IMPACT OF GLOBAL ENVIRONMENT ON IT INDUSTRY

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ABSTRACT

Global integration is being actively debated particularly among the developing countries in terms of its impact on IT reforms and the rate of IT growth. Globalization is now being accepted as an inescapable reality and is being built into the process of IT reforms. In India, though globalization is not the explicit objective of macroeconomic policy, yet it is an important pillar of the IT reforms. This paper investigates the relationship between Global Environment and IT Industry in Bangalore. The research is based on data from 20 Bangalore IT Companies.

Key Words: Globalization, Growth of IT Industries, job and career Opportunities in IT Industry Environmental factors and strategy of IT Companies for going global.

Introduction

In 1492 people began to link together disparate locations on the globe into extensive systems of communication, migration and interconnections. This formation of systems of interaction between the global and the local has been a central driving force in world history. In South Asia the Delhi Sultanate and Deccan states provided a system of power that connected the inland trading routes of Central Asia with the coastal towns of Bengal and the peninsula and thus to Indian Ocean trade for the first time.

Liberalization of the 19th century is often called “The First Era of Globalisation”. Countries that engaged in that era of globalization, including the European core, some of the European periphery
and various European offshoots in the Americas and Oceania, prospered. Inequality between those states fell as goods, capital and labour flowed remarkably freely between nations. The 20th century was also governed by economic nationalism. Most of the European nations followed this policy. The economic nationalism became the key for most nations in Asia and Europe. Even nations like the US and France were not untouched with the phenomenon of economic nationalism.¹

Globalisation is used to describe the changes in societies and the world economy that result from dramatically increased international trade and cultural exchange. It describes the increase of trade and investment due to the opening of barriers across borders and the interdependence of countries. In economic contests, it is often understood to refer almost exclusively to the effects of trade, particularly trade liberalization. Globalisation offers extensive opportunities for truly worldwide development but it is not progressing evenly. Some countries are becoming integrated into the global economy more quickly than others. Countries that have been able to integrate are seeing faster growth and reduced poverty.

Computers came to India about a few decades ago and with their coming into our country brought about a new industrial revolution in India. The relevance of computer software encompasses the entire gamut of national economic activity. Industries like banks, hotels, airlines travel and tourism agencies, general exporters, transporters, journalists are all benefiting through the use of computer software.

¹ Vivek Mittal, Business Environment, Published by Anurag Jain for Excel Books
Information technology (IT) refers to the management and use of information using computer-based tools. The term is used to include both hardware and software. It includes acquiring, processing, storing and distributing information. Most commonly it is a term used to refer to business applications of computer technology rather than scientific applications. The term is used broadly in business to refer to anything that ties into the use of computers. Most modern businesses cannot operate without some type of IT.

“Business Intelligence in the Context of Global Business Environment” The global environment, collaboration over data and information sharing among trading partners is very important. Only when such collaboration arrangements exist to convert data and information into Business Intelligence “Business Intelligence is involved with having effective response to the competitive threat” 2

Business Intelligence is more than internally-generated transaction data and operational reports. It is information that also includes information about competitors, customers and suppliers. “IBM did when it was trying to sell on IT product to a South Korean Bank” 3

India has enormous opportunities emerging from globalization and consequent lowering of tariff barriers. It has given India formidable brand equity in the global markets. Though joint efforts of Government and the Industry, software development and IT enabled services have emerged as niche opportunities for India in the global context.

The Government has been making continuous efforts to make India a front runner in the age of Information Revolution.

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OBJECTIVES OF THE STUDY

To study the impact of the Global environment on IT industry in relation to Growth, job and career opportunities, and strategy for entering globalization.

METHODOLOGY

Type of Research: The research has been conducted through survey by closed-ended questions

SAMPLING

The sample Unit for conducting the research study was IT industries in Bangalore. A sample of 20 Information Technology companies in Bangalore was taken for this study based on random sampling and giving due consideration to the size of Investment.

ANALYSIS

TABLE NO .1 Analysis of the Impact of the Global Environment on the growth of IT Industry.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Number of Respondents</th>
<th>Weights</th>
<th>Total Product</th>
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</thead>
<tbody>
<tr>
<td>Fully Agree</td>
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<td><strong>20</strong></td>
<td><strong>15</strong></td>
<td><strong>53</strong></td>
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Analysis:

The Weighted Average shows that out of 20 respondents 3.53 have agreed that the global environment influences the IT industries in relation to Growth.
Graph No. 1 Analysis of the Impact of the Global Environment on IT industry in relating to Growth.

Interpretation:

The global environment has influenced the IT Industry Growth due to the greater availability of resources such as capital, credit, information, trade names, and transfer of technology, control system and to acquire ownership interests in the global market.

Table No. 2 - Analysis of the Impact of the Global Environment on IT industry in relating to job and career opportunities.

<table>
<thead>
<tr>
<th>Rating</th>
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<tr>
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<tr>
<td>Total</td>
<td><strong>20</strong></td>
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<td><strong>89</strong></td>
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</tbody>
</table>

Analysis:

The Weighted Average Method shows that out of 20 respondents 5.93 have agreed that the global environment influences the Job and Career opportunities in IT industries
Graph No. 2 - Analysis of the Impact of the Global Environment on IT industry in relating to job and career opportunities.

Interpretation:

The study reveals that job and career opportunities in IT Industries has been increased due to the outsourcing of various job by foreign countries to India and many of them utilizing this opportunity to develop their career in IT Industries.

Table No. 3- The strategy for entering globalization is easy for IT industry.

<table>
<thead>
<tr>
<th>Rating</th>
<th>Number of Respondents</th>
<th>Weights</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Fully Agree</td>
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<tr>
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</tbody>
</table>

Analysis:
The Weighted Average Method shows that out of 20 respondents 3.27 have disagreed that the strategy for entering globalization is easy for IT Industries.
Graph No. 3- The strategy for entering globalization is easy for IT industry.

Interpretation:

Entering global market is not so easy because of the risks and difficulties involved, most of the industries have to act until some situation in the global scene then only they will be able to enter the global market.

Findings:

1. As per the analysis that many of the respondents have agreed that the global environment influences the IT industries in relating to Growth

2. From the above information the many respondents have agreed that the global environment influences the Job and Career opportunities in IT industries

3. The Weighted Average shows that 3.27 respondents have disagreed that the strategy for entering globalization is easy for IT Industries.
SUGGESTIONS

When the IT Companies enter into globalization, they should create more job and career opportunities in under developed and developing country and their by contribute in the economic development of those countries.

IT Industries in India should be given more opportunities to manage the projects.

The IT companies should provide more job and career opportunities for the qualified people in India

The IT Companies should enter into globalization but provided the strategies to enter the global market should be made easy by government.

CONCLUSION

This is to conclude that Globalisation has brought in new opportunities to developing countries in relating to Growth, job and career opportunities, greater access to developed country markets and technology transfer hold out promise improved productivity and higher living standard. But globalisation has also thrown up new challenges like growing inequality across and within nations, volatility in financial market and environmental deteriorations. Another negative aspect of globalisation is that a great majority of developing countries remain removed from the process. Till the nineties the process of globalisation of the Indian economy was constrained by the barriers to trade and investment liberalisation of trade, investment and financial flows initiated in the nineties has progressively lowered the barriers to competition and hastened the pace of globalization.
References:

* Adiseshaiah, Malcolms (200) Globalisation of the Economy and the external sector, in Shukla, Amitabh (ed), International Money market and Indian exonomic reforms (New Delhi: Kanishka).