
Is Globalisation changing the International Business Environment into a Global Village?

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Abstract

Globalisation is undoubtedly one of the most debated and controversial topics of our time. Its relevance cannot be emphasised enough as Globalisation affects every aspect of our life, ranging from the food we eat to the clothes we wear. For some people Globalisation has a positive connotation, for others a negative one. As De Wit et al. (2004, p.539) points out, globalisation involves many aspects ranging from economics, politics, business to sociology with each approach emphasising one of its aspects; therefore, the need for a holistic approach would to convey the nature and characteristics of globalisation.

Globalisation is thought of as the fast growing move "towards a world in which national economies are merging into an interdependent global economic system"(Dutta, B. 2010). The definition emphasises the economic perspective of globalisation. Nevertheless, it can be inferred from the above quotation that globalisation is characterised by the trend of individual countries' economies to transcend their respective isolation towards a more integrated and interrelated economy, so that a kind of economic network and mutual dependency emerge.

A more business vie of globalisation suggests that globalisation is "the phenomenon by which industries transform themselves from multi-national to global competitive structures". An important shift is identified by industries in the sense that companies are not limiting their activities to only one or two countries. Rather they are now operating on a wider geographical scale, such as more than three countries at the same time. Globalisation of companies has been identified by De Wit et al. as the micro level, whereas the interconnectedness of economies is termed as the macro level of globalisation. The merging of businesses is referred to as the meso level. Thus, globalisation encompasses many levels which must be differentiated when dealing with its issues and should be understood as different interrelated stages. If at the heart of globalisation is the interdependence and integration of the national economies into global economy, does it also mean that cultural differences for instance have been subsumed or sublated? The purpose of this article is to reflect on the essence of globalisation and its implications.
