Chapter III

The Organizational Transformation Process to Globalization

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Abstract

The topic of globalization is increasingly attracting the attention of software engineers, system researchers, and, most interestingly, business practitioners. In recent years there has been a perceptible increase in demand from business companies, services, and non-profit organizations and even from government bodies around the world to adopt and utilize Internet-based technologies in order to transform their traditional business/service activities into an electronic business environment. Such a transformation empowers organizations to expand their business processes beyond their local borders and move the entire business from localization to globalization. This chapter introduces and investigates the entire organizational transformation process to globalization. It starts with emphasizing the necessity of moving local businesses’ practices to a global market with the highlight of the major driving forces for globalization. Furthermore this chapter examines a number of vital issues that may strongly impact the final outcomes of the entire transformation process.

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These issues include main obstacles, resistance to change, and risk factors associated with the transformation process. Moreover, this chapter proposes a conceptual framework with the objective of providing a good comprehension of the involved factors in transformation with their relationships. The last section of this chapter focuses on examining and exploring the foremost transformation maturity stages, readiness, adoption, diffusion, and retrospective.

**Introduction**

For the past decade, globalization has been a universal and popular topic in a wide range of academic teaching and research and also of some organizational experimentation. In today’s economical environment, the word “globalization” became one of the most attention-grabbing and frequently used terms and recently engrossed a great deal of consideration not only from business sectors but also from governmental institutions, academia, and even non-profit organizations around the globe. From a purely business perspective, globalization is necessary for organizations to gain a competitive edge and to take advantages of the new ever-growing Internet global market.

Globalization occurs when business companies decide to expand their business practices and processes beyond their national or local boundaries and take part in the emerging global economy. As a result, organizations will present themselves in foreign markets whether physically and/or virtually to target and reach global customers and compete internationally. Hence globalization is the name that has been given to the social, economic, and political processes that have produced the characteristic conditions of contemporary existence. This perception has made it possible to begin to imagine the world as a single, global space linked by a wide array of technological, economic, social, and cultural forces (Appadurai, 1996).

So globalization can be defined as the integration of the world’s culture, economy, and infrastructure through transnational investment, rapid proliferation of communication and information technologies, and the impacts of free-market forces on local, regional, and national economies (Cvetkovich & Kellner, 1997).

From a business perspective, globalization is the process of internationalization of business practices and existence to reach a global market with almost no limitations. From past experience, it has been confirmed that this kind of transformation process is difficult, costly, and risky simply because it involves a number of imperative issues that must be well-planned and managed for a successful result. Some of these issues include product/service adaptation for
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