

Chapter 22

Cultural Effects of Global Businesses and Multinational Businesses: Localization Versus Globalization – Middle–Point Cultural Hybridization

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ABSTRACT

The concept of globalization is a process in which countries, cultures, organizational cultures, and even organizational structures converge with each other and a single standard point of view in the world emerges, and it identifies and defines the differences of the elements. This shows that the processes of globalization and localization are always in interaction. Convergence brought by globalization shows that multinational enterprises perform standard activities at the global level. However, in contrast to this convergence, with the effect of localization, hybrid organizational structures are becoming important especially in order to provide competitive advantage in the national market. While creating hybrid organizational structures, attention is paid to establish a structure that will not hinder the coordination between the host country and the home country. In this context, the definitions of globalization, localization, hybridization, and how the complexity of their interactions are reflected in business strategies are discussed from a theoretical point of view.

INTRODUCTION

Globalization: economically, it implies big markets, information and communication technologies, locality brings to mind all other areas of life. In recent years, perhaps one of the most discussed issues in Social Sciences has been ‘globalization’. The general argument about the concept of globalization is that national cultures, national economies, and the majority of social life in which national borders have been resolved are defined by global processes (Hirst & Thompson, 1996).

With the acceleration of the globalization process, the fields of activity, forms of competition, organizational structures and the management approaches of the enterprise have started to change. It is no longer necessary to combat the impact of the activities in the local country or in a very limited international environment, but in a global market and as the struggle is to fight global competitors. Therefore, the process of globalization and the role of multinational enterprises need to be understood. However, multinational enterprises are seen as “cultural exchange intermediaries” that carry out cultural transfer from one community to another.

The understanding of the globalizing world is very complex in many respects. Globalization has a complex social, economic and political context that includes many issues of different dimensions within its structure. Economists and ecologists similarly refer to the concept of “global localization”. The interaction of globalization and localization processes with each other makes itself felt in social life. Therefore, globalization, not as opposed to universality and locality, defines a mode of movement simultaneously and concurrently (İçli, 2001: 163). The new concept of locality, which emerged in parallel with the global and explained in relation to the global, differs from that of the national. Because ethnic differences and local contradictions are presented as localities within the scope of the pluralism presented by globalism (Karakaş, 2003).

In addition to the concepts of globalization and localization, multinational enterprises face a new concept reflected in business strategies. This is the concept of “hybridization”. Hybridization has become part of the cultural industry, both globalization and localization, as well as the period of the cultural production trend (Wang & Yueh-yuYeh, 2005).

Friedman opposes the use of the concept of hybridization or creolization to explain the relationship between global and local. He claims that both concepts are based not on a process, but on the concept that sees culture as a product, but rather as a self-view that will create a new form by mingling with other cultures. Friedman prefers to explain the relationship between global and local with articulation. He argues that global processes are transformed into a dialectical articulation with the local structures that make it. The study is mostly a literature-based study. The following topics will be discussed in the chapter: definitions globalization and localization; the relationship between globalization, localization and culture; cultural impacts of global enterprises and multinational enterprises; cultural hybridization; reflections of conceptual confusion on business strategies.

DEFINITION AND FORMATION OF THE CONCEPT OF GLOBALIZATION

Discussions on globalization, especially in the 1990s, have started to gain intensity. Although debates started after the Cold War, it would be wrong to link the beginning date of the phenomenon of globalization to the demolition of the bipolar system. There is widespread view among social scientists and

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