

A3 S1: 5
A3 S2: 5

2 weeks late

Outstanding work!

Pozefsky 1

100
- 15 (late)
85

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Principles of Management

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Globalization and Management: Sustaining Viability In The Global Market

Intel Corporation is the largest and most valuable manufacturer of semiconductor chips in the world. They produce and sell their products in a variety of geographic locations throughout the world. The company has, "100,100 employees worldwide...with approximately 55% of those employees located in the United States (10-K, 8). With such a vast network to maintain it is essential that much consideration be given to the impact global factors have on the firm's long-term survival and profitability. These considerations must account for effects on production decisions and mechanisms, sales and regulatory oversight and the governing institutions under which such functions occur. Common challenges to these goals are posed by both cultural and legal differences that make multi-faceted and open minded solutions necessary for firm viability. Intel has been able to sustain and increase their viability within globalized markets which makes an analysis of their corporate structure a useful example to gain insight into what it takes to achieve such success. "Our industry is at the brink of a major transformation. The number of connected devices in the world now tops 4 billion and continues to rise rapidly. Transistor usage over the past three decades will look flat compared to what will be needed to manage, interpret, and store data over the next five years. This creates a huge opportunity for Intel—and we are ready to deliver (Intel, Annual Report)."

Globalization, "implies the opening of local and nationalistic perspectives to a broader outlook of an interconnected and interdependent world with free transfer of capital, goods, and

globalization. "Intel also continues to focus on increasing diversity among its employees at all levels of the company. In 2011, the company launched a comprehensive leadership development series targeted at advancing career development and retention of African American and Hispanic employees. The program provides coaching in business acumen, organizational leadership, strategic thinking, communication, and more (Intel Annual Report). With the expanding global economy comes the advantage of having a diverse labor force that is useful in adding a diverse marketplace of ideas to the world.

✓ Good

Globalization of markets means that companies now have the potential for international consumers rather than being limited to those located in a local geographic location. Due to the advancement of the internet and other communication technologies, such market boundary issues have been lessened. Intel exemplifies the influence globalization has had on markets as stated in their company goal, "...to be the preeminent computing solutions company that powers the worldwide digital economy (Intel Annual Report)." Globalizing their markets has allowed Intel to further develop their technologies which allow for such globalization to be achieved in the first place, while simultaneously expanding their own markets and profits. The systems approach to management emphasizes that everything is a part of a larger, interdependent arrangement and Intel exemplifies it very well (Kreitner 50). They are able to function so well because they understand their product to be connected to the global economy as a whole. For instance, "Our strategy focuses on developing our next generation of products based on the needs and expectations of our customers. In turn, our products help enable the design and development of new form factors and usage models for businesses and consumers (Intel Annual Report)." Their strategies, "...generally focus on investing in companies and initiatives to stimulate growth in the digital economy, create new business opportunities for Intel, and expand global markets for our

space entry standard, control of hazardous energies standard, electrical safety standard, mobile elevated work platforms standard, powered industrial truck safety standard, and lastly trenching and excavation standard (Intel Annual Report).

Intel has proven that taking advantage of the global economy along with conscientious management techniques is essential for long-term survival and profitability. In his letter addressing shareholders, President and CEO Paul S. Otellini summed up the point, “Despite a tough macro-economic environment, the company set records in platform unit sales, revenue, and earnings, reflecting strong global demand for our products and solid execution by our employees around the world (Intel Annual Report). Intel has embraced globalized to maximize efficiency and opened themselves up to selling their products within the global market. Their business strategy can best be thought of as the contingency approach to management which, “is an effort to determine through research which managerial practices and techniques are appropriate in specific situations (Kreitner 54).” By participating so deeply in the global market, the structure of Intel has changed to conform to the needs of the global consumer.