

# The Rise of Global Communication and Global Management: An Overview

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We have both the privilege and responsibility of living through four global revolutions, all taking place at the same time and each interacting with the others to alter the quality of life of all the world's inhabitants.

First, in a quiet revolution, world trade over the past ten years has increased three times as fast as the world gross national product. The net result of this increase is that those national governments and individual corporations that wanted to benefit from increased economic growth had to become major players in this rapidly expanding world trade.

Second, in a highly touted revolution, we have witnessed an information and communication revolution that created the potential for national governments and individual corporations to track in real time the cost of the major factors involved in economic production throughout the globe. The result of this has been the emergence of a global economy.

Third, we have witnessed a governmental economic revolution in both the capitalist and socialist worlds. To become a major player in the global economy, national governments had to develop within their boundaries or become part of a larger economic unit with access to (1) a large domestic market (like the EEC, the U.S.-Canadian core market), (2) an educated and technologically capable workforce, and (3) the ability to attract capital to provide the infrastructure for information and communication technology. To become a major player in the global marketplace, national governments must also employ a single model of economic development. The model includes seven features:

1. Control of inflation through fiscal austerity and monetary restrictions.
2. Reduction of labor cost as percentage of product cost.

3. Increased productivity and profitability through use of information and communication technology.

4. Restructuring of industrial and service sectors by divesting low-profit areas and investing in high-profit areas.

5. Privatization and deregulation of the economy by withdrawing from state ownership and control in favor of open market forces.

6. Relative control over the pricing of raw materials and energy, assuring the stability of pricing systems and exchange flow.

7. Opening to world markets and increased internationalization of national economics. (Castells 1986, 303-304)

Fourth, we have witnessed a communication and management revolution in private and public-sector organizations. To become a major player in the global economy, organizations had to develop a global communication and management system that was responsive to the rapidly changing demands of global economy. Such a communication and management system must be capable of tracking in real time changes in consumer taste, stockholder equity, governmental regulations, and competitor product development and strategy, and it must reorient an organization's internal resources to increase in profits and customer satisfaction.

It is the purpose of this book to explore in some detail the demands this emerging global economy places upon national governments and individual corporations and to provide a broad outline of the global organizational communication and management system that is emerging in response to these demands. Such an inquiry is divided into several parts.

Part II of this inquiry explores the emergence of three core markets within the global economy. Chapter 2 by Scott Olson explores the rise of the U.S. and Canadian core market and the competitive advantage that the world entertainment industry has in exploiting an increase in world trade from this core market. Chapter 3 by Krzysztof Obloj explores the rise of the European Economic Community as a core market and the dominant role Germany is playing in this market. Chapter 4 by Yanan Ju explores the rise of an Asian core market and the role Japan and other competing cultures play in structuring economic activity within organizations located in this core market. Chapter 5 by Andrzej K. Kozminski and Krzysztof Obloj explores the potential problems Eastern European countries pose to their integration into a European core market.

Part III attempts to sketch a broad outline of the global organizational communication and management system that has emerged in response to the demands of a global economy with regional core markets. Chapter 6 by Donald Cushman and Sarah King explores the unique melding of information technology, organizational communication, and management practices that characterize high-speed management as an effective global communication and

management system. Chapter 7 by Herbert Dordick explores the role telecommunication plays in changing national governments and private sector organizations' approach to the global economy. Chapter 8 by Rowland Baughman explores the role work-force management plays in the global economy. Chapter 9 by Stefan Kwiatkowski explores the role technology transfer plays in the global economy.

Part IV of this inquiry investigates the diverse approaches various types of local governments play in the emerging global economy. Chapter 10 by Pat Joynt explores the unique approach of the Scandinavian countries to the global economy. Chapter 11 by Richard Pattenaude explores how the State of Connecticut assists the private-sector corporations within its boundaries to participate in the global economy. Chapter 12 by Youichi Ito explores the unique response Japan has developed to participation in the global economy. Chapter 13 by Marian Gorski explores the attempt by the Polish government to control hyperinflation as a prerequisite for entering the global economy.

Part V provides a conclusion and synthesis for this inquiry. Chapter 14 by Andrzej K. Kozminski summarizes, integrates, and extends the research provided in this book by exploring the communication and management principles that provide a new road to social progress for public- and private-sector organizations involved in the global economy.