

Chapter 9

Globalization Phenomenon and Cruising of Multinational Companies Under Global Market Conditions

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ABSTRACT

This chapter clarifies the definition of the phenomenon of globalization, historical development, the rapid and radical change that has taken place in the world. In the context of globalization, and in developing global market conditions, the author examines the course of Multinational Corporations in the globalization process; to emphasize the company structure models they own, competition, strategic management, and decision-making policies they follow, and primarily based on the importance they place on the structure of innovative thinking.

INTRODUCTION

Main issue regarding the concept of globalization is the capability of local decisions to go beyond political borders to reach other nations and have the power to affect them.

Taken into consideration particularly the last 30 years of process; the world has felt the magnitude of globalization on every level and according to the conditions that are created by the present era, will keep on feeling in the approaching years with an even higher effect.

In this manner; study will consist of three main parts, a definition of globalization will be elaborated, a brief historical development process will be included, then with an evaluation of its levels, actors of globalization process and effects of actors on the process will be verbalized with reference to multinational corporations. In the second section of the work, mentioning the definition of multinational corporation, its historical development and technological models, the main target of this work, the interaction between

DOI: 10.4018/978-1-7998-2559-3.ch009

globalization and multinational corporations and especially the power of manipulation of multinational corporations in the process will be approached.

Multinational corporations' role in the process of globalization and the interaction between them will be tried to be evaluated on the perspective of technology transfer model that had been internalized by multinational corporations to expound the interaction between globalization in developing market conditions and multinational corporations.

DEFINITION AND DEVELOPMENT OF GLOBALIZATION

Historical Development of Globalization

Describing an old process even though being a new word (Ellwood, 2002). and becoming a key-phrase in the illustration of the world's virtually re-creation, a common definition of 'globalization' has not been made despite the richness of literature and interest shown by the circles. The situation had been expressed by Zengingonul as such: The common feature of globalization definitions is that they cannot agree upon a 'common' definition (Zengingönül, 2004). Although it is not easy to provide a clear and complete definition of globalization, it may be expressed as transfrontier mutual economic integration as a result of increasing mobility of assets, services and capital and, increasing interaction between people and states that are found in different places in the world and becoming mutually co-dependent in the process of a national economy to be involved in global market. Considering the other definitions in the literature again related with nation, "globalization virtually increased and widened mutual social co-dependency by eliminating geographical, political and cultural borders thus; a structure is achieved where the opposition of far and near had been eliminated, transfrontier interaction levels had been developed."(Steger, 2006) Based on this definition, Giddens' interpretation is; "Globalization may be expressed as, local organizations shaped by events that are kilometers away or condensation of worldwide international relations that achieves to connect far away localities"(Giddens, 2006).

First use of globalization took place in an article on distribution and usage of natural resources written by British Economist W. Foter in 1833 and also found in The Economist journal in 4th of April 1959. Contemporary use of globalization is based on Garrett Hardin's work regarding distribution and usage of sources written in 1968 (Karabiçak, 2002). Globalization is considered an economical concept by many researchers. However, perceiving globalization only as an economical base makes it harder to conceive. Because it is clear, especially while trying to elaborate on the concept in the manner of definitions in the literature, that globalization is not only an economical advancement, and its social, cultural and political aspects also have significance.

As it is seen, while an unshared portrayal of globalization that is a multi-dimensional concept and leading topic for researches especially made by social scientists is not available; common aspect that every researcher working on the subject agrees upon is the necessity to multiapproach the concept regarding economic, political, socio-cultural and technological dimensions.

As the essentiality to emphasize on the vital point of globalization under the light of all these definitions, with the process of globalization, global issues have no borders and control mechanisms anymore (Bauman, 2010).

When the historical development process of globalization is examined; First Globalization occurred between the dates 1870 and 1914 as the World Bank indicated. While the main aspect of the activities

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