Ehambaranathan, Samie, and Murugasu (2014) explored best employee engagement practices in the era of globalization opportunities and risks. They found that organizations in Vietnam as their case study had not employed appropriate employee engagement strategies to empower their employees to achieve optimum performance in quality, productivity, and innovativeness. The authors, therefore, proposed for managers to adopt best employee engagement practices to arm them with the right resources and motivation to identify the opportunities and manage the threats, which globalization presents.

More studies have found globalization to impact the different aspects of the organizational performance of some companies more than that of others. Mahmutovic, Talovic, and Kurtovic (2017) investigated the effect of globalization on companies in transition economies. They studied the impact on firms in Herzegovina and Bosnia. The study confirmed the findings of earlier research that globalization has both opportunities and threats, with small and medium enterprises carrying the burden of the challenges. The authors found that large companies, compared to small companies, can take advantage of globalization opportunities and

to cushion themselves from its adverse effects. They concluded and recommended for governments and policymakers to develop policies that will give small and medium enterprises, together with the startups a favorable environment to run business.

The literature research revealed that no past studies had been carried out to determine the effects of globalization on operational, financial, and employee performance of an organization simultaneously and from the perspectives of managers and employees. Previous studies have focused on one or two aspects of performance. Some findings have been contradicting; for instance, the effect of globalization on employee performance, with some studies finding the two variables to relate to each other. ~~The current~~ **proposed** study will clearly explain the question of how globalization affects firm performance by examining its influence on all aspects of an organization and from different employees and executives. It is descriptive, and therefore, it will adopt a qualitative approach to answer the following specific research questions.

1. What are the effects of globalization on operational performance?
2. What are the effects of globalization on the financial performance of an organization?
3. What are the globalization effects on employee performance?

Purpose of the Study

Since the development of the concept of globalization, its effects on organizations, more so, on the performance of firms, have interested scholars and practitioners alike. Three dimensions of globalization and their impact on organizational performance have been examined previously (Embaranathan et al., 2014; Goryakin et al., 2015; Karadagli, 2012; Sengul et al., 2015). However, **a** few qualitative studies exist that have explored the effects of globalization on the financial, employees, and operational aspects of an organization simultaneously.

Research has shown that globalization effects are both negative and positive. Stefko and Sojka (2015) defined globalization as “the process of denationalization of markets, political and legal systems” and “the extension of business activities that have been carried out on [a nation’s] territory, beyond the nation’s borders.” This definition was used because its broad coverage allows it to encompass many forms of business both large and small. With this definition in mind, they found that there were both positive and negative effects of international and intercontinental trade ~~globalization~~ on the Slovakian companies they used in the study in ~~Slovakian companies.~~ The authors found a significant positive relationship between globalization and remuneration and performance, but a negative, albeit insignificant association with employee relations with managers.

Another study by Mahmutovic et al. (2017) noted that globalization had a double impact on companies in transition countries. The authors identified the positive implications of globalization as being those associated with the acquisition of capital, raw materials, and knowledge globally. Outsourcing of certain operations, and the use of cheaper human labor and capital, which enables companies to achieve a competitive advantage, are other benefits of globalization. Other positive effects are linked to the sharing of new technologies, markets, skills, and financial resources. Some firms perceive these as advantages of globalization, and the main ~~one~~ reason why they continue pursuing the process (Muciimi & Ngumo, 2014; Zaitseva et al., 2016). From large to small and medium-sized enterprises, organizations are striving towards achieving a global presence to reap the gains of globalization.

The adverse effects of globalization have also been examined extensively in past studies. Mahmutovic et al. (2017) noted that while globalization offers new opportunities to companies, it also presents new threats because of competition among firms internationally. Business

organizations in developing nations are most susceptible to risks. The products they produce must meet the conditions for the world market criteria regarding quality, delivery, and cost. The global trends culminate in challenges that firms require adapting to, to be competitive (Wokoma & Iheriohanma, 2010). Aside from the harmful effects arising from competition, other adverse impacts include those of the world economic crisis. Economic instability in a region quickly manifests in other areas in terms of employment, production, investments, and savings.

Due to the double-effect of globalization, organizations need to understand the opportunities and the threats globalization presents in terms of their financial growth, employees' performance, and operational performance. The proposed study seeks to explore the perceptions of employees and managerial executives about the effects of globalization level on organizational performance, focusing on financial, employee, and operational performances. It may inform companies about the opportunities and risks of globalization so they can optimize the positive effects while adapting to the negative impacts to maintain a competitive advantage in the competitive global market. The results will also contribute to the existing literature on the globalization impact on firms' performance.

Research Questions

Due to the growing popularity of globalization, ~~becoming popular~~, existing and new companies need to know what its implications on their performance are so they too can share in its benefits while adapting and managing its risks. The following questions will study the perceptions of the employees and managerial executives concerning the effects of globalization on an organization's operational, employee, and financial performance:

- Primary research question: What are the effects of globalization on organizational performance?

- Supporting research question 1: What are the effects of globalization level on operational performance in an organization?
- Supporting research question 2: How do the effects of perceived globalization level affect the financial performance of an organization?
- Supporting research question 3: What is the influence of globalization level on the performance of employees in an organization?

Figure 1.1: A Matrix of Measuring the Variables

Organizational Performance Indicators	Perceptions of positive effects of globalization	Perceptions of negative effects of globalization
Operational performance	<ul style="list-style-type: none"> • Improved production efficiency 	<ul style="list-style-type: none"> • Reduced production efficiency
	<ul style="list-style-type: none"> • Extensive application of technologies in service delivery 	<ul style="list-style-type: none"> • Inability to acquire technologies and equipment to improve service delivery and quality of products due to competition or limited resources
	<ul style="list-style-type: none"> • New product development and innovations 	<ul style="list-style-type: none"> • Limited opportunities for new product development and innovations
Financial performance	<ul style="list-style-type: none"> • Increased market share 	<ul style="list-style-type: none"> • Little to average market share
	<ul style="list-style-type: none"> • Increased return on assets 	<ul style="list-style-type: none"> • Limited return on assets compared to globalized firms
	<ul style="list-style-type: none"> • Increased profit margin 	<ul style="list-style-type: none"> • Little profit margin
Employee performance	<ul style="list-style-type: none"> • Reduced turnover rates 	<ul style="list-style-type: none"> • Increased turnover rates
	<ul style="list-style-type: none"> • High retention rates 	<ul style="list-style-type: none"> • Low retention rates
	<ul style="list-style-type: none"> • High employee productivity and engagement 	<ul style="list-style-type: none"> • Low employee productivity and engagement

Source: Author (2020)

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The operational, financial, and employee performance indicators are conceptualized based on the balanced scorecard metrics for measuring organizational performance. Since this is a qualitative study that seeks to establish perceptions of organizations on the effects of globalization on financial, operational, and employee performance, the above matrix will be used in identifying common themes that will emerge from the responses. Increased market share, profits, and return on assets will indicate high financial performance and therefore a positive

effect of globalization, while the opposite pattern will be assumed to be a negative effect of globalization. The operational performance will be represented by improved production or manufacturing efficiency, new product development and innovations, and extensive use of technologies and equipment in service delivery. Themes that will represent employee performance will include workplace productivity, retention, and turnover rates (Jenatabadi, 2015).

The operational, financial, and employee performance indicators are conceptualized based on the balanced scorecard metrics for measuring organizational performance. Financial performance refers to market share, profits, return on assets, and capital and operational performance involves production or manufacturing efficiency, new product development and innovations, service delivery, and equipment effectiveness. Themes will represent employee performance such as workplace productivity, retention, and turnover rates (Jenatabadi, 2015).

Methodology

The proposed study will apply a qualitative research methodology. The method is appropriate since the proposed research seeks to examine the effects of globalization from three broad indicators of organizational performance from employees and the management's views and perceptions. It has a descriptive approach. A qualitative method allows researchers to collect first-hand experiences from the people or organizations undergoing a process. The level of responses given is also detailed, compared to the results of quantitative studies, providing more insights into the study of the topic (Tracy, 2020). The qualitative method will enable the

researcher to conclude the effects of globalization from broad perspectives and diverse industries.

Nature of Design

Whereas quantitative research would have focused more on data collection, analyzation and interpretation of statistics regarding globalization effects on businesses, this study will be qualitative in nature. The design of the research will be a case study, which will employ descriptive and phenomenological approaches in order to investigate the phenomenon of globalization on business performance in a context that is not wholly clear (Yin, 2014). The researcher seeks to explore the experiences of business professionals about globalization and its effects on an organization's performance. A phenomenological researcher seeks to describe events or phenomena as the people live them. The study involves persons who have knowledge of the concept under investigation and who will provide information about the subject. The goal of the researcher is to gain insights on a subject as it is experienced or perceived by those most affected. For example, the sample for the study will include chief executive officers (CEOs), human resource managers, and employees from a wide range of international corporations in the industry of technology in the U.S. These are professionals from large to small enterprises who have experienced both the positive and negative sides of globalization in their organizations. The data examined will include key performance indicators from the last 36 months of organizational performance.

The design of the research will be descriptive and phenomenological since it will explore the experiences of business professionals about globalization and its effects on an organization's performance. A phenomenological researcher seeks to describe events or phenomena as the people live them. The study involves persons who have knowledge of the concept under

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~~investigation and who will provide information about the subject. The goal of the researcher is to gain insights on a subject as it is experienced or perceived by those most affected. For example, the sample for the study will include Chief Executive Officers (CEOs), human resource managers, and employees from a wide range of international corporations in industries such as manufacturing, distribution and retailing businesses, and financial and other service industries. These are professionals from large to small enterprises who have experienced both the positive and negative sides of their varying globalization levels.~~

Since it is a qualitative study, a small sample will be drawn. Groenewald (2004) discussed the elements of phenomenological research. Among them is the number of participants required for the qualitative phenomenological design. According to the author, two to ten participants are recommended. Conducting extended interviews with the selected participants is also appropriate to achieve saturation. The interviews should be done until the participants exhaust their perspectives. The proposed study will include a few participants (at most 10) based on the requirements of the chosen research design. The participants for the study will be drawn through the convenience sampling method. Emails containing the in-depth survey questions will be sent to CEOs, employees, and human resource managers of the companies for a response.

The nature of the research design also determines the research questions and data collection methods. Phenomenological research entails exploring a phenomenon. It may be a question or concept that has never been studied or one, ~~which~~ the researcher wants to explore in depth (Groenewald, 2004). For instance, the ~~proposed~~~~current~~ research will examine the perceptions of employees and managers on the effects of globalization and its influence on the performance of an organization, focusing on the employee's performance, operations, and

financial performance. The questions will be unstructured to ensure that the participants can answer to the best of their knowledge, experiences, and different perspectives as required by the research design.

Further measures will be taken to enhance the response rate and to adhere to ethical research obligations. The participants must sign an informed consent form. The form will assure them that the participation is voluntary, the purpose of the proposed research, the procedures, risks, and benefits of the study, and the measures by the researcher to ensure confidentiality. Also, they will be told not to mention their names in writing their responses and the researcher will also avoid referring to them with their names. Instead, each participant will be given a unique identifier for data analysis. However, there will be no mention or reference to the true identities of the participants. Also, all the sketches, recommendations, or any other information provided by different participants will be recorded as so, as it is required in phenomenological studies, to avoid bias (Groenewald, 2004). The above measures will ensure that research ethics are met and that the conditions of phenomenological design are followed to the letter.

Once the interviews are conducted, the collected data will be stored. The researcher will store the data in the form of audio messages and transcripts. More information will be captured in field notes based on what the researcher will observe, hear, and experience or reflect on the responses of the participants. The field notes will be dated appropriately to be correlated data later in the results and discussion sections (Groenewald, 2004).

The next step will be the explicitation of the data. Groenewald (2004) argued that in qualitative research, and more so, in phenomenological studies, it is more appropriate to talk of data explicitation than data analysis. The author, quoting Hycner (1999), discussed why data

analysis is inappropriate in phenomenology, stating that the former is about breaking concepts in parts to find meaning, which if done in the phenomenological study would make it lose meaning. Therefore, the author calls for the use of the term 'explicitation' which refers to the exploration of elements of a phenomenon while maintaining the context of a whole.

For the proposed research, explicitation of the data will include a few steps, including bracketing and phenomenological reduction, which entails the researcher shelving their preconceptions and beliefs about the subject of study to avoid influencing the initial responses by the participants. The second step will be the extraction of the units of meaning. Creating categories of themes from the units of meaning will be the third step. Summarizing each of the interviews, validating and changing them will follow. The last step will entail identifying general themes from all the interviews and synthesizing them to make a cohesive synthesis that responds to the main and the specific research questions. Recommendations and conclusions will be made based on the findings.

The study is also descriptive, since it aims to examine the effects of globalization on the performance of an organization. Descriptive studies answer the questions of "what?" but they do not respond to the question of "why?" Further research is often required to understand why a phenomenon produces certain patterns or affects another in a specific way (Tracy, 2020).

Limitations and Delimitations

Limitations are influences on the study that the researcher cannot control while delimitations are the choices that the researcher makes, which may affect the results of his or her research significantly (Theofanidis & Fountouik, 2018). The proposed study has a few limitations. One is that the selected participants may provide responses that do not reflect the

scenarios of other organizations. In a qualitative study, a sample that is not representative may not enable the researcher to reach data saturation, which could affect the results. The second limitation of the study is timing, which may coincide with a rise or a drop in the economy, which may not be a consequence of globalization. Thirdly, the study will employ a qualitative methodology, which limits replication of results. The delimitations include the study's scope. The researcher will be surveying companies in one country (the United States), and the findings may not reflect the situation in other countries (Theofanidis & Fountouik, 2018).

Theoretical Framework

The Resource-Based Value (RBV) theory underpins this study. The theory that Barney (1991) cites in his article "Firm Resources and Sustained Competitive Advantage" was developed by Penrose (1959). The theorist postulated that a firm's performance is pegged on the specific capabilities and resources. Barney (1991) discussed how a firm could attain value, which he terms as a competitive advantage by identifying and utilizing resources and capabilities that are only accessible to a specific firm but no other firms. He evaluated different types of resources and how they help a firm perform, including valuable, rare, and imperfectly inimitable resources (others cannot imitate that).

Based on the theory, a firm requires the valuable, rare, the inimitable, and the non-substitutable resources to gain competitive advantages and to achieve superior performance. Criteria for determining if a resource meets the conditions of unique resources were developed. It is referred to as the Valuable, Rare, Imperfectly-Imitable, Non-Substitutable (VRIN) criteria. The first criterion is valuable. A resource that has strategic value falls into the Valuable category, which enables it to exploit market opportunities or minimize threats.

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~~Otherwise,~~ there is no need for owning a resource if it does not add value to an organization. ~~Rare is another criterion. The r~~Rare resources should be uneasy to find among the competitors of an organization. ~~If~~ multiple firms possess a resource, it cannot give them a competitive advantage since it will be difficult for an organization to design a unique strategy compared to that of its rivals (Madhani, 2010).

The other criteria include a resource being inimitable ~~and~~ non-substitutable. Inimitable refers to a resource's resistance from being copied. A few factors can lead to the inimitability of a resource, including the challenges of acquiring resources, and not having the capability to exploit a resource to attain ~~a~~ competitive advantage. Another condition that inimitable resources must meet is ~~that~~ the competitors should not be able to acquire them. ~~Non-substitutability means that a resource cannot be replaced with another alternative resource, and that—Also,~~ the competitors will not get the same performance by substituting a firm's resources with other substitutes (Madhani, 2010).

Barney (1991), however, added ~~an alteration twist~~ to the RBV theory, saying that acquiring the imperfectly imitable resources calls for firms to identify them in the right time and space since they are time dependent. ~~He~~ gives a few examples of inimitable resources, such as a firm with highly trained scientists that can create scientific excellence. ~~Using the internal capabilities and resources, such a company can survive the threats of its competitors, and from its environment, while optimizing the opportunities. According to Barney, an organization needs to identify these resources to gain a competitive advantage.~~

Barney (1991) continues to explain what it means for a firm to have a valuable resource. According to the theorist, it must allow it to perform things and lead a behavior that culminates in high sales, reduced costs, and high margins, as well as other ways, which add financial value

to an organization. ~~Furthermore,~~ a valuable resource enables a firm to develop and implement business strategies that enhance effectiveness and efficiency. He concluded that RBV helps managers to identify a firm's most valuable assets and to find ways how to use those resources to improve performance.

The theory also expands on what resources and capabilities entail. Resources and capabilities are divided into categories, including physical, financial, technological, and organizational. Physical resources are plants, offices, machines, and their geographical locations. Technological resources include patents, trademarks, advanced technologies, and trade secrets. Examples of financial resources include a firm's ability to raise funds and capital both internally and externally. Organizational resources include an organization's planning, command-and-control systems, and the management information systems. Apart from these four categories of resources and capabilities that are tangible, there are intangible resources. They include human resources such as managerial staff, employees, and organizational culture. Other ~~resources in this category includes~~ are innovations such as capabilities in research and development that drive a firm's production process. ~~and~~ Lastly, ~~there are~~ reputational resources, which include the firm's image and products' branding (Barney, 1991; Madhani, 2010).

In the context of globalization, its impact on the internal and external environment of a firm has been identified in earlier studies. Based on the resource-based value theory, if an organization understands capabilities and resources that globalization presents internally and externally, it can utilize the opportunities and manage threats, to improve performance. On the contrary, those firms that do not identify the resources and capabilities that globalization offers may fail to recognize the opportunities and threats in their environment.

Significance of the Study

The proposed study will explore the effects of globalization on financial, employees, and operational performance from employees' and executives' perspectives. Research exists about the impact of globalization on different aspects of a firm's performance. Still, Nonetheless, little to no research is available on the perceptions of the employees and the managers on the globalization effects on the overall performance of firms.

The proposed research will respond to the gap in the literature on the impact of globalization on the performance of organizations by interviewing employees and managers. Earlier studies have found that globalization influences companies differently and that it has negative and positive effects. They also recognized that small and medium enterprises are mostly disadvantaged by globalization. Zaitseva et al. (2016), Sengul et al. (2015), and Stefko and Sojka (2015) all concluded that globalization has a double effect that is: both negative and positive. Moreover~~Two~~, the authors noted that every firm experiences globalization in its own way, based on how it can utilize the resources and capabilities available to create value. Finally~~Three~~, medium and small enterprises are more prone to be affected by globalization negatively compared~~negatively due compared~~ to large organizations.

Based on the review findings, the current study will be of significance to large and small enterprises since it will identify all the effects related to financial, operational, and employee performance. The study results may help firms to learn what globalization offers as opportunities and leverage them to their advantage while managing the adverse effects.

Definitions and Key Terms

The following description of terms will apply to the proposed study.

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Globalization will be defined as the percentage of sales for domestic and foreign transactions. Within the proposed study, a firm must have a domestic versus foreign ratio at a minimum of 25% of total annual revenue. Opportunities and threats brought about by economic, social, and political aspects of globalization.

Organizational performance. Kirkman, Lowe, and Young (1999) defined organizational performance as the "achievement of organizational goals in pursuit of business strategies that lead to sustainable competitive advantages. (p.7) The proposed study defines organizational performance as financial, employee, and operational performance. "To measure organizational performance more completely, one might use an approach like the balanced scorecard, which elevates nonfinancial measures to a level consistent with a traditional focus on financial measures" (Kirkman et al., 1999, p.7). The balanced scorecards will be extracted from the returned emailed responses from the proposed study participants.

Organization of the Study

Following the first chapter, there ~~will be~~ two other chapters of the qualitative dissertation proposal. Chapter 2 ~~will~~ contains the literature review, which ~~will~~ includes a discussion of the synthesis of the literature on the concept of globalization, and globalization effects on organizational performance based on previous studies; and a theoretical framework. An additional chapter 3 ~~will~~ synthesizes the study's methodology in detail. ~~It and stated~~ discusses the purpose of the survey. ~~Chapter 3 will also~~ restates the research questions, the research design, the population of the study, and the ethical research considerations.

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