

# Impact Of De-Globalization On Workplace Politics, Attitude And Motivation

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## Abstract

De-globalization in a way has gripped the major nations of the world post pandemic and with the on-going Russia-Ukraine war it has been more intensified. In simple words it simply means decreasing trade openness which can happen due to various factors like greater income inequality and unemployment rates, political pressures, and trade tensions between countries. Due to the few of the mentioned factors it could be seen that many of the nations are moving towards the concept of "Protectionism" of their nation's resources through restrictions in the form of tariff barriers.

India being a developing nation realized the same post 2008 financial crisis only the effect of de-globalization, resulting in the country facing the heat from internal issues like unemployment and income inequality. As a result of which it becomes imperative that the existing business firms have to take their decisions in a more strategic way as the foreign market especially USA during Trump era has started pulling the reins of restriction in order to protect their resources which means that the resources of the organization present in India have to be utilized in an optimum way owing to de-globalization leading to intense competition in the job market for survival, up-skilling and showing the organization that they are an asset.

In today's world of cutthroat competition with rising de-globalization, recession where survival is a kind of necessity and is the greatest art nowadays; employees are always open to take up any challenging work to make sure that they are not affected with any negative decision by the organization which might affect their image in the organization, promotions, transfers, or layoff. Now to create a positive image, employees tend to make efforts in front of the senior management by trying to execute various influential tactics, if needed they do get themselves involved in various conflicts to keep their interests and points ahead which at times will also serve their self-interest, motives, and goals along with organization interest.

The paper will try to understand the context of De-globalization vs. Globalization, various facets and factors in the sphere of de-globalization and its influence and mark on of organizational culture, employee attitude and their want of motivations and most importantly to find out how the organization management is trying to rightfully accomplish and steer the same pre-emptively and tactically during such times of crises viz. de-globalization and economic recession.

**Keywords:** de-globalization, politics, attitude, organization, management, workplace, recession, motivation

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## I. Introduction:

Contrary to the fundamentals of national connectedness, De-globalization is a measure towards a less linked global economy. Such a platform can be created by creating powerful, influential and commanding nation states. The focus is on emphasizing on solutions which are localized and controlled within national boundaries instead of an open movement as has been in the case of globalization.

In the words of Professor Markus Kornprobst, Political Science and International Relations Chair, Vienna School of International Studies and Jon Wallace, Deputy Head of News and Comment, Communications and Publishing, "Some consider the world to have entered a period of de-globalization, citing recent events such as Brexit, Trumpism, the Ukraine war, problems with supply chains, the global energy crisis and the past decade's decline in foreign direct investment. It is better to understand the question as one of balance between globalizing and de-globalizing forces. But it would be wrong to say the world is definitively in a period of de-globalization.

Phenomena such as the COVID-19 pandemic, international crime and climate change demonstrate the continuing relevance of global collaboration and interconnectivity” They further opine that, “Perhaps the greatest evidence of de-globalization taking place is in the current political imagination of both democracies and authoritarian states. During recent election campaigns in the US and Germany, climate change – an inescapably international issue - was discussed as a national challenge with mitigation and adaptation efforts characterized as national opportunities. In China, globalized infrastructure such as the internet is heavily restricted and recast as a tool heavily controlled by the national government, with ‘the great firewall’ turning the free flow of information into an incredibly effective method of political control.”

In this paper we would try to understand the context of De-globalization vs. Globalization, countless and innumerable aspects and factors in the sphere of de-globalization and its influence and mark on of organizational culture, employee attitude and their want of motivations and most importantly to find out how the organization management is trying to rightfully accomplish and steer the same pre-emptively and tactically during such times of crises viz. de-globalization and economic recession.

### Enunciation of De-globalization against Globalization:

“Globalization is highly connected with multinationals and international economic integration. Globalization signifies the importance of standard procedures, free trade, international compliance and international investment. International organizations, such as the World Trade Organization (WTO), International Monetary Fund (IMF), United Nations Conference on Trade and Development (UNCTAD), were considered important for world trade and economy. However, criticism came out against globalism, due to inequality and unfairness became critical issues among trading nations. These brought about regionalism and has resulted in regional cooperation, like free trade agreements (FTAs), at the country level increasing.” (Kim et. al., 2020)

It can be seen from leafing the pages of history that Globalization and de-globalization does have a kind of recurring, cyclical and returning the competition in the market throughout. It could be stated that the time period for the first global economy was from time period 1840 to 1929. So, after the Great Depression and the First World War did cause the majority of the European nations to resort towards the first known de-globalization starting initially from 1929 and continued till as late as 1979. During this time, the world suffered again the wrath of the Second World War; and this is where the western nations worked jointly together to eliminate the various trade barriers caused due to war and restrictions and as a result of which many countries became WTO members to address the issue. Post this the second globalized economy went on until the global financial crisis hit the entire world in 2008. Post 2008 the distrust against the various forms of financial systems and global companies rose to all time high causing nations to be anxious about the rising inequality and the income disparity between various regions and across borders. All though international trade has helped the economy to grow, businessmen and small-to-medium enterprises (SMEs) did feel that there does exists disparity and that they were not paid fairly. These very disparities of in-equalities across regions and borders captured the very attention of the mass as well as policy makers, and the very crisis created a new pattern of de-globalization across borders in order to address the rising concern. (Jones, 2005)

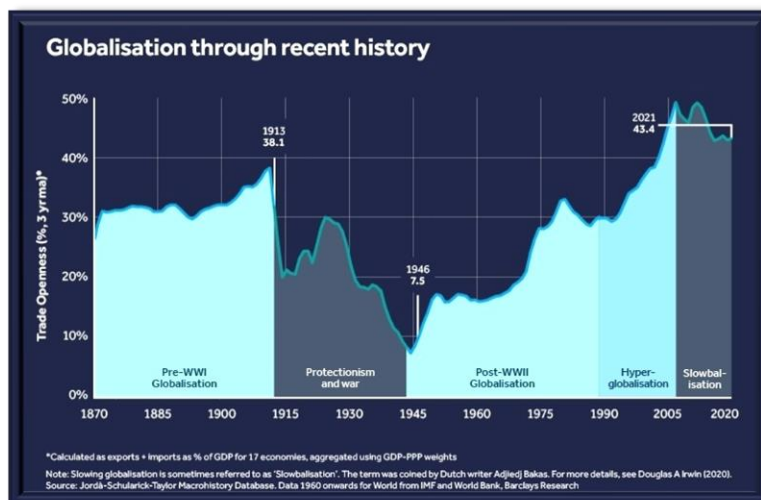


Figure 1: Globalization through Recent History

Source: World Economic Forum, Jan 17, 2023 Edition

[ <https://www.weforum.org/agenda/2023/01/deglobalisation-what-you-need-to-know-wef23/> ]

It was been further observed that the developing economies were not progressing or growing at all and it could be felt that, through the various forms of direct and indirect taxes which includes tariffs, subsidies, an over-complex patent system and with the rising concern of pollution level, to some extent the world got adversely affected both economically and politically. This reflected the negative aspects of globalization. Since then, there have been several observations and factors showing signs of de-globalization. (Stiglitz, 2007)

A tangible and perceptible set of 14 features in de-globalization was identified. (1) *production rate and major factors boosting the same for the domestic market*; (2) *the rate of subsidies given at the national level to boost the production and economy*; (3) *strong trade policies within the nation or region*; (4) *the various forms of industrial policies and practices including improvisations in subsidies, tariffs and trade policies to strengthen the manufacturing sector at large*; (5) *long-postponed measures related to equitable income redistribution*; (6) *emphasizing on aspects related to upgradation in the quality of life*; (7) *focusing on decentralized systems transforming the power and transportation systems of the nation based on various available renewable sources*; (8) *maintaining a healthy balance between the country's carrying capacity and the size of its population*; (9) *environmentally motivated congenial technology*; (10) *ensuring gender equity throughout the region across all sectors and fields*; (11) *strategically enabled economic decisions to the market or to technocrats*; (12) *putting forward a institutionalized process that monitors the civil society and supervises the states and private sectors*; (13) *transformation of the property complex into a mixed economy*; and (14) *replacing the regional institutions with centralized institutions* . (Below, 2008)

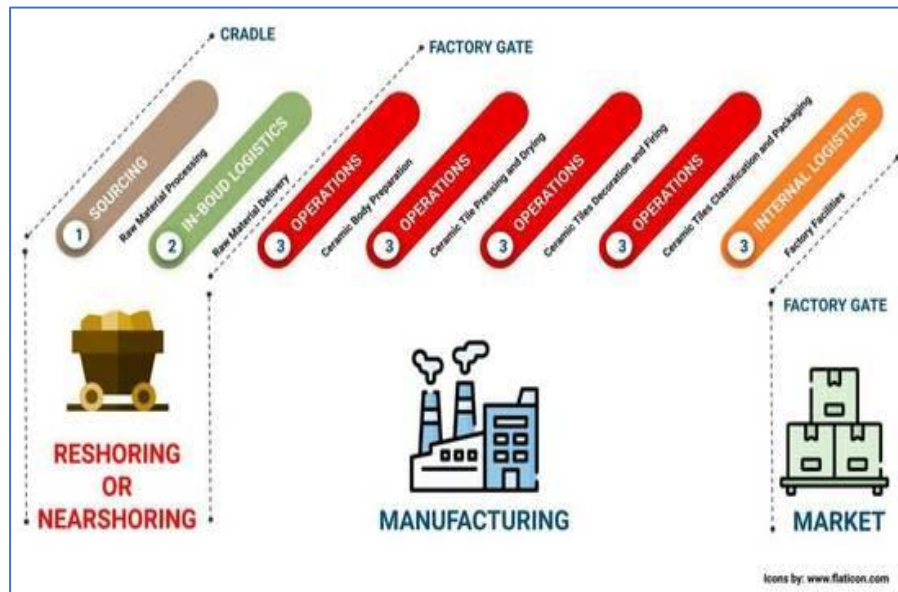
#### **De-globalization may be a Paradigm Shift:**

*“The increasing integration of more and more economies into international trade and production has shaped the modern world – both as a driver of growth and sometimes as a source of instability. This globalization now appears to be at a tipping point. Its vulnerabilities and disadvantages have triggered a rethink. Many companies that used to source their inputs from around the world now face tough times and are being forced to adapt. The reasons for this are clear. For example, many customers in Europe had to wait several months for a new car as critical parts, like microchips from Asia, became scarce in 2021. And Russia’s war in Ukraine has laid bare the euro area’s dependence on energy and critical raw materials from just a few suppliers.”* (Sano, et. al., 2023)

So here comes the question that is it all merely a restructuring and reordering of logistics, supply and production chains? Or is there a paradigm shift gradually and towards the start of a new trend for de-globalization?

It will be notable to look at the ways that how currently the existing firms can modify their existing production and supply chains by making them more secure and resilient towards any kind of adversities and de-globalization factors. Ways could be like they can that can buffer stocks and resources which could save the firms in the face of unexpected disruptions. They can also broaden their procurement and sourcing avenues from which they need to produce goods and services. Further they could even relocate and take their production back home or to neighboring countries – which is known as re-shoring and near-shoring respectively. Now in order to save the business from unexpected disruptions which could be due to any reason like ongoing wars or recession; all of these options could play a major role in having a distinct implication for the integration of global trade. (Sano, et. al., 2023)

*“For instance, re-shoring, which can prompt de-globalization, entails benefits and costs. It can benefit firms and consumers if it provides better control of production processes. Re-shoring can also reduce the negative effects that disruption in one country can have in others. But re-shoring is also likely to have drawbacks. Less geographical diversification leaves a country more vulnerable to domestic shocks. The de-globalizing effects of re-shoring can also reduce international trade and cross-border investment, while making it harder to transfer productivity gains from one country to another. All this can reduce prosperity, especially in the small, open economies that benefit most from international trade. Transferring production back from overseas can eliminate previous gains from international comparative advantages and increase domestic production costs. The past decade has been characterized by a trend towards near-shoring. Yet, trade data provide no clear evidence that recent events – e.g. pandemic and war – have accelerated this trend. The data also do not indicate re-shoring of production chains to Europe.”* (Sano, et. al., 2023)



**Figure 2: Layers of International Business**

[Source: Andres-Fernandez-Miguel, et. al. (2022) “Disruption in Resource-Intensive Supply Chains: Re-shoring and Near-shoring as Strategies to Enable Them to Become More Resilient and Sustainable” in From Global to Glocal: Digital Transformation for Re-shoring More Agile, Resilient and Sustainable Supply Chains; Sustainability 2022, 14(17), 10909; <https://doi.org/10.3390/su141710909>]

## II. Case Studies

### Globalization & Deglobalization: A Case Study from USA

Numerous factors led to the acceleration of globalization across the nation’s major of which are technological advancements, development of electronic media, consumer behaviour globally, cheap imports, lower level of trade barriers etc.

### Factors for Globalization in the USA

Speaking of the USA the major factors were improved methods of communication between the people of the nation through means of various electronic media, better transportation facilities and global banking and trading systems through various stock exchanges. Thus paving the way open for other nations to enter the market. Other factors could be like Political mergers, cultural mix to name a few.

The policies also helped a lot in enhancing the globalization trend some of them are:

**NAFTA** (North American Free Trade Agreement) which was signed in 1993 to foster direct foreign investments and to facilitate the movements of the manufacturing industries from the USA to Canada and Mexico, **Lowering of Tariff Rates:** During the end of the 19th Century, USA lowered the Tariff rates in order to boost globalization which resulted in heavy inflow of import goods both from the European Nations and China which in a way did pose a threat to the home grown industries of the Nation, **Visa Grant to India:** The restrictions were relaxed a bit in order to grant Visa’s to Indians who got a chance to work with the American MNC’s. As the American MNC’s thought of hiring the best talents with minimum cost incurred.

Now because of the above factors which boosted globalization in a way, did create negative backlash also for the nation which resulted in De-globalization.

### Adverse effects of Globalization in the American economy

The major reasons could be the growing wage inequality rates with increasing unemployment across the nations. As studied by DiNardo (2002) the major reason for the income inequality is technological change. Another reason was the loss of manufacturing jobs in the USA did spurt to the unemployment ratio as a majority of them were unskilled workers lacking the basic computerization skills. Also there was a huge shift during this period from manufacturing to other sectors which were technology driven. Migration was another challenge for the USA, as from the literature review it could be found that 10 countries tops the chart for international migrants. The USA ranked first followed by Germany, Canada and France. Now due to international migrants the wages and salaries of native skilled Americans were lowered.

As a result of which the nation post 2010 decided to take protective measures to save the interests of the Americans from Globalization thus resorting towards De-Globalization.

### **Preventive Actions taken**

The NAFTA Agreement was re-negotiated by Trump after coming to power. The Trump administration enforced strong laws and initiated Section 301 to analyse the various unfair trade practices. Also providing relief to domestic industries those who were highly affected from the trade policies enforced previously. Restrictions were imposed on immigration to the nation for job purposes, as a result of which the Trump Administration changed the H-1B visa norms which badly affected nearly 5 lakhs Indians working in the US. To protect the domestic Industries manufacturing steel and aluminium the trade rates were increased by almost 25%. So these were few of the steps taken by the USA to control the rising tensions within the Country.

### **De-globalization and Organizational Culture, Employee Attitudes and Motivation:**

Apart from the macro level understanding of the platform and orientation of de-globalization, the same can be gauged in a macro context of firms and industries and their work culture, employee attitude and their need for motivation at work.



**Figure 2: Spheres of Organizational Culture**

[Source: <https://www.dreamstime.com/photos-images/organizational-culture.html>]

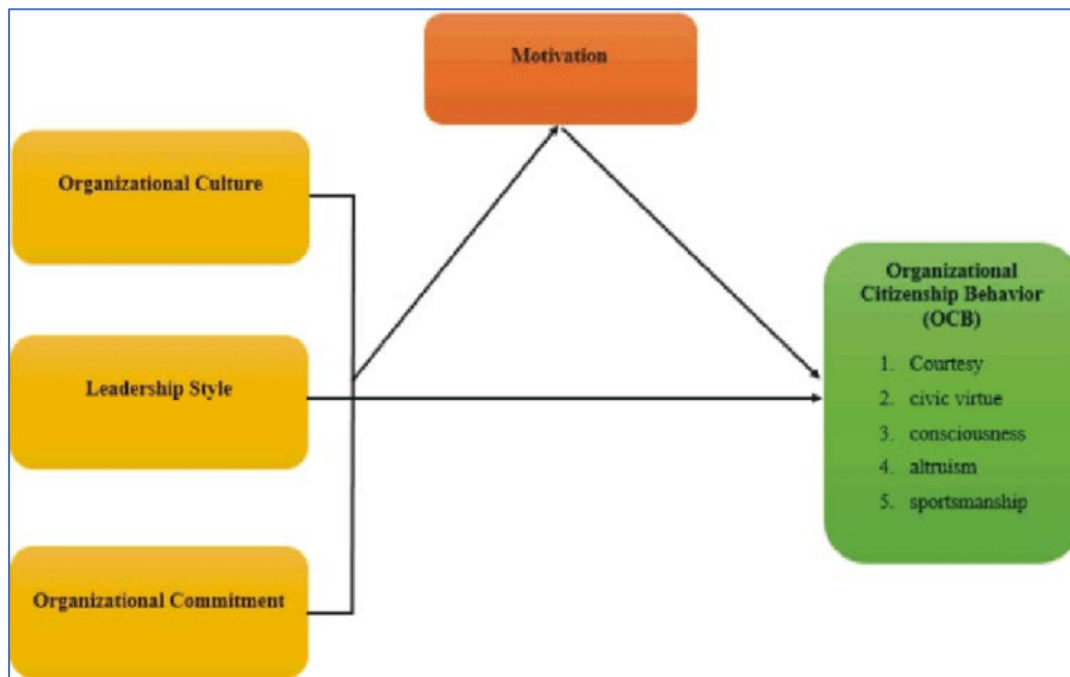
With a move from globalization to de-globalization, organizations have shifted from the spirit of unification and openness to isolation and distinctive capabilities. As businesses drift from relatedness and off-shoring to re-shoring, there is an impact on business culture in terms of nature of leadership, types of incentives to be decided upon for different clusters of employees, in-group and inter group working relations, the approach towards nurturing employees' capabilities and potentials and the general approach to human behaviour at work.

As the focus is on inward capacity building, the emphasis on the various dimensions of business culture encounters an alteration as well. There is emphasis on creating the following within a de-globalized organization

- **Clan Culture** within de-globalized enterprises: This type of culture is often family-owned, and therefore there remains a high probability on nurturing and favouring employees through interpersonal connections or mentoring programs, creating the feeling of a true extended family.
- **Hierarchy Culture** within de-globalized enterprises: Hierarchy cultures exist in de-globalized organizations. Such businesses have a lot of structure and authority with respect to power and decision-making ability concentrated at the top of the management level.
- **Market Culture** within de-globalized enterprises: Market culture is designed for innovative businesses. Here the element of organizational culture is very results-driven, valuing the healthy culture of internal competition and rewarding superior performers and winners. Hence, this is a culture where all employees are expected to be goal oriented with full vigour and energy to build up their internal capabilities and competitive edge. Those that consistently succeed experience significant financial rewards or promotion opportunities.
- **Adhocracy Culture** within de-globalized enterprises: A combination of the words "Ad hoc" and "bureaucracy," an adhocracy doesn't adhere to bureaucratic procedure and policies. In fact, they often encourage risk-taking, challenging the status quo, and out-of-the-box ideas. In this less structured culture, all employees are encouraged to participate regardless of their position because you never know where the next big idea will come from.

All of the above reflect on the work-related attitude and of the employees with a positive feel towards their organization, thus building upon their motivation to work and nurture organizational citizenship behaviour

in the enterprises. Therefore, one can rightly assert that de-globalization can alter leadership styles, work culture, work related employee commitment which can generate an extraordinarily high level of motivation with the feel of organizational citizenship, belongingness, security and trust.



**Figure 3: De-globalization in an Organizational Context**

[Source: Halim, M., S., a. (2022) "A Study on the Relationship between Organizational Culture, Leadership Style, Organizational Commitment and Organizational Citizenship Behaviour, Intrinsic Motivation as Mediating with Reference to Employees Working in Jordanian Luxury Class Hotel" in December 2017 World Applied Sciences Journal 35]

### III. Conclusion:

*"The prediction of social scientists is that more countries will be closing the doors for international business activities. The de-globalization trend is increasing, resulting in negative impacts on global business. In addition, the world society that is connected and would like to deal with the consequences of de-globalization. De-globalization is not temporary and will be continuous. Countries will leverage the choice between globalization and de-globalization policies in their economy. The choice will be selective de-globalization, and the trade barriers will be bilateral. Protection issues, such as coronavirus risks, support de-globalization. The hurdle is to escape from the trap of a stagnant, non-trading economy. This is not an easy task, as de-globalization has a significant relationship with three dimensions of globalization: economic, societal and political issues."* (Kim et. al., 2020)

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