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## THE IMPACT OF GLOBALIZATION FOR TRAINING OF MANAGERS IN SLOVAK INDUSTRY

**Abstract.** *This paper is focused on the impact of globalization in Slovak industry. Globalization is commonly used for describing the spread of production, communication and technologies across the world. It brings a range of economic, social and political changes and innovations to each country. It is a phenomenon without bounds or alternatives, expands and accelerates the exchange of ideas and commodities over vast distances. Globalization's impact is often best understood at the local level. The aim of this paper is the analysis this impact.*

**Keywords:** *globalization, multicultural environment, managers, industry.*

**Introduction.** Globalization encompasses many political, social and economic changes and innovations, it has become one of the themes in the theoretical circles, Government circles but also in society as a whole. It is the most influential and most driving force that affects the lives of people across the planet and the future happenings [9]. For part of people is globalization seen as a phenomenon, which brings only benefits for the economy by collapsing the boundaries between countries, thus allowing the free movement of labor, movement of goods and services through expanding global markets without tariff barriers and a variety of other restrictions, faster communication between people [11]. Globalization has also negative face for eg. the great financial crisis of 2008 – 2009 has revealed the danger of an unstable global economy.

**Globalization and its impact on migration in Slovakia.** Human migration is a natural consequence of globalization, it is the movement of people from one place to another. Migration can be intercontinental (it is between continents), intracontinental (between countries on a given the continent, this is typical migration for Slovakia and EU countries) and interregional (within countries, in Slovakia is typical movement from eastern part to western to capital city) [8]. Social and occupational consequences of globalization are huge. They are manifested not only in the labor market, but also in the entire complex changes in the social and labor field [9]. With the influence of abolishing restrictions on the various barriers and creating new markets, companies expand their business activities to other countries and invest their capital, whether in existing enterprises or

establish new branches and companies in the host country. Slovakia does not belong to the typical target countries of migrants, the slight changes already were observed there after 1989, when the influx of foreign capital began into the country [4]. One of the first foreign investors, who decided to establish a factory for car production near Bratislava in Slovakia after the revolution was a German car giant Volkswagen. Since 2007 Slovakia has become one of the biggest car producers per capita in Europe mainly owing to the presence another two world-class automotive companies: PSA Peugeot Citroen Slovakia and Kia Motors Slovakia.

Greater migration boom occurred after the entry of Slovakia into the European Union and the Schengen area. According to the International Organization for migration, the growth of the population of foreigners in Slovakia was in the years 2004-2008 the second highest among other EU countries, despite the fact that the proportion of foreigners in our country in the total population is only 1.4 %.

According to the data of the Statistical Office, Slovakia is considered to be a migration profitable country because from 1993 until the year 2014, it gained more than 76 000 foreigners [2]. In addition to migration based on social reason (marriage or family reunification) the second most common reason for migration to Slovakia is the migration for work [4].

According to the statistical data of the Ministry of the Interior, in 2014 the number of foreigners with residence permits is about 76,700 [7].

The highest concentration of employed foreigners, according to the headquarters of the Labor, Social Affairs and Family is in the districts of Bratislava, Trnava, Nitra, Galanta, Malacky, Zilina and Kosice [14]. Of the 20 largest companies by revenue in Slovakia, 15 is located in west region (Bratislava, Malacky, Trnava), 2 in Žilina region, 2 in the Košice and 1 in the Nitra region. In table 1 is the top 10 largest employers in the mechanical engineering industry in Slovakia. These companies are mainly active on multiple continents and their staff in individual offices are from different countries and cultures.

Table 1

**The top 10 engineering firms by number of employees (source: ECD, E-Trend individual companies)**

<b>N o.</b>	<b>The name of the company</b>	<b>The number of employees</b>	<b>Management of the company</b>	<b>Industry</b>
1	Volkswagen Slovakia, a. s., Bratislava	9 480	German	motor vehicles
2	INA Vitriol, s.r.o., Skalica	4 340	German	Engineering
3	INA Kysuce, a.s., Kysucké Nové Mesto	3 777	German	Engineering
4	Kia Motors Slovakia, s. r. o., Žilina	3 649	Korean	motor vehicles
5	Yazaki Wiring Technologies Slovakia, s.r.o., Michalovce	3 249	German	motor vehicles
6	PCA Slovakia, s.r.o., Trnava	3 009	French	motor vehicles
7	Johnson Controls International, s.r.o., Bratislava	2 987	USA	motor vehicles
8	Yura Corporation Slovakia s.r.o., Murray	2 539	Korean	motor vehicles
9	Leoni Slovakia, s.r.o., Trenčín	2 264	German	motor vehicles
10	Embraco Slovakia, s.r.o., Spišská Nová Ves	2 029	Italian	Engineering

The Migration growth of foreigners has slowed because of the arrival of financial crisis. However, compared to the previous year at the end of 2014, more than 5,000 foreigners lived in

Slovakia which means an increase of 7,1 %. At the moment, there is around 130 nationalities employed in Slovakia, while the most represented nationalities are from neighboring countries (nationality of the EU countries make up 2/3 of all foreigners living in Slovakia). The most numerous group of foreigners in Slovakia from outside the EU are Ukrainians.

Table 2

**The number of employed foreigners(source: ÚPSVaR)**

No.	State	Together
1	Romania	4 237
2	In The Czech Republic	3 179
3	Poland	2 235
4	Hungary	1 585
5	Ukraine	978
6	The Republic of Korea	844
7	Germany	831
8	France	800
9	Bulgaria	731
10	Austria	590
11	Italy	589
12	Serbia	517
13	United Kingdom	442
14	Vietnam	356
15	other nationality	2 199
	<b>Together</b>	<b>20 113</b>

**Globalization and multicultural environment in Slovakia.** In 2009, the International Organization for migration compiled a Study titled, "public attitudes to foreigners and foreign migration in the Slovak Republic". In the study, it was pointed out that, in comparison with the other residents of the EU Slovaks still have a little experience with other cultures.

The information about multicultural environment was obtained using the questionnaire survey. A questionnaire survey was implemented from 1<sup>st</sup> December until 15<sup>th</sup> December 2014 physically in the biggest shopping mall Eurovea in the capital of Slovakia Bratislava. We decided to implement the questionnaire in December, because a many people are in the shopping centers before Christmas Eve. The questionnaires target group was people age 18+. We asked two questions:

- Do you think that Slovakia is a multicultural country?
- Do you work in multicultural company?

On questionnaire responded by 1251 people, 51 % of responded think that Slovakia is a multicultural country, 45 % think that is not and 4 % did not know answer for first question.

The answer to the second question was very similar what is confirmed by International organization for Migration. According to information on the web site IOM in 2014 the number of foreign workers in Slovakia was 20 113 (table 2). Currently, there is one foreign per 116 national employees.

### Do you think that Slovakia is a multicultural country?

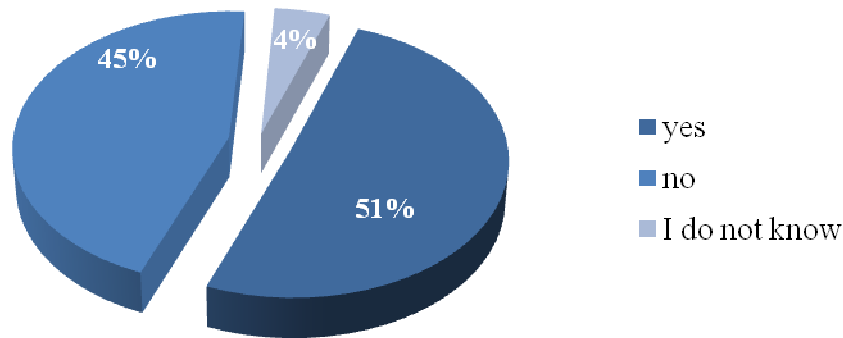


Fig. 1. Show if Slovakia is a multicultural country according to participants

### Do you work in multicultural company?

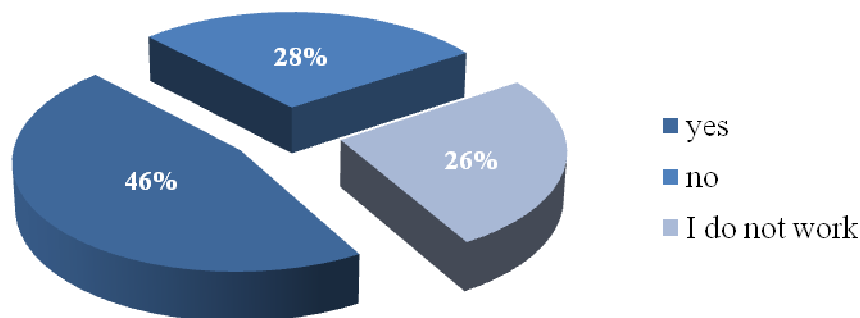


Fig. 2. Question "Work in multicultural company"

The statistical indicators show that still a few foreigners from other cultures work in Slovakia in comparison with other EU countries (we have the sixth lowest proportion of foreigners). The citizens of Slovakia are characterised by stereotypes, a greater level of knowledge about foreigners and cultures living in the country is missing. One needs to realize that migration will affect individual countries, system of the access and management is therefore needed. The Slovak Republic has prepared in 2011, the Government document "migration policy of the Slovak Republic to the year 2020" [6], which is committed to a more systematic approach to the integration of foreigners in the Slovak Republic. In the framework of the EU, labor markets of individual Member States have begun to link and create one great job market. The EU is working on the harmonization of migration in the Member States.

Foreigners are increasing in all EU countries, including Slovakia. The reasons are several:

- companies send many of their "mothers" specialists to start-up companies,
- in many cases, foreign investors and employers bring the entire management

Then, it is common that there are people from different countries and cultures in one department. The role of manager of such department is hampered by the fact that the mentality of the people can be very strongly influenced by attitude or culture (in many cases, not only one) and cultural barriers, but also other factors arising from cultural differences. Phase of acculturation stress, staff repatriation but also the adaptation process of individuals can lead to problems in the

workplace. Understanding cultural differences is an essential prerequisite for good people management.

**Training of managers for the multicultural environment.** Slovakia is not yet a typically multicultural country in spite of the fact that since the revolution has passed 25 years and nearly 10 years Slovakia has been a Member State of the EU. In the publication *Migrants - A new perspective on the old problems of multiculturalism*[15]. Multiculturalism and cultural integration of migrants in Slovakia the authors split the migrants into two groups before 1989 and after 1989. According to their analysis, before 1989 the migrants had been influenced by the society so greatly that they had to adapt to majority and this way the cultural differences were removed. Majority did not support migrants even locally in their own culture<sup>3</sup>.

Table 3

**Employment in the Slovak Republic (source: STATISTICAL OFFICE of the SLOVAK REPUBLIC, the Slovak Republic, UPSVaR MV)**

YEAR	2014
the number of economically active people	2 698 768
the number of unemployed people	364 225
the number of employed	2 334 543
the average number of employees in the industry	496 900
the number of employed foreigners	20 113

In case of the second group of emigrants after 1989, structure of the nationalities is more diverse, and concentration of individual cultures in some enterprises, greater. There is a few questions that will need to be explored further:

- Is it necessary that a major group knows and understands the culture of migrants?

- In the case of the so-called. community identity (foreign investor had brought the entire management), is it necessary to adapt to a foreign culture? Who has to take cultural differences?

Ing. Holeček in his dissertation work titled *Interculturality as the enterprise performance management factor*[1]. has stated that "there is a big difference between the competences of managers of monitored nations. This leads to the fact that in the joint management they rarely reach same agreement and their common direction to achieve the best performance may cause counterproductiveness in the proceedings."

It means that in multicultural businesses no culture should be preferred. However, since there are multiple cultures blended, the manager should know the specifics of individual cultures and based on that, he should define roles for his subordinates to avoid cultural misunderstandings. However, it is questionable whether all the multicultural companies tolerate all cultures or just one is preferred.

At the beginning this year was sent the questionnaire to the 40 biggest engineering companies in Slovakia (by number of employees). At the moment on questionnaire responded 15 companies which includes 25 employees.

Based on results we gathered from the questionnaire, we can be interpreted these partial outputs:

- 60 % of asked companies operates sector of engineering industry NACE 29 - Manufacture of motor vehicles, trailers and semi-trailers and 40 % in engineering industry NACE 25 - Manufacture of fabricated metal products, except machinery and equipment.
- The major nationality of asked companies management is in 40 % all responded companies Slovak, in 30 % German and 30% French.
- The main business languages used in the company (there was option to mark more options) in this case is seen that host culture which is Slovak is strongly represent in main business language by 70 %, than English language by 50 % and German and French by 30 %.
- All respondents agreed that working in a multicultural enterprise

- 50 % of asked people worked abroad before and this experience helped to adapt to a new environment and culture.
- Only 40 % of respondents completed education or training program before they came to host country

**Conclusion.** Multicultural environment in the company brings cultural diversity. This is reason why it is essential to educate managers in order to avoid conflicts in multicultural environment and the need of deeper cross cultural understanding. In the times of Internet, the development of information technology, the most advanced and the most convenient way to educate is through e-learning.

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