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GLOBALIZATION AND GOVERNANCE: THE INTERCONNECTION OF CHALLENGES AND OPPORTUNITIES

The theses explore the relationship between globalization and governance, consider the key challenges facing organizations and states in the context of globalization, as well as the opportunities that open up through effective governance. Particular attention is paid to the transformation of governance practices in response to global changes, examples from international experience, and the role of governance in shaping global development strategies.

Keywords: globalization, governance, international supply chains, standardization, adaptation, public governance.

Globalization is the process of integrating national economies, cultures, technologies, and political systems into a global system. One of the key consequences of this process is the transformation of governance practices that must adapt to new operating conditions. Management, in turn, plays a central role in ensuring effective interaction between the local and global levels, contributing to both the successful functioning of business and the sustainable development of states.

First of all, it is worth paying attention to the peculiarities of the impact of globalization on management, in particular regarding:

– Personnel management, since in the modern globalized world, companies are increasingly working with a multicultural workforce. This requires managers not only to master intercultural communication, but also to have a deep understanding of cultural characteristics, norms of behavior, traditions and mentality of employees. An illustrative example is the Google corporation, which actively takes into account cultural differences in its HR policy, implementing programs of inclusion, mentoring and adaptation for employees from different countries. This policy helps to reduce conflict in teams and increase productivity. It is also worth noting that in Europe, globalization has significantly influenced personnel policy in the public sector, in particular, in EU countries the importance of intercultural competence, multilingualism and inclusiveness in the work of state institutions is growing. It is worth mentioning the experience of Sweden, where local authorities actively involve civil servants with diverse cultural backgrounds [6]. The country has implemented a policy of “equal representation” in municipal structures, as well as adaptation programs for migrants in the field of public administration. This helps to increase the efficiency of serving citizens in a multicultural environment [2]. Indicative in this regard are the changes taking place in China. The processes of globalization in China have led to a change in approaches to personnel policy in the public sector. This is especially noticeable in megacities and free trade zones, where the authorities cooperate with foreign specialists, international organizations and attract personnel with international education. For example, in the city of Shanghai, within the framework of the Shanghai Pilot Free Trade Zone project, local governments have created a system of incentives to attract foreign experts to manage urban, environmental and economic projects. The procedures for issuing residence permits have been simplified, cross-cultural training programs have been introduced for civil servants, which has improved communication and the efficiency of the administration in a global environment [7];

– Operational management, since globalization significantly complicates operational processes, in particular supply chain management. Companies are forced to coordinate the activities of suppliers, manufacturers and distributors in different countries with different legal systems, levels of infrastructure development and business cultures. For example, Apple uses a global supply chain, where components are manufactured in China, Japan, South Korea, and final assembly takes place in Vietnam or India. Such a structure requires a high level of logistical planning and risk management. In China, operational activities have undergone significant modernization under the influence of globalization, especially in logistics, customs administration and infrastructure planning. During the implementation of the Belt and Road Initiative, municipalities of cities such as Chongqing or Xi'an coordinated large-scale infrastructure projects in partnership with other countries [4]. Local authorities have developed new operational mechanisms to ensure the logistics of transcontinental railway routes to Europe, adapting local regulations to international standards in the field of customs, security and transport. It is worth noting that globalization processes have complicated the operational

activities of authorities, especially in terms of managing infrastructure projects implemented with the participation of international partners and in accordance with EU standards. In Poland, as part of cooperation with the EU, local authorities of some cities have modernized public transport, receiving funding from the European Regional Development Fund. The implementation of the project required the municipality to comply with public procurement procedures, environmental standards, and technical harmonization with EU directives [3];

– Financial management, as global companies are increasingly faced with the need to adapt financial statements to the standards of different countries, maintain accounting in multiple currencies, and comply with international and national tax legislation. The international company Nestlé must maintain accounting in accordance with the requirements of both International Financial Reporting Standards (IFRS) and the local legislation of the countries where it operates. It is worth noting that the strengthening of globalization processes requires European municipalities to comply with international standards of transparency, reporting and budget planning, especially when using EU funds or foreign investments. China is not left out of these trends: given the expansion of international cooperation, local governments of the country are increasingly participating in financing international projects, issuing bonds, reporting according to international standards [5];

– Public administration, as globalization affects not only the corporate sector, but also the public sphere. There is a growing need for policy coordination with other countries, participation in international organizations, and harmonization of legislation. For example, the European Union demonstrates an example of deep integration of member states, where internal policies in many areas – from agriculture to migration – are formed in close interaction with external factors [1].

It is impossible to deny the significant influence of the sphere of management on the peculiarities of the course of globalization processes, in particular:

1) intensification of the formation of global strategies, since most modern companies play an active role in the development of globalization, independently creating models of entering international markets, choosing partners, adapting products to local characteristics. A vivid example is Starbucks, which has developed a strategy of “glocalization”, combining a global brand with local tastes and design of coffee shops in accordance with the cultural preferences of each country;

2) increased standardization of management processes through the prism of unification of production processes, quality control, HR policies, IT systems. This allows to achieve the desired effect of scale and cost reduction. At one time, Toyota introduced the Toyota Production System, which became the basis for standardizing production processes at the company's factories around the world;

3) the need to adapt to changes in a timely manner, as the global environment is constantly changing: political risks, changing consumer preferences, technological breakthroughs, etc. As a result, management systems must be flexible and open to change. For example, the COVID-19 pandemic has forced many companies (e.g. Microsoft, Amazon) to reconsider their approaches to remote work, digital transformation, and cybersecurity.

Thus, globalization and governance are in close interaction, which is only increasing every year. Globalization processes are shaping a new reality for business, public administration and social development, requiring a rethinking of approaches to leadership and decision-making. On the one hand, globalization creates a number of new challenges. Among them are the need to adapt to cultural diversity, take into account differences in legal systems, combat transnational risks (such as economic crises, migration processes, cyber threats), as well as growing competition in the global market. These challenges force organizations and states to look for new management models that combine flexibility with predictability.

On the other hand, globalization opens up significant opportunities:

- entering new markets and attracting international investments;
- optimizing production processes and reducing costs through global supply chains;
- exchanging innovations and technologies;
- attracting highly qualified personnel from around the world;
- strengthening international cooperation in the fields of science, education, medicine and ecology.

In this context, effective management in a globalized world requires not only a high level of professional training, but also strategic thinking, flexibility to change, the ability to adapt and mastery of intercultural communication. Leaders must be able to make decisions in conditions of ambiguity and uncertainty, act proactively, taking into account both local and global factors of influence. There is also a growing need for ethical and socially responsible management, which takes into account the interests not only of shareholders, but also of broader communities: employees, consumers, communities, the environment. Successful organizations of the future are those that not only work effectively in a global environment, but are also able to harmoniously integrate global values into the local context. As a result, only under the conditions of adaptive, innovative and culturally sensitive management, states and organizations will be able not only to survive, but also to achieve sustainable development in conditions of constant

global transformations. Globalization carries both threats and prospects, but it is the quality of governance that determines whether these prospects can be realized for the benefit of society, the economy, and humanity as a whole.

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ГЛОБАЛІЗАЦІЯ ТА УПРАВЛІННЯ: ВЗАЄМОЗВ'ЯЗОК ВИКЛИКІВ ТА МОЖЛИВОСТЕЙ

В тезах досліджується взаємозв'язок між глобалізацією та управлінням, розглядаються ключові виклики, які постають перед організаціями та державами в умовах глобалізації, а також ті можливості, які відкриваються завдяки ефективному управлінню. Особлива увага приділяється трансформації управлінських практик у відповідь на глобальні зміни, прикладам з міжнародного досвіду, а також ролі управління щодо формування стратегій глобального розвитку.

Ключові слова: глобалізація, управління, міжнародні ланцюжки постачання, стандартизація, адаптація, публічне управління.

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