

Trajectory of Globalization

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People tend to underestimate the globalization breath and the extent to which the activity is internationally and globally distributed. These people who overestimate the globalization intensity mostly believe in the erroneous statements on the public policy and business strategy universally. The business people view the world as more globalized, underestimating the need to respond and understand the differences across countries. The article elucidates more on the HBR article describing the term globaloney according to the report, factors contributing to the perceptions, how the companies compete when significant forces are against them, and the potential factors contributing to international commerce political developments making future predictions of globalization across the world.

The term globaloney refers to the operation of the companies on a global and web-enabled environment allowing research collaboration and real-time work without regarding the distance and geography shortly (Ghemawat, 2017). In the article, the term globaloney is used to describe and offer various laws and perceptions that respectively govern the breadth and the depth of globalization. These perceptions are contributed by factors such as law of distance and that of semi-globalization. The distance law factor shows how international interactions have been dampened by distance along administrative, cultural, economic, and geographic dimensions (Ghemawat, 2017). On the other hand, the semi-globalization law factor states the business activities internationally, relying much on primary activities rather than the domestic operations. The principles are significant in future strategy making.

Business companies can compete in an environment where various forces are against them. The author of the article states that when a company wants to adjust to the differences between countries, it could use an adaptation strategy to be locally responsive. The company

could use the aggregation in the achievement of the economies of scale and scope extending across borders nationally (Ghemawat, 2017). Also, the companies could compete with the presence of forces if it uses the arbitrage strategies to exploit the differences, for example relating to low labor costs and tax incentives from one country to another (Ghemawat, 2017). The various options for using these strategies change their protectionist world. Furthermore, the firms should look for specific opportunities that amp up their adaptation efforts since being more responsive to various challenges and differences could reduce the protectionism impact.

Based on the recent developments of politics in the global market and commerce, for example, the Brexit, tariffs, and negative perceptions in the regional trade, there are specific potential factors that have played a significant role in this trend. The backlash against globalization has constrained the companies when responding to political developments (Ghemawat, 2017). The decisions of the companies on deploying the reputational capital they possess becomes more complicated due to the differences between the government and the country's citizens. Also, the uncertainties about the evolvement of the broader environments have contributed to trends of political developments in international commerce. The multinational companies should, therefore, craft societal and governmental agendas that are localized or that links with other countries (Ghemawat, 2017). The multinationals should deliver and communicate more benefits locally in the mother countries where they carry their operations, and the efforts should extend beyond compliance such contributions in technology and jobs.

The world tends to remain globalized in terms of foreign direct trade and investments compared to its standards in the 1920s. Therefore reverting to the business based and multinational structure of a century ago could strain plausibility (Ghemawat, 2017). In the

future, there would be an advancement of practice and globalization, and the leaders could be ill-served if they make backward developments.

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## References

Ghemawat, P. (2017). Globalization in the age of Trump (Links to an external site.). Harvard Business Review, 95(4), 114–23.

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