

ASPECTS REGARDING THE DEVELOPMENT OF ORGANIZATIONS IN TERMS OF GLOBAL ECONOMY

Associate Professor PhD **Mihai POPESCU**
"Stefan cel Mare" University of Suceava, Romania
mihaip@seap.usv.ro

Abstract:

This analysis is based on the study of two interdisciplinary complex concepts: globalization and sustainability. In this complex, called globalization, sustainability is designed structure, formal, based on her idea of realizing sustainable development.

Essentially, through the firm or enterprise we appoint a group of people, organized according to certain management requirements, economic, technological and legal, which starts and runs a complex of processes of work, often using certain means of work, reflected in products and services, for the purpose of obtaining a profit, as a general rule, as much as possible

The globalization appearance marks the need for a comprehensive approach to environmental issues, defining the concepts of economic growth, sustainable development and investment explaining the distinction between economic growth and sustainable development. It also attests EU involvement by presenting their strategies for sustainable development.

Key words: Globalization, sustainability, development of the organization

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INTRODUCTION

One of the biggest challenges facing society today is globalization. This tends to encompass all areas of social life, from economic to social and also trying to establish some common features in governance, law and policy.

Globalization is a commonly used term to which we can attribute many meanings. By this we mean both the development of global financial markets, and increasing dominance of transnational corporations and their growing national economies. Most problems that people associate with globalization, including market penetration values in those areas where they do not belong traditionally attributable to such phenomena. It might also discuss the globalization of information and culture, about the spread of television, Internet and other forms of communication and the increased mobility of marketing ideas.

The globalization process can be defined as a set of structures and economic, social, technological, political and cultural arising from the changing nature of production, consumption and trade in goods. Because there have been many changes, we can say that globalization is the result of creating a global market. But globalization cannot be synonymous with internationalism and transnationalism. The two processes are rooted in the mercantilist model to direct trade, especially after the First World War, a multinational development model.

Globalization can be seen as a positive phenomenon, from many points of view. Private enterprise is able to produce more wealth than the state. Moreover, states tend to abuse their power so that globalization offers a degree of individual freedom that no state can ensure it.

Multinational corporations by their very nature integrate international production contributing to economic growth of the state in which they operate. They are considered as one of the biggest challenges for the current economic international order. According to studies, 90% of them are placed in strategic triad developed countries: USA, Japan, the European Union - and holding specialized markets such as machinery industry, research and chemistry industries or the oil industry. These companies are the main factors contributing to the development and diffusion of technology which is considered to be of greater importance as a determinant of international competitiveness and progress of nations.

1. MULTINATIONAL ORGANIZATIONS IN THE CONTEXT OF GLOBALIZATION

The result of globalization are the multinational corporations that represent a force of pressure facing development countries and international trade unions. These are known as the multinational, transnational or multinational corporations.

The big challenge for the development of countries and international trade unions is to ensure that companies respect workers' rights in every place in the world where their influence is felt to establish a comprehensive dialogue between them and multinational corporations.

But multinational corporations organizing their operations beyond their national framework may lead to abuse by concentrating economic power and to conflicts with national policy objectives. Furthermore, the complexity and difficulty of these corporations a clear perception on their diverse structures, operations and policies sometimes lead to concern. Lately it was brought into question the concept of social responsibility of multinational corporations.

Multinational corporations, especially large global firms have the strength structure following three characteristics:

1. control of economic activities in several countries;
2. ability to take advantage of geographical differences between countries and regions in factor endowment and government policies;
3. geographical flexibility, the ability to dispose of resources between local and global operations;

Multinational corporations, through their role in these conditions become the most powerful forces of globalization pressure to deepen their economic activity taking place in a dynamic, turbulent periods or even in some areas in the world economy.

Multinational corporations contribute to capital formation, providing training and plays an important role in trade, having a pivotal role in organizing international economic activities and sustain considerable economic and social welfare of the home and host countries positively.

Host countries concerning multinational corporations that an additional source of investment, technology, innovation, employment, modernization of management, skilled labor, power increase competitive national greater integration into the world economy and timeliness of new export markets, such as and income from fees and duties.

Multinational corporations, when they take their operations across borders secure certain objectives, taking into account market size and growth of local or regional sites other alternative, production costs and general investment climate.

In practice, it has proved that the largest share of direct foreign investments are directed towards the developed countries. Developing countries - host faces a political provocation on increasing their attractiveness as a location for foreign direct investment and in terms of ensuring that such investments contribute to their national development objectives.

Multinational corporations are those companies exercising management control over the operations carried out in more than one national market. A corporation can exercise effective managerial control and the companies over which they hold shares, but has entered into a management agreement with the respective companies.

Multinational corporations undertake transactions across borders of their home countries but different, they retain ownership and control facilities on their production abroad.

In general terms are used by multinational and transnational as having the same meaning. The first term was adopted by the United Nations Centre for Transnational Corporations (UNCTC) in 1974 at the request of several countries in Latin America who wanted to distinguish between companies domiciled in a country in Latin America that could invest in another country, to those that originate outside the region. The second term is used by developed countries, the business and academic community. Over time, the differences disappeared, so now synonymous terms.

The motivations can range from multinational corporations to maximize the company's sales or market share increase to its competitors out of business, undertaking risky investments that otherwise would not be able to overcome welfare and other contenders.

2. THE INFLUENCES OF GLOBALIZATION ON THE ENVIRONMENT. POSITIVE AND NEGATIVE ASPECTS

Globalization can be seen as a positive phenomenon, from many points of view. Private enterprise is able to produce more wealth than the state. Moreover, states tend to abuse their power so that globalization offers a degree of individual freedom that no state can ensure it.

Content globalization is defined by two components: international trade and foreign direct investment, as they are accompanied by specific events each.

a. International trade - is the fact that a large part of the goods and services on the market are imported. In the field of foreign financial relations, globalization is reflected therefore in faster growth of international trade to global production. Fast dynamics of international trade is a consequence of deepening international division of labor, liberalization of market access for goods and services and technical progress in the field of transport and telecommunications.

b. Foreign direct investment - the determinants of the rapid increase in foreign direct investment liberalization policies in the field; implementation of privatization programs, with participation of foreign investors; acquisitions and mergers of companies as a result of increased competition; New technology that facilitates transport and telecommunications, and organization management firms implanted at great distances. International production, including production of multinational corporations, subsidiaries and other businesses related to multinational companies through agreements and alliances, without the participation capital experienced strong growth.

Over time they have formed two camps with very different views regarding the complex phenomenon of globalization: supporters and opponents.

Supporters of globalization process focuses on the benefits arising from globalization, as following:

- Reducing production costs due to economies of scale;
- The overstretched markets and creating new markets or sources independent of certain traditional areas;
- Accelerate exchange transactions are conducted almost time communicating - fax, internet and other information and technical resources;
- Increase the speed of development of commercial operations, financial and technological.

In conclusion occurs efficiency of all economic activity due to fluctuation free investment, technology, capital and labor to more profitable areas.

Negative features of globalization:

- The deepening economic disparities;
- Specialization some states in production of polluting and labor-intensive, raw materials and energy;
- The abolition of nation and state;
- Reduction of jobs in developing countries or with a lower level of labor productivity;
- Bankruptcy banks;
- Destabilization of economic life.

Romania is among the EU countries that are most vulnerable to globalization because it manufactures products with low added value and has a poorly qualified workforce. The two features of the Romanian economy could lead to difficulties in attracting investment, but also in terms of creating and maintaining jobs, according to the report "The regions 2020" published by the European Commission.

3. CASE STUDY ABOUT EGGER IN TERMS OF GLOBALIZATION

The family business was founded in 1961. From the Tyrolean manufacturer of wood particle board was able to reach a successful multinational group globally. Now the Egger group has the following results: 17 factories in 54 years and 7.215 employees in 21 countries. Today is the most important European manufacturers of wood based panels.

"We create more wood" - is not just a slogan, it is the impetus, motivation and commitment EGGER to be the leading brand in Europe in the field of timber solutions.

The Egger strategy is built by four pillars:

- international presence - the group produces and sells in Europe including Russia and Turkey. Outside Europe have established sales offices strategically important markets. And they are active in export markets with sales offices, working with strategic customers.
- Innovation - the continuous development and innovation in terms of products, processes and services aimed Egger benefits accruing to customers, thus representing the foundation for long-term profitability.
- Integration - are to achieve integrated production sites for raw materials, energy and their strategic product categories. Manage optimization of investment spending and creating synergies in the use of raw materials, logistics and organization. Constituite sustainable partnerships under contracts with customers and suppliers is the manifestation of synergies, ensuring mutual success and safety.
- Identification - are the most attractive employer for each labor market matters to them.

3.1. Sustainability Policy

"We always orient the principles of sustainability, since we know that our actions today determine the quality of our vital space in the future."

(http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf)

Anyone who works closely with nature have already thinging sustainable before this concept becomes a trend. Egger take seriously the responsibility toward people and the environment. Manage your business in a sustainable way, which is a daily practice for them.

Egger plant Hexham (UK) is not only one of the largest production facilities in the Egger Group, but also holds a special biotope. The waste water is treated using a reed purification plant. The daily amount of 2,100 m³ treated water and then reintroduced into the natural circuit. In the production process, using timber from forest cleaning works exclusively and byproducts from mills and recycled wood. These are further processed in plants and PEFC certified Egger / or FSC®.

Wood residues and recycled wood that can not be recovered in production, are transformed by its power plants for cogeneration of electricity and heat, organic production, which would equate to saving the environment nearly 690,000 tons CO₂ resulting from producing energy from methane gas. According to EGGER design of optimal and climate close to wood as raw material. Exactly the purpose largest supplier of their nature.

By that characterizes sustainability at Egger:

- Human Resources - strategies for employees;
- Sustainability in the market research that is discussed openly and transparently with customers;
- A sustainable policy discussion with society and communities in which it operates;

3.2. Recycling.

Recovery through recycling, optimizing recycling and reuse of wood is an important component of the circuit EGGER environmental protection of nature and is undoubtedly one of the most important policies of sustainability.

Three components are used for product wood-based materials: Byproducts, industrial wood and recycled material. By-products from sawmills are those such as chips, sawdust and shavings.

The material comes from recycled wood waste reclaimed from disused goods, such as furniture, pallets or packaging material, as well as from unsaleable products (scrap) from domestic production. Industrial roundwood timber diameter is small, coming from sustainable managed forests.

With a number of customers has been implemented and a return system debris of plates, Egger process recycled wood it suitable for use in the production of particle board. Such cover on average 30% of needs. Only Egger process recycled wood that meets applicable directives and verification systems. The material is checked visually and our factories, and contaminated wood is separated in order to use it for heating. EGGER performs tests for PCP's / lindane and lead.

A closed cycle of raw material maximizes material use wood as a source of energy. All parts of the tree - trunk, branches and bark - can be used entirely manufacturer based materials are not used wood. Only roots remain on the ground.

Dust generated by processing wood is used instead of fossil energy sources to generate heat and electricity in an environmentally friendly manner. Our energy supply from central heating plants for local areas.

(http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf)

The table below is expressed average proportion of recycled materials in process of production from Egger factory.

Table №1. The proportion of recycled materials in products Egger (average)

Products	Secondary materials	Recycled materials	Recycled woods
EUROSPAN	45%	30%	25%
Pal Thin	60%	0%	40%
EUROSTRAND	0%	0%	100%
MDF/HDF	75%	0%	25%
MDF Thin	100%	0%	0%

Source: http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf

Investments

Egger considers a business that is sustainable only when it has a purpose that allows recovery of initial investment and obtaining financial gain. Entrepreneurial mistakes are the result of bad investments. Their aggregation point to the existence of an economic cycle that ultimately reveals errors in allocating resources. In this case it is clear that "economic growth" is unsustainable.

Egger is a multinational group with firm principles. They are able to finance the investment from its own funds for their personal development complex:

Evolution of the number of employees - average number of employees during 2014 was 7.215 (previous year: 7,087). Increasing the number of employees was due to investment expansion of factories already existing, especially the additional capacity of production in Austria and Germany, expanding installations rolling factory Gifhorn (DE) and construction of the recycling in Radauti (RO).

Table №2. The average number of employees for each financial year

2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
5.345	5.660	5.390	6.012	6.788	7.087	7.215

Source: http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf

- The evolution of turnover - the EGGER Group turnover increased in financial year 2013/14 to 2.22 bln. EUR (2012/13: 2.18 bn. EUR) by 1.7%. Thus EGGER registered a record turnover in more than 50 years of activity of the company.

Table №3. Consolidated annual turnover (in mil. Euro)

2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
1.637	1.503	1.478	1.771	1.963	2.181	2.219

Source: http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf

Table №4. Distribution of turnover based on clients %

Retail / Distribution / Architects	DIY	Furniture industry
48	4	44

Source: http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf”

- The evolution of production capacity for wood-based materials, including lumber - Production capacity for wood-based materials, including lumber in the financial year 2013/14 was 7.59 million. M³. (2012/13: 7.56 mil. M³)

Table №5. Wood production capacities represented mil. M³ (including timber in mil. M³)

2008	2009	2010	2011	2012	2013	2014
5.75	6.29	6.38	6.42	7.4	7.56	7.59

Source: http://www.egger.com/downloads/cms/BR_EGGER_Umweltbroschuere_RO.pdf

- Investments and acquisitions Egger Group
- In financial year 2013/14 EGGER invested for maintenance and development amounting to 206.9 mil. EUR (previous year: 147.7 mil. EUR).

Table №6. Investments and acquisitions. First are the growth investments including acquisitions and investments and in the second maintenance.

	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014
acquisitions	30	30	20	40	50	65	64
maintenance	270	172	69	192	356	83	143

Source: http://www.egger.com/RO_ro/date-cifre.htm

4. CONCLUSIONS

The globalization process can be considered a new challenge to humanity, with many benefits, but also negative effects on economic, political, military, religious, social, demographic and cultural. In the category of positive aspects include: reducing production costs, increasing the speed of deployment of commercial operations, finance and technology, and expand markets and create jobs. Among the negative characteristics of globalization can mention the following: widening economic disparities and the gap between rich and poor countries; reduction of jobs in developing countries; some states specialization in polluting activities and consuming human and material resources. It should also be emphasized that the process of globalization of the world economy was influenced by a number of economic-commercial factors, including: liberalization of capital markets services, free movement of goods and support foreign investors.

For there to be an effective balance between economic development and environmental protection is required laborious approach to environmental issues. Although the economic development of the negative effects, it can also be seen from a positive angle. Namely, that promotes living standards, accelerate dedication of technical and financial means for establishing environmental policies. This raises the concept of sustainable development as a solution to promote

economic progress - without jeopardizing social nature. EU encourages and carries out strategies to support them. It should also be noted that foreign direct investment helps economic development of any country and a significant impact on the environment since their attention to the affected areas.

From those reasons presented in this paper must retain the idea that multinational corporations are moving towards investment abroad, always due to cost less resources compared to the country of origin, namely: the cost of raw materials and labor in general. Even if multinationals create jobs and invest in fixed assets, profits, always will be outsourced, and will not be reflected in the host country's economy. Therefore, it is preferable that in the future, the number of Romanian multinational corporations to be on an upward trend.

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