

THE GLOBALISATION CHALLENGE

AS GLOBALISATION SHIFTS ECONOMIC POWER FROM WEST TO EAST, EUROPE MUST ADDRESS THE MISMATCH BETWEEN THE KNOWLEDGE AND SKILLS OF ITS GRADUATES AND THE NEEDS OF SOCIETY. WITHOUT COMPROMISING QUALITY AND BUSINESS EXCELLENCE TO STAY COMPETITIVE. **LORRIENN VELLA** SPEAKS TO KEYNOTE SPEAKER **EVERARD VAN KEMENADE**, SENIOR CONSULTANT QUALITY MANAGEMENT, OF FONTYS INTERNATIONAL PROJECTS.



Dr Van Kemenade asserts that in a few decades, the world could face a new economic

order. So does Europe risk being overtaken by Asia? "There is evidence that the rate of growth in GDP in countries like China, India, but also Brazil is much higher than in the Western countries, including the US," he explains. "This will lead to a new order around 2050, when China will have the highest GDP, followed by Europe, the United States, India, Japan and Brazil."

GDP Growth 2010	GDP 2050
8%	1. China
0.2	2. EU
1.6%	3. USA
6.5%	4. India
0.6%	5. Japan
3.5%	6. Brazil
IMF 2009	

In the face of such a possibility, is Europe taking the issue of skills seriously enough? He believes that there are various alternatives that Europe can take. "To keep up with this development Europe can either focus on its strengths – its knowledge – or work together with the new economic powers," he says.

"Therefore skills are sorely needed and European companies and educational institutions should focus more on this."

The skills, or competences required are related to complexity,

and people. In the case of complexity, Dr. Van Kemenade has a number of suggestions. He explains the concepts of 'reflect-on-action' and 'reflect-in-action', where processes are reviewed after the product or service is completed in the case of the former, and reviews and monitoring carried out at each stage in the case of the latter. 'Reflect-in-action' can assist a company to avoid modifications and expensive mistakes, at the risk of losing the cus-

tomers. Other competencies related to complexity include coping with red tape, bureaucracy and control, coping with 'surprises' and uncertainties, seeing opportunities rather than threats, and making use of social media.

In the case of competences related to people, he suggests being open to diversity, as well as flexibility and tolerance towards cross-cultural exchanges. "A company must also be inclusive, and build rapport," he adds.

I ask him whether Europe should compromise on quality to restore its position. "On the contrary, we can only keep up with developments such as growing higher expectations by customers. If we deliver the highest possible quality," he emphasises. "In the coming decades we will still be more expensive than our competitors in production. It is no use to try to win that game. We should try to win in delivering the highest quality product and service."

An example: Textiles in India	
Hourly wage cost	(US \$)
Switzerland	22.5
USA	14.24
Argentina	5.90
Brazil	3.20
Turkey	2.69
Mexico	2.20
Mauritius	1.47
China	0.69
India	0.58

Globalisation has led to the increase of businesses sourcing intellectual capital outside the country they operate in, which is an advantage. However, besides a 'smaller' world, does this stem the need for closer ties between business and academia, for academia to provide the business community with the 'right' employees within their own country?

As an example, Dr Van Kemenade states that the flow of intellectual capital to Emirates countries has gone so far that the city of Abu

Dhabi is made up of 75 per cent expats and Dubai's rate is even higher. "I foresee people moving all over the world to get a job," he says.

Higher education should be more focused on the knowledge and skills needed by the graduates according to the business community."

Dr Van Kemenade himself works at a university of applied sciences, which is comparable to former Polytechnics in the UK. "The world of work is their natural partner to define what students should know and be able to do. More contact between higher education and business is necessary," he stresses. "Employers and academia must also realize that employees will increasingly be trained and recruited all over the world. Education globalises."

The importance of knowledge is a given, as are skills within a company. But just how important is loyalty, especially in times of economic recession? He explained that

today, since employees do not stay with the same company for life, it is

commitment which is more important than loyalty. "Employees should be committed to their current workplace. That's a crucial prerequisite for delivering the highest quality, the excellence we need to deliver," says Dr Van Kemenade.

When asked about how a small country like Malta can face the challenges that globalisation has brought about, especially with the majority of companies being small and micro enterprises, Dr Van Kemenade is optimistic. "I do not think a company has to be big to cope with globalisation. Or rather, globalisation, gives opportunities for micro and small companies as well, if you know what your unique selling points are and if you dare to take the step," he explains.

"This does not have to be extensive. Start with small steps, one product in one 'easy' market outside the country. Learn from the companies that exist in Malta that took the step and succeeded. I can assure you, it is worthwhile," he concludes. ■