

# The Importance of Business Internationalization and Leadership Position for Companies in the Context of Globalization: A Reality Check

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## Abstract

This paper presents analyzes and describes the importance of business internationalization and leadership for business and companies. The research started with a literature review by focusing on a synthesis of information through methods, such as meta-analysis and narrative review, the literature review was followed by a descriptive analysis to the relevant points of the conducted reserach by illustrating some of its details and results in created frameworks. The research questions are „what are the main research trends regarding on The importance of business leadership and internationalization for companies in the context of globalization?” And “is business Internationalization important for Companies’ leadership position in the context of Globalization?” As business internationalization has been so far one of the key strategies to leave market tights in the domestic country and location, companies constantly and business holders try frequently to seek better opportunities to skip the challenging barriers that may face their business and plans for values generating benefits. Thus, an affective business internationalization could lead the company and business to a strong business leadership and position in foreign markets, economies and locations. However, negotiations, the quality o contracts and agreements with stakeholders are very important to be taken into consider within the processes. In conclusion, business internationalization is important step towards positioning the company and business in foreign locations and markets for better opportunities for both home country and the locations of destinations but it could face risks and challenges that could lead to losses and difficult possibilities to survive internationally. Globalization has connected markets and business location for benefits and since internationalization together with digitalization are their key tools for the business connection between economies, companies and markets, it could lead them to different positions within its dimensions.

## Keywords

Business internationalization, Business leadership position, market leader, globalization, companies, process, importance.

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## Introduction

Within the frames of globalization, business internationalization has become a fundamental strategy to expand business and reach new markets. In this research paper, we will describe and present the importance of internationalization and some steps for achieving business leadership a goal for business and companies after internationalization. As business is important to generate benefits and reach values, companies and business holder sick constantly opportunities and possibilities to extend their services, operation, sales and production beyond the borders and in other markets to enhance their positions and leadership in the market through the process of internationalization as an important step in the context of globalization. Globalization has gradually shaped the world for ages and it has undoubtedly been accompanied by various waves of industrialization. It moved the world and human society from simple energy resources such coal and wood to fossil fuels for industry as sources of energy and to sustainable energy and business, step by

step it globalized the energy market, every step is accompanied by energy consumption, so the intensive use of energy has become fundamental in economy (Benabed and Boeru, 2023). Globalization has, for instance, facilitated the dissemination of technology and information, thereby generating new opportunities for innovation and development, emphasizing that the 4th and 5th industrial revolutions are evidence of it. In addition, it has led to concerns regarding privacy and security, as well as the possibility of job displacement and inequality (Benabed and Boeru, 2023). By following the process of internationalization company and business holders intend to reach such a leadership position in market by becoming a market leader but this step could be challenging if the company does not follow the internationalization with attention. The aim of this paper is to present a background and analysis of the importance of business leadership and internationalization for companies in the context of globalization.

## **1. Literature review**

### **1.1. Background of globalization for economies, business and companies**

Globalization is the rise and increase of trade around the world, especially by large companies that produce and trade goods in many different countries. (Cambridge dictionary, 2023). Volle (2023) argues rises the point that globalization according to some important social scientists is the process of intensified worldwide social relations where local events are shaped by distant occurrences. (Volle, 2023).

A working definition of economic globalization is the integration of economies worldwide through increased trade and investment flows and increased production of products and services to improve international competitiveness (Benabed and Boeru, 2023). The process of accelerating the international integration of markets to produce an integrated global market free of national economic borders is another description that can be encapsulated. More specifically, the financial profile of globalization includes the development of global corporations and global networks (Passaris, 2006; Benabed and Boeru, 2023).

The new economy now operates on a scale and genuinely global depth. A fully integrated global economic system with tremendous scope and opportunity has been created as a result of the free flow of capital, labor, goods, and services within free trade regions, the development of new financial instruments and institutions, and instantaneous access to information and communication through the latest digital networks. This has led to more international economic interdependence and linkages than ever (Passaris, 2006; Benabed and Boeru, 2023). Many people refer to globalization as a form of worldwide Westernization. There is significant consensus among several advocates and opponents of the proposal. Those with a positive attitude toward globalization recognize it as a beautiful gift that Western civilization has given to the rest of the world (Sen, 2002). However, is the modern scourge of globalization itself? It is neither novel nor mainly Western. Furthermore, it is not a calamity. Through travel, commerce, migration, the proliferation of cultural influences, and the dissemination of knowledge and understanding, globalization has been a significant factor in the development of the world for many thousands of years (Sen, 2002). Nevertheless, the digitalization and globalization of companies have influenced the following years and were the main reason for sustainable businesses and new economies. (Paschek, Mocan, and Draghici, 2019).

### **1.2. Business internationalization and company's leadership as a market leader**

The process of Internationalization relies on the available resources in a strategic way to take advantage from the opportunities and offers of other markets. Internationalization has led business at the global level to more opportunities and competitiveness and since globalization itself globalized markets and societies, businesses, it has exposed them to risks and more attention. (Benabed, 2023a).

However, despite business models and internationalization being deeply embedded in a firm's overall growth trajectory and deeply entwined (Onetti et al., 2012), they are mainly researched and investigated apart. Rask (2014) highlighted the apparent disconnect between the business model literature and literature on firm internationalization. Bohnsack, Ciulli and Kolk (2021) mentioned the absence of studies on the business model concept in relation to firm internationalization.

Several studies on the interplay of business models and internationalization should be acknowledged (Chiva, Ghauri and Alegre, 2014). Moreover, the business model concept has recently gained attention from international business scholars, positioning it as the "missing link in internationalization theory" (Bohnsack, Ciulli and Kolk, 2021). However, the link between the progress of the business model and firm internationalization remains an open issue in both managerial theory and practice.

Moreover, little is known about the internationalization of firms with novel business models, such as decentralized models put forward by novel digital technologies. Bohnsack, Ciulli and Kolk (2021) called for a further investigation. Furthermore, internationalization and technological progress are often

considered potentially threatening for the environment, due to issues related to pollution or the excessive usage of planet's resources. (Attig et al., 2016). White (2016) argues that at present, most of the research on economic consequences of firm internationalization has interest and focus on the impact on corporate performance (value), and total factor productivity and technological progress. (White, 2010). (Corporate Finance institute, 2024 confirms that a market leader is mainly the company holding the largest market share in a particular industry or segment of an industry. Market leaders are often recognizable by the ubiquitous presence of their brand as well as their ongoing marketing efforts (Corporate Finance institute, 2024). Market leader refers to a company that holds the largest market share in the sector that it operates in. Companies that end up being market leaders were the first to develop a product or service, i.e., first movers in that industry. (Corporate Finance institute, 2024). For a significant business achievement, a company acquires a leadership position in a market in order to show its operations and business models work effectively (Indeed team, 2023). It can be rare for an organisation to acquire a majority of the market share (Indeed team, 2023).

## 2. Methodology and reserach questions

The methodology of research relied first on a literature review and data analysis, the literature review was follwoed by a descriptive analysis with the illustration of some results in frameworks and figures (See figures no. 1, 2 and 3).

For the literatue review there was an exhaustive search for relevant and reliable information. Through be search engines and specialized databases It was important during the study to use precise and relevant search terms to get relevant results. After that the synthesis of information is the stage in which the relevant information for the bibliographic review was integrated and analyzed. It was important to focus on a systematic and critical approach to synthesize the information and details and answer the research question. The synthesis of information went through methods, such as meta-analysis and narrative review

RQ1: What are the main research trends regarding on The importance of business leadership and internationalization for companies in the context of globalization?

RQ2: Is business Internationalization important for Companies' leadership position in the context of Globalization.

## 3. Analysis and results

### 3.1. Reaching business leadership for business and companies

Organizational leadership is the ability of a leader to guide the areas of an organization, empower them and stimulate them to achieve business objectives (Figure no.1).

According to our analysis and research, business leadership must have and follow the following conditions:

- **Preliminary planning** that allows knowing and coordinating the different areas of workers.
- **Standardized and formalized procedures** that are known and have a real impact on the organization.
- **Open and respectful communication between the leader and subordinates** that facilitates the construction of solid relationships. This condition is essential, precisely so that the leader is not left aside within the dynamics of the organization.
- **Work environment** The success of the organization is the climate or work environment since it reveals the degree of motivation of the team members and their willingness to follow the leader's instructions (Figure no. 1).

Thus, the success of organizational leadership lies precisely in the success of the leader and the leader's success will depend on her ability to build an environment of respect, trust and motivation.



**Figure no. 1. Steps for achieving business leadership a goal for business and companies**

*Source: Author's design and research, 2024*

### 3.2. Business internationalization and the main possible benefits for business holders and companies

Through business internationalization companies and business holders may reach and generate a series of benefits as the ones mentioned below according to this research: (Figure no. 2)

Increased sales and high income, high visibility and brand recognition, access to new resources and knowledge for promotion, enhanced and possible operational efficiency and high capacity for innovation and development (Figure no. 2).



**Figure no. 2. Business internationalization and the main possible benefits for business holders and companies**

*Source: Author's design and research, 2024*

### 3.3. Key steps for companies and business holder for business internationalization

The company that would like to transform for domestic to international, multinational or global has to determine expansion objectives and plan with a global vision and local focus. It is important as well for the company that would like to internationalize its business to define marketing strategies and position itself and business against the competition by Identifying opportunities and trying constantly to find new markets and boost plans in order to define better marketing strategies (Figure no. 3).



**Figure no. 3. Key steps for companies and business holder for business internationalization**

*Source: Author's design and research, 2024*

## Conclusions

As business internationalization has been so far one of the key strategies to leave market tights in the domestic country and location, companies constantly and business holders try frequently to seek better opportunities to skip the challenging barriers that may face their business and plans for values generating benefits. Thus, an affective business internationalization could lead the company and business to a strong business leadership and position in foreign markets, economies and locations. However, negotiations, the quality o contracts and agreements with stakeholders are very important to be taken into consider within the processes. In conclusion, business internationalization is important step towards positioning the company and business in foreign locations and markets for better opportunities for both home country and the locations of destinations but it could face risks and challenges that could lead to lead to losses and

difficult possibilities to survive internationally. Globalization has connected markets and business location for benefits and since internationalization together with digitalization are their key tools for the business connection between economies, companies and markets, it could lead them to different positions within its dimensions. Companies to survive they seek way to leave their domestic markets and operation abroad by internationalizing their business but need has to follow steps that could face difficulties. Companies need to compete in foreign markets but they need to focus on their ownership, location and internationalization plan in order to become market leaders and reach a permanent leadership position in foreign markets.

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