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What Stops the Internationalization of Emerging Market Multinational Corporation (EMNCs): Designing a Strategic Framework for Global Business

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Abstract
The aim of the study is to formulate strategic guidelines for organizations to achieve successful globalization. The study is mainly focused on organizations for emerging markets or underdeveloped economies that have the capacity to grow globally and capture international market share. In order to achieve the objectives of the study, a questionnaire has been adopted and data was collected from a business market. Regression analysis, Pearson correlation, and descriptive analysis have been applied to collected data. Results of the study reveal that all of the three variables Foreign Regulations (FR), Institution support (IS), and Corporate Strengths and Competencies (CSC) have a positive and significant relationship with corporate globalization. Results of the study may be used for the strategy formulations process for globalization and companies may adopt the results for strategic decision-making.

Key-words: Globalization, Multination Corporations, Institution Support, Foreign Regulation, Corporate Strength and Competencies, Globalization Strategy.

1. Introduction

Emerging markets of the world have a great opportunity for investment and provide a platform where organizations can access the market through Foreign Direct Investments or collaboration with government entities (MW Baloch, et al 2015). As per the Morgan Stanley Country Index (MSCI), Asia-specific countries have some big economies and are the most emerging markets in the world after Europe, Middle East, and Africa (Morgan Stanley Country Index, 2020). A

Multinational Corporation (MNC) has characteristics like very high assets turn over, network of branches, control, continued growth, sophisticated technology, right skills, forceful marketing and advertising and good quality products (Corporate Finance Institute).

According to the World Bank Economic Indicator of Pakistan, there are tremendous fluctuations in FDI inflows and Outflow in Pakistan. Data of FDI presented under figure 1 show that FDI Inflows and outflow of Pakistan in % of total GDP.

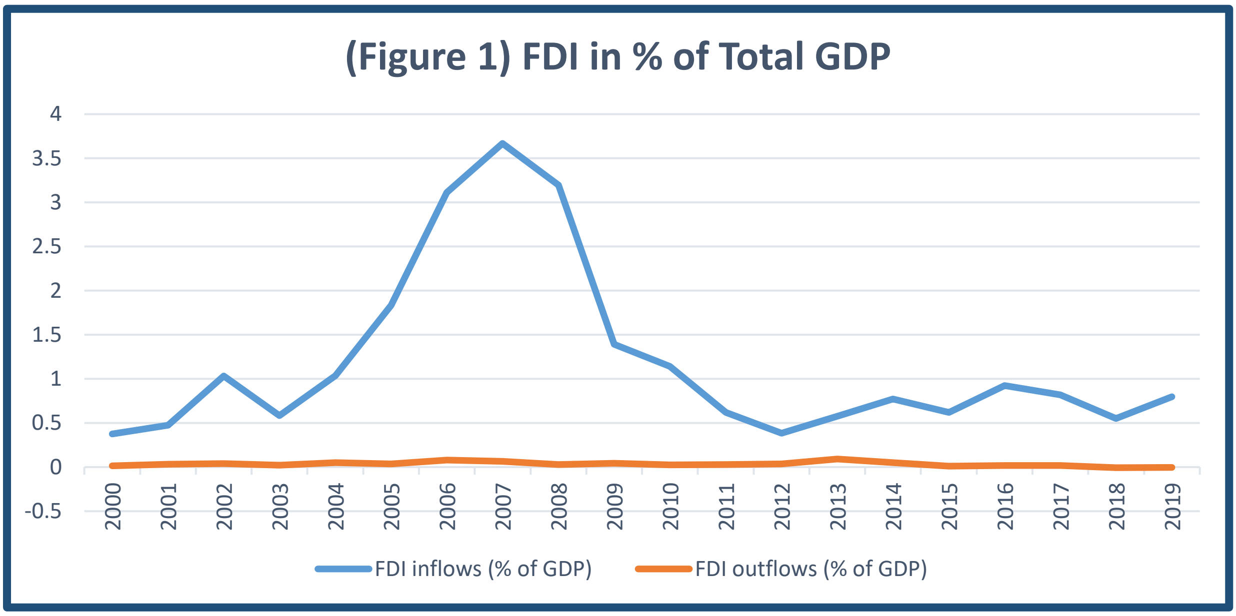
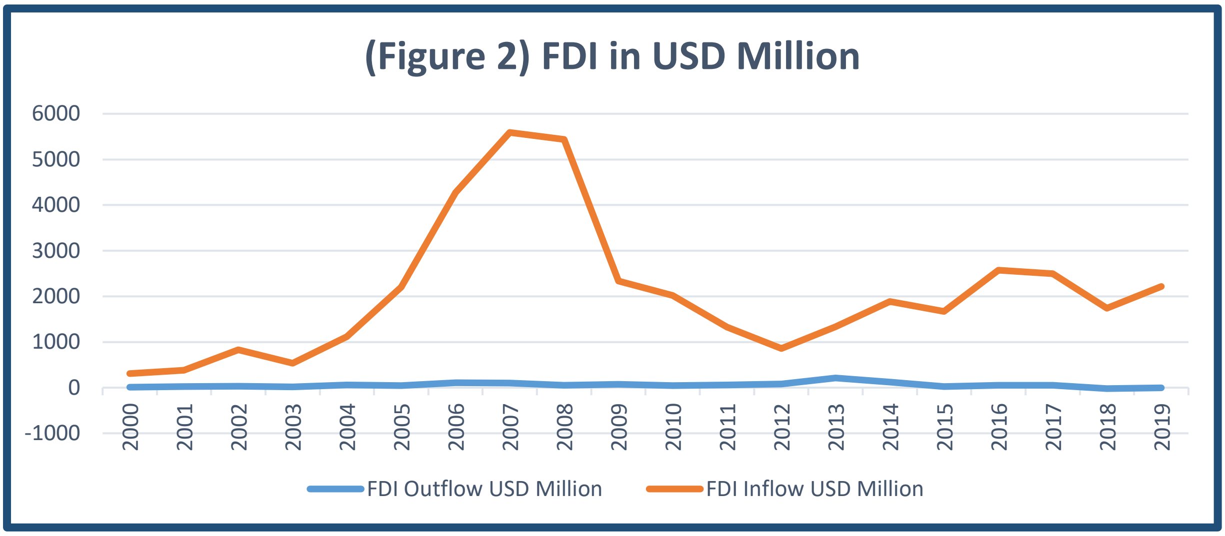
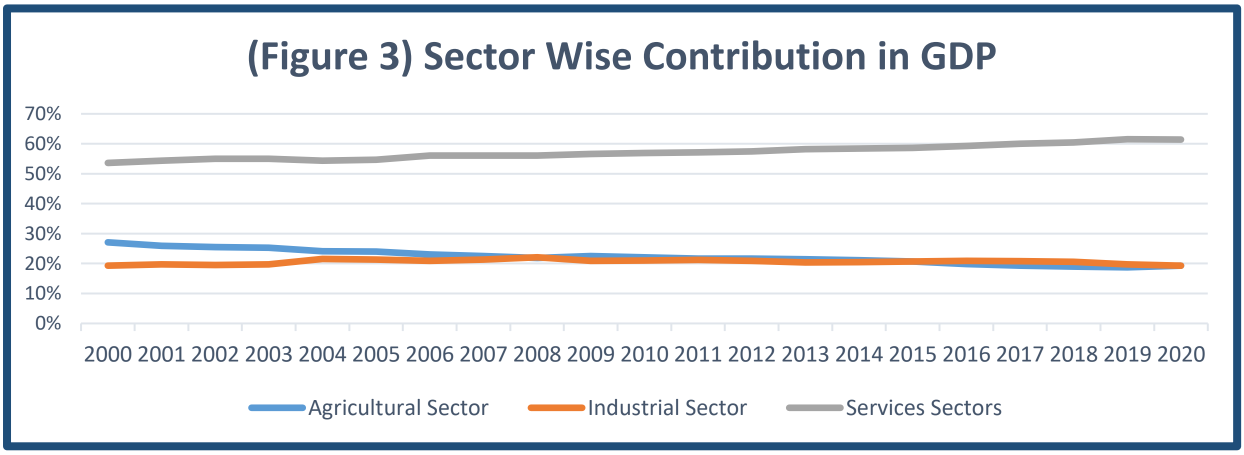


Figure 1 presented the real picture of the difference between FDI inflows and FDI outflows since last two decades. Which arises a question? Why FDI inflow in Pakistan is not consistent and why Pakistan fails to control outflows of FDI. There are multiple reasons behind the inconsistency of FDI inflows and Outflows such as Political sustainability, the intervention of other countries, too much reliance on IMF programs, economic crisis, power crisis, and law in order the situation causing the damage to FDI Figures of Pakistan. As per the below figure, FDI inflows were in good conditions in the mid of the first ten years. But when Pakistan enters the war of terrorism, the graph starts declining due to an unsettled and non-suitable business environment. Meanwhile, FDI outflow is inconsistent since the beginning of the twentieth century and the graph fails to reach 0.5% of total GDP during the last two decades.



During the last two years 2018 and 2019, Pakistan failed to generate a single unit of FDI outflow. Pakistani companies already have invested outside Pakistan withdraw their investments and bring the capital back to Pakistan (State Bank, 2021). As per figure 2 Foreign Direct Investment in USD millions graph shows that Pakistan's total FDI is not stable or constant throughout the last twenty years. The best time for the highest FDI inflows was between 2004 to 2007, after that FDI inflows were unable to pick the same growth and remain around 2000 Million Dollars. On the other hand, FDI outflows were in the same condition throughout the years and not be able to generate any valuable investment in the international market despite multiple opportunities worldwide.



Appendix Figure 3 shows the economic contribution of Pakistan sector-wise. As per the State bank of Pakistan data, the economy of Pakistan is based on the services sector since the beginning of the 20th-century, which is contributing more than 50% of the total GDP. The industrial and agriculture sector lost their share in GDP contribution and retained an equal position of 19% each at

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the end of 2020 and the remaining 62% is acquired by services sectors at the same time. As the economy of Pakistan is more dependent on the services sector which creates an alarming situation for the manufacturing sector and job market too, due to which the country is facing a higher level of unemployment over the year. Although governments are taking steps to promote industrial development throughout the country by providing opportunities to local and foreign industrialists and investors by setting industrial states in different cities of Pakistan. An effort of government not limited to this current government of Pakistan is more focused to promote building & construction industry which contribute to the prosperity of iron, cement industry and create numerous job opportunities for the people. The policy adopted by the government of Pakistan to achieve a higher level of economic development, Prime Minister of Pakistan announced a special package for the building and construction sector. Since the commencement of the third consecutive democratic government after the removal of dictatorship, the government of Pakistan is trying to pull the economic growth chart by introducing different schemes for industries in Pakistan, given a warm welcome to international investors to come and invest in Pakistan. While examining the data of FDI since the commencement of the current democratic government it has been revealed that total of 14,126 million dollars has been raised through foreign direct investment inflows in the country and 4,978 million dollars result in FDI outflow from Pakistan which results in Net FDI of 9,147.6 million dollars. Net Foreign Portfolio Investment (FPI) was 1,650.15 which also declined the Net FDI from 9,147.6 to 7,497 million dollars. While comparing data for 59 countries it has been observed that China is leading with the highest FDI inflow, enjoying the share of 29.3% of total inflow FDI and 34.17% of total FDI outflow. The highest FPI is made by Singapore. Details of the FDI position of all 59 countries have been listed in Appendix Table 1. (SBP, 2021). As per the SECP Security Exchange Commission of Pakistan yearly published report, there is a significant and positive change in no. of companies' registration with SECP with an increase of 18.82% since the last year 2019.

Appendix Table 2: SECP Register Companies Data

Type of Companies	2019	2020	% Change
Public listed	520	518	-0.38%
Public unlisted	2,576	2,678	3.96%
Private	86,979	101,026	16.15%
SMCs	8,640	13,059	51.15%
Associations not-for-profit u/s 42	879	933	6.14%
Companies limited by guarantee u/s 43	73	72	-1.37%
Trade organizations	311	316	1.61%
Foreign companies	1,037	1054	1.64%
Private Companies with unlimited liability	1	1	0.00%
Public Companies with unlimited liability	1	1	0.00%
Companies under section 505(1)-(d)	3	3	0.00%
Limited Liability Partnerships	308	734	138.31%
Total Companies	101,328	120,395	18.82%

SECP registers companies under 12 different categories as public listed companies, unlisted public companies, private companies, single-member companies, associations not-for-profit under section 42, companies limited by guarantee under section 43, trade organizations, foreign companies, private companies with unlimited liability, public companies with unlimited liability, companies under section 505(1)-(d) and Limited Liability Partnerships. As of July 2020 total 120,395 register with SECP detail of companies register with SECP during last two years with % change since last year given under Appendix Table 2. (SECP, 2020) (SECP, 2019)

Problem Statement: Many organizations come to Pakistan in the shape of Foreign Direct Investment through governmental schemes as a Public-private Collaboration, Private Company or Foreign Company by getting register through SECP. The objective is to get successful globalization but many of the firms fail to achieve sustainability in Pakistan due to multiple factors.

Objectives of the Study: The study has the following objectives:

- To identify the factors which have an impact on the sustainability of an organization in the international market.
- To identify the factors needed for successful globalization.
- To identify the influence of government policies on globalization.

Significance of the Study

1. The study will help policy maker to consider the key factors, having an impact on the foreign company's performance.
2. The study will help management of foreign and local companies to know the importance of business collaboration through value chain adoption process.
3. The study will help government of the home country to identify the key factors which have an impact on the successful and sustainable globalization strategy.

2. Literature Review

2.1 Corporate Globalization

As globalization/ internationalization process began and spreads different groups of countries are essentially pitted against each other one group is seeking to align themselves to the emerging global rules and the second group of countries fail to internal alignment and refused due to political or cultural issues in 2002 (Barnett and Gaffney) categorized these groups of countries as functioning the core of globalization and non-integrated gap as quoted by (Eisenstein, nod.). A study conducted at the end of the 19th century to identify the challenges for next decade in the internationalization of business by using delphi research technique come up with four major problems organizations will face in 20th century while adopting corporate globalization such as the geography of international business, sectorial transformation, Institutional and framework issues and key corporate adjustment strategies (Czinkota & Ronkainen, 1997). Later on numerous studies conducted to identify the factor have impact over corporate globalization and its success factor. There is still a knowledge gap how internationalization strategy works in different sectors. The ownership and location advantage for companies is not available in global operations. As late comer in corporate globalization companies have few disadvantages such as to become the trusted partner and accessing the market segment (Business activity and Clients) which result in a shorter profit margin and shorter duration of survival in the market but being a latecomer in the market also have advantage factor such as a lower institutional barrier to foreign direct investment, advances in transportation and communication technology and missing to pioneer sector development stage. Merger and takeover is a solution to this disadvantage and for fast track growth but this step is quite expensive (Beerepoot & Roodheuvel, 2016). Through a value chain addition process and indirect or direct business relation in the international business market help organizations to build their identity while organization new on certain location suppliers, dealers, third-party contractors, and other business alliances help an organization to introduce themselves in the international market. While having greater accounts and revenue streams have huge impact over strategic choice develop by leadership to redesign their identity in the market (Pereira & Malik, 2018). Corporate globalization is costly and time taking process which require investments against which return is not confirm in case of failure of strategy investment will be wiped out and no returns will be provided which may lead to corporate default or huge losses. Advantages gained through corporate globalization overweigh the cost of money borrowed from banks. Successful corporate globalization results in more favorable loan terms and helps an organization to have more power to negotiate the loan terms and conditions through which the organization successfully reduce the cost of funds. Meanwhile corporate loan maturity period and security retain against the corporate loan which is not dependent on corporate globalization success (Li et al., 2011).

2.2 Competitive Strengths / Capacities

Does internationalization help organizations to achieve strength and sustainability concerns in the market by examining the controlled variable that affects corporate sustainability like firm size, absorbed, age, available and potential Slack, and firm performance. R&D and advertising intensity study concluded that internationalization supports the sustainability strength and sustainability concerns of EMNE and by focusing on over-controlled variables (Park, 2018). Another study conducted on emerging market multinational companies' evolutionary paths to building a competitive advantage from emerging markets to developed countries used multiple case historical methods for this data has been selected from 1959 to 2008 and a total of 28626 articles have been analyzed. Companies selected for the study mainly originating from China and India and from different industrial sectors, such as IT, pharmaceutical, home appliances, and manufacturing. A framework developed by analyzing the data has been based on three stages. Stage I: Building Competitive Advantage in the home market. Stage II: Internal maturation. Stage III: Here is Strategic Partnership with developed countries Firms. After completing all three stages organization is capable to develop a competitive advantage in a developed country's market. This framework was named by the study as an evolution path to building competitive advantage from home market to develop the country market. A study also concluded that Knowledge is the most powerful tool influencing EMNCs Competitive advantage. Another study also revealed that EMNCs success is based on transferable capabilities such as an effective back-office operation to drive the cost of a transaction so local competitors could not be able to replicate their strategic path (Kotabe & Kothari, 2016). Emerging market organizations evolved as global players over the span of the last 20 years which is remarkable but every organization does not get success and some of them fail at a domestic level while the ratio of success rate and the failure rate is quite variant. Organizations should understand the difference between Korea, Singapore and Taiwan just replicate the advanced economy as their counterparts, same as Japan does earlier (Narula, 2012). Another research concluded that EMNE is more risk-taking than conventional EMNE. In order to meet global competition, this strategy is adopted by successful EMNE where all the EMNE was not able to comply with this approach. Most EMNE are enormously facing higher risk in the dispersion, scale, and speed of global development, and remaining EMNE's safeguard their risk by mitigating the risk involved in globalization. The theoretical contribution of the study is to determine the specificity and identical EMNC's risk behavior. Previous globalization experiences help organizations to be more aggressive and risk-taker through a process of acquiring the existing business and attain global expansion which helps organizations to build strong capacity and capability to survive by reducing the completion in the market (Luo & Bu, 2018).

2.3 Institutional Support

While a company seeks an opportunity to enter into a market at every stage, an independent support from third-party is required which helps to excel your strengths and seek available opportunities. Management of Qatar telecom has been asked few questions about the globalization challenges faced during Qatar telecom globalization process. The role of government support from both sides has a significant and positive impact on the globalization process. Institutions such as government bodies, trade organizations, political parties, and many others always create a better and road map for foreign direct investment in underdeveloped economies. Strong political affiliation across the border help organizations to achieve their economic targets through the process of globalization (Al-Kaabi et al., 2010). Another study conducted to analyze the emerging market multinational international knowledge flow and innovation identified that in order to achieve global competencies companies should be more focused on knowledge flow management process and area of improvement through the process of innovation. The following two steps will help organizations strengthen their firm-specific resources and capabilities. National development regime and corporate capabilities or strengths have greater links together. After analyzing existing literature it has been decided that future work should be focused on building a theoretical framework to answer the question of why some organizations focused only on FDI to explore new opportunities (Gammeltoft & Hobdari, 2017). A study also identifies the motives behind the FDI in emerging markets. A theoretical frame has been developed on foreign direct investment and corporate globalization and it has been suggested by a study that basic the reason behind the foreign direct investments is the company's weak financial capabilities and risk-taking capacity to enter the new market through the globalization process. Another motive behind seeking FDI collaboration for the globalization process is GVCs relationships whereas this aspect enhances the selection of globalization in two different aspects. The first aspect is decisions of being globalized in GVCs are not undertaken independently by Enterprises. And the second aspect is the selection of motives behind FDI in enterprise international expansion strategy and to undertake greater value addition activity with GVCs which they wish to pursue globally (Pananond, 2015).

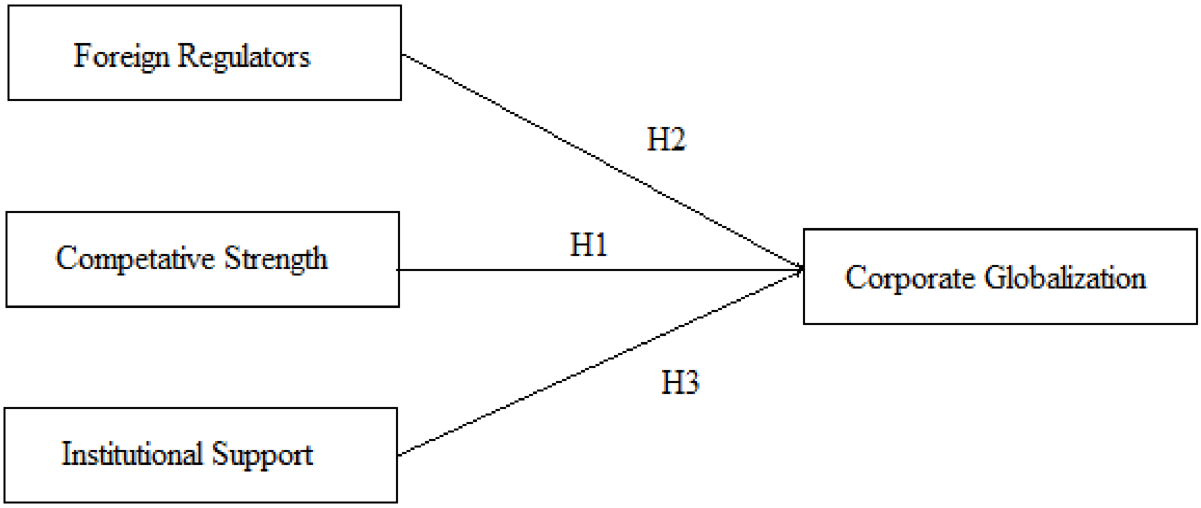
2.4 Foreign Regulation

Foreign regulation creates a major entry and exit barrier for corporate. Well developed economies have very strict regulations for corporate to get enter into their market meanwhile, underdeveloped economies have less negotiating power and they agree to mold down their regulations while they opportunity for their economy which allowed the international and local economies to bring successful phenomena of globalization (zangin M Awdel et al., 2020). By having weak foreign regulation, sovereignty is questionable and influence the economic decision power across the border even though within the country. Decisions are also influenced by dominant states. For weak economies, sovereignty is hot topic as it helps them to achieve access in the international market through major market players and corporations. By joining hands with international market players, small economies get access to international economies and get a number of opportunities to get finance through world-renowned financers just by adding their name with international market players (AE Oji, 2011). By introducing transitional organization (TNO) host country lost control over its resources and a major authority shift has been considered by introducing TNO within the territory, which results in a new era of technological development, interdependence, and new production processes. In short, TNO creates the bridge between local market producers and the international market (Vernygora, n.d.). Another study examined the implications of ownership location internationalization (OLI) and linkage leverage learning (LLL) and stated that host country effects are significant in cross border acquisition undertaken by EMNE in India where the country-specific advantage is supported by host country institutions and market structure. The study also stated that greater stock valuation helps host country MNE to bear the lesser cost of capital and also create more values for the host country's currency in comparison to Dollar. Policies for outward Foreign Direct Investments compel Indian organizations to invest in the international market. Another study also examines the relationship between country-specific linkage and internationalization and found that alliances such as political, economic, business and governments associations help to explore more resources worldwide (Munjal, 2014).

2.5 Hypothesis

- **H_1** Competitive Strength/Capacity have statistical or significant relation with Corporate globalization.
- **H_2** Foreign Regulation have statistical or significant relation with Corporate globalization.
- **H3** Institutional Support have statistical or significant relation with Corporate globalization.

2.6 Conceptual Framework



All four variables has been adopted from (Ahmed Qureshi, 2013).

3. Research Methodology

Research Data: Research data have been collected through five scales Liker Scale Questionnaire adopted from the previously conducted study of (Ahmed Qureshi, 2013). Research data has been collected from four types of companies working Pakistan Single Member Company, Private Ltd Companies, Public Limited companies and Multinational companies working in Pakistan. The questionnaire consists of 27 questions from all four variables listed under Conceptual framework. Data has been collected through an online questionnaire survey and physical form distribution from the employees of above mentioned companies.

Research Variable: The Conceptual framework consists of Four variables adopted from variables i) competitive strength/ capacity ii) Institutional support iii) Foreign Regulation consider as Independent variables meanwhile iv) Corporate Globalization considers as the dependent variable for the study. Where study will examine the impact of all three independent variables on corporate globalization. There are multiple factors other than these three variables having an impact on corporate globalization study will focus on only three variables**.**

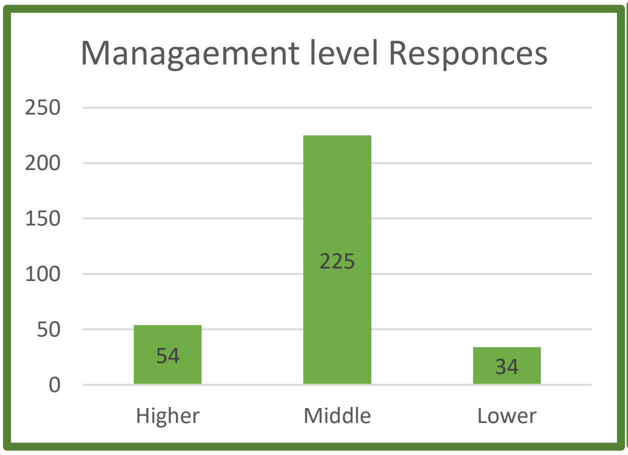
Statistical tool: In order to test the collected data e views will be used for data analysis as Statistical tool. A simple regression tool will be applied to the data to determine the relationship between the variables selected. Whereas all the null hypotheses will be tested through regression and the cut of value for the hypothesis will be 0.05.

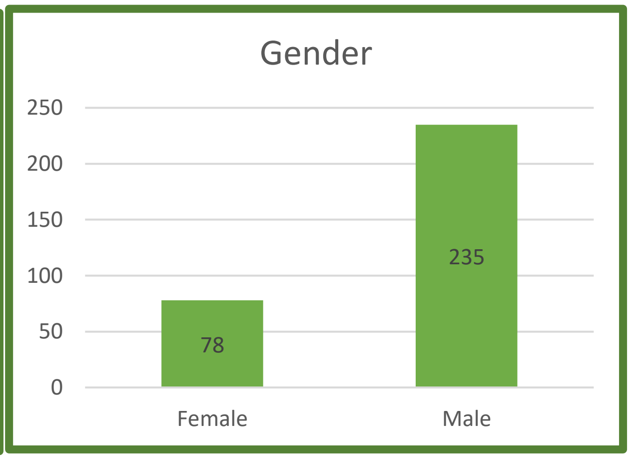
Sample Size: The population for the study is companies working in Pakistan are known but no of employees in the following companies are unknown which is the real population targeted for the study. As the targeted population is unknown for the study so the sample of 313 will be suitable and convenient sampling technique will be used for data collection.

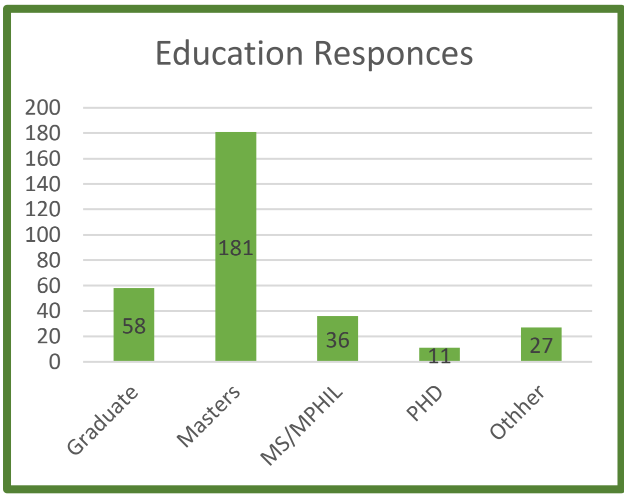
4. Results and Analysis

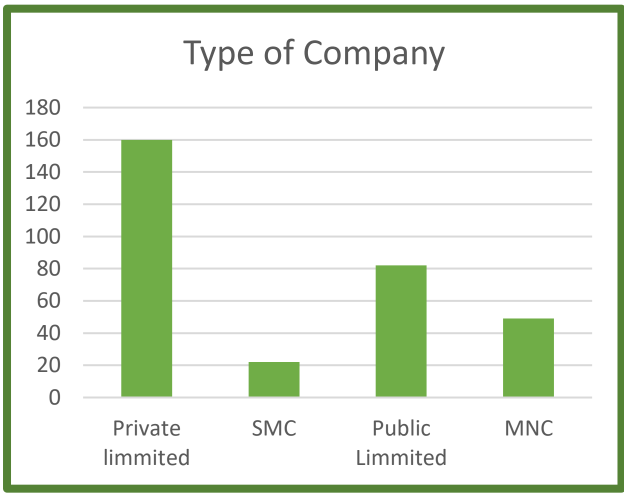
The data was collected through the adopted questionnaire consists of two parts. Part 1 consists of questions related to basic information such as Gender, Experience, Company type, Education, and type of contribution made by the company in Globalization. Whereas part II consist of questions related to all variables and data for variables will be measure with the help of 5 point Likert scale. In order to avoid biases in responses, Questions have been shuffle through. Collected data has been analyzed through two steps, graphical and statistical analysis.

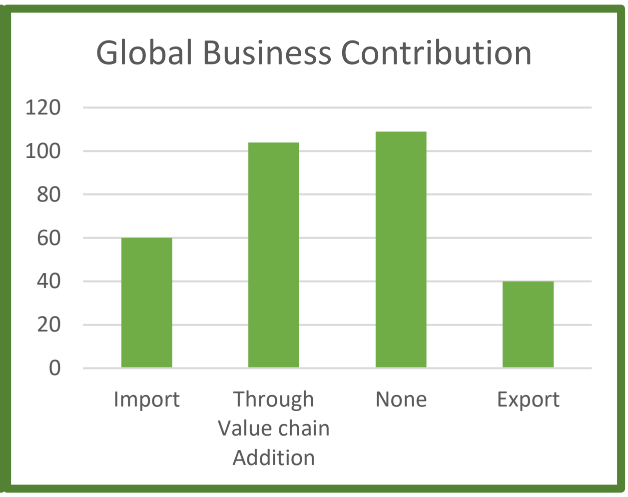
4.1 Graphical Analysis











The above graphs present the graphical analysis of data collected from respondents about basic information Such as management level, Education, Gender, Professional Experience, Type of company, international business linkage. Out of 313 respondents, 5 are belongs to higher-level management and hold key executive positions in the company and 225 belongs to middle-level management to assist higher management to have better decision making and the remaining 34 respondents are working on positions of lower level management and does not have any direct influence in decision-making. While reviewing the gender graph its shows that 78 out of 313 are female respondent and the remaining 235 respondents are male. While data for experience has been review 125 respondents have less than 5 years of experience and 117 respondents have experience between 5 to 10 years while only 33 respondents have experience between 11 to 15 years and the remaining 38 respondents have more than 15 years of experience. As per the education graph, 58 respondents are only have 14 years of education by holding a graduation degree and 181 respondents have higher level of education by holding a master level degree and 36 respondents are having 18 years of education by holding MS/MPHIL degree and only 11 respondents hold a degree of Ph.D. while the remaining 27 respondents have certification in their respective fields. Another important graph shows the company from which respondent belong whereas 160 respondents are working in Private limited company and 22 respondents are working in Single Member Company, 82 respondent is working in public limited companies and the remaining 49 respondents from a multinational company. Another important question has been asked to respondent how your company is contributing in international business where 60 respondents show that import is the process by which their company is linked in international business and 40 companies are linked through the export process and 104 companies are linked through value chain addition and the remaining 109 companies are not linked with international business at any stage.

4.2 Statistical Analysis

At the very first stage of statistical analysis reliability of data has been checked by using Cronbach's Alpha test after that descriptive statistics of data has been analyzed and correlation Johansson person correlation test has been applied on data to check the correlation between data. After analyzing all mention results the regression analysis has been applied.

4.3 Reliability Test

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.699	.702	4

Processing summary of reliability test shows that all the responses are valid and considered for analysis and total case are 313 and excluded cases are 0 as mentioned above table. Reliability statistics of results show that Cronbach's alpha value is 0.699 approximately 0.70 and Cronbach's Alpha. Based on the standardized item is 0.702 for 3 independent variables and one dependent variable. As we know the cutoff value for accepting the Cronbach's Alpha is 0.70 or above so the results of the study show that data is reliable and consistent for further analysis.

4.4 Descriptive Statistics

Descriptive Statistics										
	N	Minimum	Maximum	Mean	Std. Deviation	Variance	Skewness		Kurtosis	
	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
CSC	313	2.00	4.63	3.5763	.52113	.272	-.503	.138	.023	.275
IS	313	1.50	4.50	3.4983	.58171	.338	-.509	.138	-.027	.275
FR	313	2.00	5.00	3.6479	.56620	.321	.015	.138	-.089	.275
CG	313	1.67	4.83	3.6741	.53575	.287	-.717	.138	1.146	.275
Valid N (listwise)	313									

Descriptive analysis for study is mentioned in the above table. Analysis shows that all the four variables have 313 responses on the basis of which descriptive analysis is performed. The lowest minimum value is considered for institution support IS which follows by 1.67 corporate globalization CG and the remaining two variables foreign regulating FR and competitive strength and capacity CSC have the lowest value 2. The maximum value for all the variables is displayed in the third Colum where FR has a high value of 5 followed by 4.83 for CG, 4.67 for CSC, and 4.50 for IS. Mean value determine the average value of all 313 responses where results for the mean value shows that the highest mean value for CG and FR is 3.6 followed by 3.5 for CSC and 3.4 for IS. The standard deviation for the study also presented in above mention table values of S.D for all the four variables is less than its mean values which indicated that data is not widely spread from its mean point or center point and value of S.D for all variables are between 0.5 to 0.6 which is less than 1. Variance analysis of data also shows that data is not widely spread from its mean point and values of variance analysis for all the variables are less than 0.5 which indicates that variances point is also closed to mean point of all the variables. Skewness value for CSC, IS and CG is between -0.5 to -1 so all three variables are moderately skewed and for one variable FR skewness value is 0.015 which is between -0.5 to 0.5 so the FR is fairly symmetric. Results of data show that all the variables are not highly skewed at all. Kurtosis value of data shows IS and FR have negative kurtosis value which shows that Kurtosis is flat and have a thin tail that lies under platy kurtosis and for the remaining two-variable CG and CSC values are positive which present the lepto kurtosis.

4.5 Pearson Correlation

Correlations

		CSC	IS	FR	CG
CSC	Pearson Correlation	1	.260**	.322**	.437**
	Sig. (2-tailed)		.000	.000	.000
	N	313	313	313	313
IS	Pearson Correlation	.260**	1	.241**	.482**
	Sig. (2-tailed)	.000		.000	.000
	N	313	313	313	313
FR	Pearson Correlation	.322**	.241**	1	.478**
	Sig. (2-tailed)	.000	.000		.000
	N	313	313	313	313
CG	Pearson Correlation	.437**	.482**	.478**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	313	313	313	313

. Correlation is significant at the 0.01 level (2-tailed).

Pearson correlation shows the relationship between variables. Whereas the sig value of correlation shows the correlation is significant or not. The cutoff value for sig value is 0.05 if the value of the sig. is less than cutoff so the relation is significant. Above mention, the table shows that the Pearson correlation between IS and CSC is significant as the sig value is 0.00 which is less than 0.05 and the relationship between variables is 0.260. The relation between CSC and FR is 0.322 which is also found significant as the sig value for the relation is also 0.00 which is less than the cutoff 0.05. The relation between CSC and CG is 0.437 which is highest in the table and also found significant as the sig value of the relation is 0.000 which is less than the cutoff 0.05. Pearson correlation shows that strongest relationship exist between CSC and CG which is approximately 44% followed by CSC and FR which is 32.3% and IS and CSC found the least correlation which is 26.0%.

4.6 Regression Analysis

In order to analyze the regression equation following equation will be used for data analysis.

$$\textit{Regression Equation: } Y = B_o + X_1 B_1 + X_2 B_2 + X_3 B_3 + e$$

In above regression equation Y represent the dependent variables meanwhile on the right-hand side X_1, X_2 andX_3 represent the independent variables whereas B_1, B_2, and B_3 represent the beta value for the equation and B_o is constant. In above equation e represent the margin of error that occurred during the regression equation. On the basis of the above regression equation, we formulate the equation for the study will be present below:

$$\textit{Regression Equation: } CG = B_o + IS\ B_1 + FR\ B_2 + CSC\ B_3 + e$$

In Above mention Regression equation theoretical framework has been used for analysis where CG (Corporate Globalization) has been used as a dependent variable for analysis whereas Independent variable for the study will be IS (Institution support), FR (Foreign Regulation) and CSC (Corporate Support & Capacity) while $\mathbf{B_o}$ is determine the constant value and B is used as change magnitude for each variable which is also known as beta variable and "e" in the above equation represent the Error rate. On the basis of the above equation, data has been analyzed. The following results are presented below.

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	CSC, IS, FR[b]	.	Enter

a. Dependent Variable: CG

b. All requested variables entered.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.651[a]	.424	.419	.40853

a. Predictors: (Constant), CSC, IS, FR

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37.982	3	12.661	75.859	.000[b]
	Residual	51.572	309	.167		
	Total	89.554	312			

a. Dependent Variable: CG

b. Predictors: (Constant), CSC, IS, FR

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.574	.209		2.748	.006
	IS	.315	.042	.342	7.531	.000
	FR	.300	.044	.317	6.841	.000
	CSC	.253	.048	.246	5.297	.000

a. Dependent Variable: CG

As per above table “Model Summary” Where R value< R=0.651> Adjusted R Square Value <R^2 = 0.424> and < ADJ R^2= 0.419> results Determine that model used for analysis determines the relationship between dependent and independent variables. R-value of Regression explained the correlation between variables which is 65.1%. R square value explained the relationship between variables through regression line which is 42.4% and this regression line determines the impact of predictors on dependent variables. ANOVA table helps to determine the significance of the model through the Sig value. The cutoff for sig value is 0.05 if sig value is less than the cutoff value it determines the fitness of the assumed model. As per the ANOVA table, the Sig value for the model is 0.00 which is below than cutoff value on the basis of which we may assume that model is fit and used for analysis. Furthermore, the F value is 75.859 which is also within acceptance criteria it also supports the model fitness.

As per the coefficient table, t values for all the variables are more than 2 which is within acceptance criteria. Where variable sig value defines the acceptance criteria for each variable as per cutoff value criteria if Sig value is greater than 0.05 so assumed hypothesis will be failed to retained and if Sig value is less than 0.05 so Assumed the hypothesis will be accepted. As per the above table, the Sig value for all the variables is below the cutoff value so all the hypotheses assumed are retained and accepted for the study.

B value determine the coefficient change for each variable where the constant value of coefficient determines that 0.574 or 57.4% change will be observed independent variable if all the variable assumed as Zero. Where beta value for all the variables as <IS= 0.315>, <FR=0.300> and <CSC = 0.253>. All the beta values observed in the table found positive which determine that there is a positive and the direct relationship between variables. These Beta values for each variable determine that changing one unit of IS will result in the change of 0.315 units in Corporate globalization, by changing one unit change in FR 0.300 units change will be observed in Corporate globalization while by changing one unit in CSC 0.253 units change will be observed in Corporate globalization. On the basis of following results interpretation following regression equation will be formulated.

$$\textit{Regression Equation: } CG = B_o + IS\ B_1 + FR\ B_2 + CSC\ B_3 + e$$

$$\textit{Regression Equation: } CG = 0.574 + IS\ (0.315) + FR\ (0.300) + CSC\ (0.253) + e$$

Above mention Regression equation formulated on the basis of results determines through the regression analysis process and represent the Regression analysis Results.

4.7 Discussion

As the study was conducted to formulate the strategy for emerging market Multinational Corporation to adopt successfully globalization process. In order to identify the factor those impact over globalization process three variables has been adopted from a study previously conducted in a specific sector (Ahmed Qureshi, 2013). Results of the study revealed that all three variables have significant and positive relation with corporate globalization although statically impact is bitter low but in certain conditions, any of these three variables may act as a radical change element for the globalization process. Institution support which comes in any cause Government, Political or Business support from the host country help organization to Stable their business operation by obtaining better business successfully implement the Globalization process same results have been revealed by (Al-Kaabi et al., 2010). Another best example for institutional support is the study conducted by Dr. Tughral Yamin on China Pakistan Economic Corridor (CPEC) and Pakistan Army concluded that with military support FDI 46 Billion Dollars has been successfully invested and Support by government and non-government institutes to safeguard the interest of investors is countless (Yamin, 2016). Corporate Strength and Capacity is another important factor strength and capacity may come in any shape such as financial strengths managerial strength or risk taking capacity, not all the organizations have all the strength and capacities at a time but these may build through time and experience where successful organizations have strong strategic formulation and implementation techniques which come through knowledge, experience, resources, and autonomous power (Gammeltoft & Hobdari, 2017) also highlight the importance of knowledge flow and Strength of organization. Foreign regulations help countries to protect the right of ownership and Sovereignty mostly developed countries have strict and rigid foreign regulation which creates strong entry barriers for outsiders to operate on their term and conditions mostly underdeveloped developing country molded their regulations to invite FDI through the process of Globalization results of our study also align with (AE Oji, 2011).

5. Conclusion & Recommendation

Results of the study show that all the selected variables such as Institution support, foreign regulation and corporate strength and competencies have a significant and positive relationship with corporate globalization Process. On the basis of the current results study concluded that 42% of relationships can be determined through these variables and the remaining portion is covered by other variables. On the basis of regression results it has been concluded that institutional support is one of the major players in the corporate globalization process and radical changes in results followed by foreign regulations and Corporate Strength and capacity. Results further revealed that while entering into a new market through Globalization the process especially while firms belong to emerging markets it's better to have institution support such as host country Government support, the trade organization support, political affiliation help organizations to overcome the barriers faced during the globalization process.

Recommendation

On the basis of Results and current available literature Study recommends the following recommendations for future Researches.

- Further studies should be conducted to identify the factor impacted over Globalization process sector-wise contribution require as each sector (Services, Manufacturing and Agriculture) consist of different Business characteristics.
- In order to analyze the impact of government policies and procedures a study should be conducted to identify the impact of current and existing government policies on the globalization process. And country wise or region wise comparison should be made to identify the flaws and grey areas in our national policies.
- The study should be repeated with different populations such as only managers or executives from different sectors of the economy by adopting a mixed-method approach to draw their thinking about globalization strategic process and challenges faced by them while going global.
- Study also, recommend that successful globalized business strategies and process should be compared with our local businesses those willing to enter in international business market through the process of globalization and same should also be applied to existing local companies that are working globally but fail to achieve higher growth and market share.

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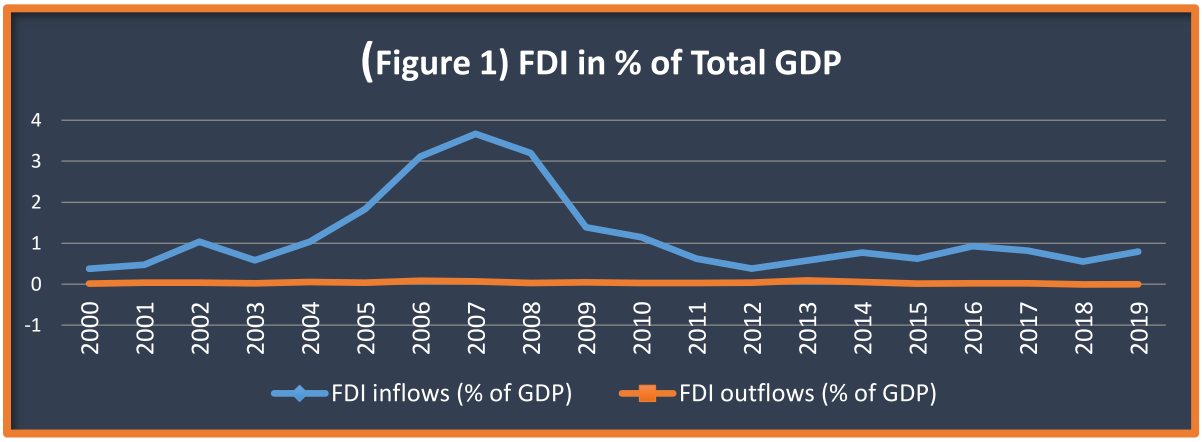
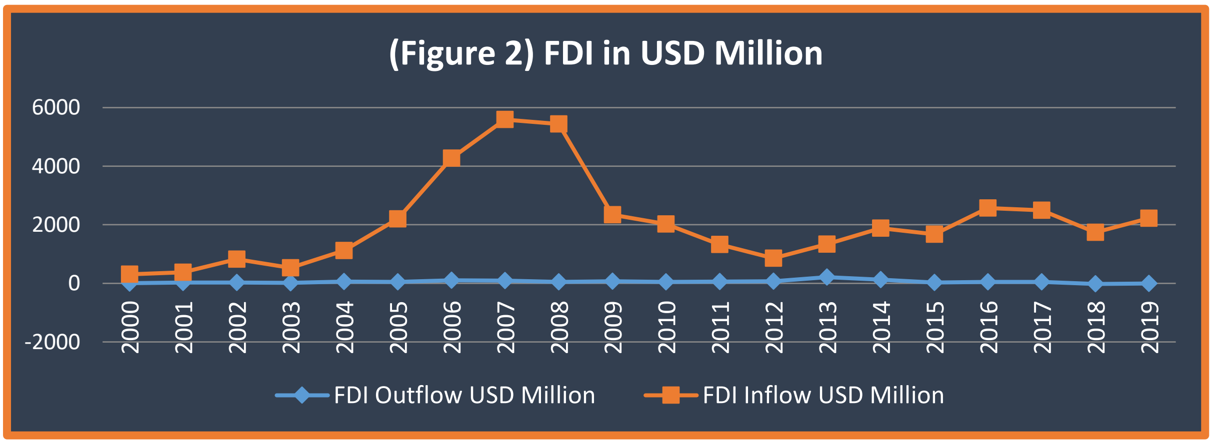
Appendices





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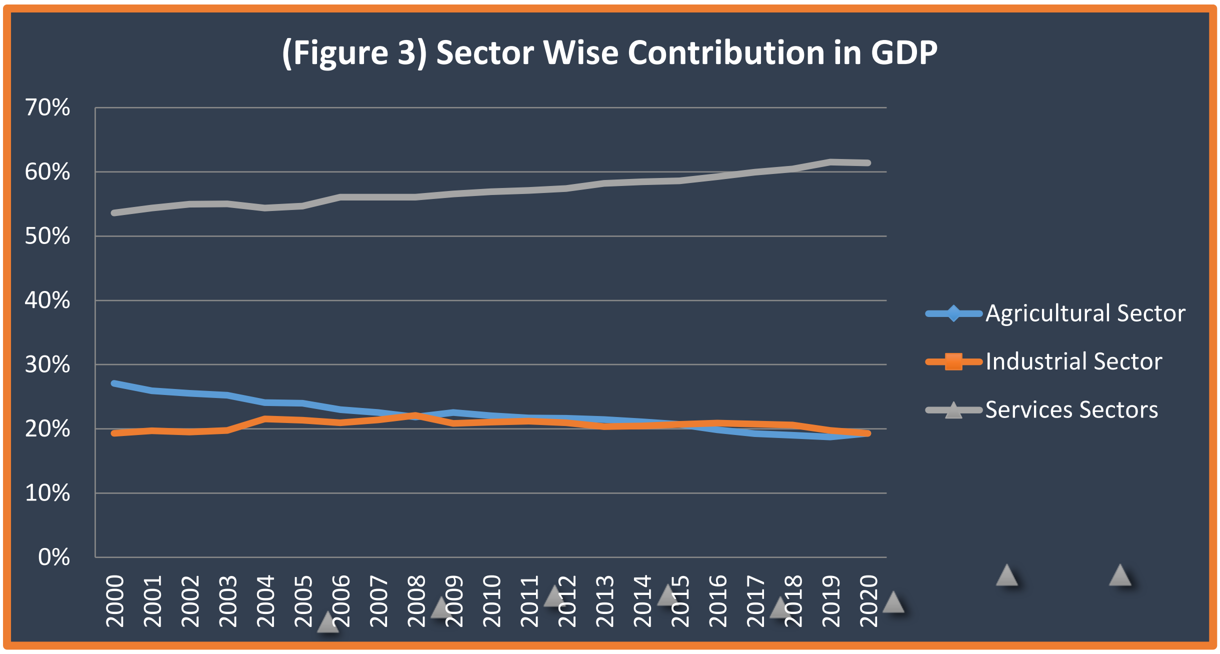

Appendix Table 1 FDI Position Since 2018					
Country	Inflows	Outflow	Net	FPI	Total
Argentina	-	-	-	-	-
Australia	1.26	61.19	(59.94)	(28.26)	(88.20)
Austria	22.74	-	22.74	(0.82)	21.92
Bahamas	45.83	-	45.83	(0.07)	45.76
Bahrain	91.08	5.52	85.56	(6.31)	79.25
Bangladesh	-	-	-	-	-
Belgium	14.61	3.98	10.63	0.00	10.63
Bosina Harzeguinia	-	-	-	-	-
Brunei	8.97	-	8.97	(0.24)	8.73
Canada	2.52	1.15	1.37	(4.13)	(2.76)
China	4,145.12	1,701.31	2,443.80	(14.54)	2,429.26
Congo	-	-	-	-	-
Denmark	2.61	3.52	(0.91)	0.17	(0.74)
Egypt	54.07	15.19	38.87	5.86	44.73
Finland	10.21	27.80	(17.59)	(1.86)	(19.44)
France	34.72	11.37	23.35	(2.86)	20.49
Germany	268.58	5.83	262.75	5.80	268.55
Hongkong	951.04	121.36	829.68	51.06	880.75
Hungary	175.15	-	175.15	-	175.15
Iceland	3.27	1.04	2.24	-	2.24
Indonesia	0.14	0.43	(0.29)	-	(0.29)
Iran	1.29	0.82	0.47	-	0.47
Ireland	2.32	-	2.32	(95.70)	(93.38)

Appendix Table 1 FDI Position Since 2018					
Country	Inflows	Outflow	Net	FPI	Total
Italy	248.88	11.58	237.30	0.02	237.32
Japan	411.27	72.02	339.24	4.51	343.76
Kenya	-	-	-	-	-
Korea (South)	296.30	15.02	281.28	(0.33)	280.95
Kuwait	137.15	109.91	27.24	(5.73)	21.51
Lebanon	41.20	-	41.20	-	41.20
Liberia	4.45	0.88	3.57	-	3.57
Libya	13.34	-	13.34	-	13.34
Luxembourg	60.94	11.91	49.03	(414.35)	(365.32)
Malaysia	191.66	3.00	188.66	0.02	188.68
Malta	509.82	279.82	230.00	-	230.00
Netherlands	903.77	381.72	522.05	(4.16)	517.89
New Zealand	1.20	-	1.20	(0.05)	1.15
Nigeria	-	-	-	-	-
Norway	1,390.45	386.62	1,003.83	0.02	1,003.86
Oman	4.82	0.46	4.36	(0.26)	4.10
Others	852.13	599.01	253.13	(235.79)	17.34
Panama	-	-	-	-	-
Philippines	7.37	0.93	6.44	-	6.44
Poland	5.94	6.75	(0.81)	-	(0.81)
Portugal	0.27	-	0.27	-	0.27
Qatar	35.21	3.24	31.97	0.83	32.80
Saudi Arabia	101.32	16.26	85.07	(0.40)	84.67
Seychelles	-	-	-	(0.90)	(0.90)
Singapore	125.21	6.17	119.05	113.06	232.10
South Africa	0.15	-	0.15	-	0.15
Sri Lanka	22.59	-	22.59	-	22.59
Sweden	84.54	43.51	41.03	(42.39)	(1.36)
Switzerland	458.13	227.09	231.04	(15.24)	215.80
Thailand	25.68	0.30	25.38	-	25.38
Turkey	211.20	2.76	208.45	(0.00)	208.44
U.A.E	671.88	514.86	157.02	112.40	269.42
United Kingdom	923.19	223.26	699.93	(159.63)	540.30
United States	550.36	100.79	449.56	(909.89)	(460.33)
Total	14,125.99	4,978.39	9,147.60	(1,650.15)	7,497.00

Appendix Table 2 SECP Register Companies Data			
Type of Companies	2019	2020	% Change
Public listed	520	518	-0.38%
Public unlisted	2,576	2,678	3.96%
Private	86,979	101,026	16.15%
SMCs	8,640	13,059	51.15%
Associations not-for-profit u/s 42	879	933	6.14%
Companies limited by guarantee u/s 43	73	72	-1.37%
Trade organizations	311	316	1.61%
Foreign companies	1,037	1054	1.64%
Private Companies with unlimited liability	1	1	0.00%
Public Companies with unlimited liability	1	1	0.00%
Companies under section 505(1)-(d)	3	3	0.00%
Limited Liability Partnerships	308	734	138.31%
Total Companies	101,328	120,395	18.82%

Appendix Table 3 Questionnaire for Acquiring Quantitative Data
Q Management Level a) Lower b) Middle c) Higher
Q Education Level a) Bachelor's b) Masters c) MS or Phil d) PHD Scholar e) Certificate
Q Gender a) Male b) Female
Q Professional Experience a) 0 to 5 Years b) 6 to 10 years c) 11 to 15 years d) More than 15 years
Q Company in which you working a) SMC Single member company b) Public Limited c) Private Limited d) Multinational (MNC)
Q Your Company is linked with international Business Market Through a) Import b) Export c) Through value addition d) None
Q1. Objectives of growth for availing lucrative opportunities attract Pakistani companies For going global.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q2. Demand and market size are the incentives that attract you the most to invest in a foreign country.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q3. When going global a secure environment (i.e. in terms of law and order and security of investment) is a prime concern for us.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q4. Our best capacity and competitive edge that stimulates us to extend our business in overseas markets is technology (including competitive skills, homogenous quality, product adaptability, standardization, etc.).

a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q5. We adapt/change products according to customer specifications.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q6. Before entering an overseas market, we do not hire consultants to do research (marketing research and feasibility studies) for us.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q7. We hire in-house consultants to do research for us (for entering overseas markets).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q8. In doing business abroad, the biggest challenge for us is overseas regulations over there (for example, licensing to start a business; registration of products and intellectual property; standardization and certification of quality and processes; and other legal permits).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q9. Overseas regulations are tough in developed countries because of good governance and transparency.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q10. Overseas regulations are relatively less tough in developing countries because of bad governance and weak transparency.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q11. The poor image of our country, Pakistan hampers our way to expand into foreign markets, as foreign officials or network partners do not treat us on priority basis.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q12. Choice of a country depends on some kind of stimulus/incentive (like economic incentive along with a secure environment and network of relations).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q13. At initial stage of entry into an overseas market, our mode of entry was through export.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q14. After sustainable development in overseas operations, ***now*** our most preferred mode of entry is establishing a sales subsidiary there.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q15. A network of relationships drives us to globalize our operations on the basis of trust on some stakeholders.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q16. Our trust in the rapport/relationships built overseas coupled with market success enhance our long-term commitment (i.e. investment) in foreign markets.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q17. The government initiates various projects for technical capacity building of the private sector with mutual cooperation (ex. free or subsidized training and development projects; provision of foreign trade statistics; and developing linkages with overseas buyers and trade channels).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q18. Government institutions support us financially through trade policy incentives (such as export financing schemes, sales tax rebates, duty drawbacks, etc.).

a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q19. There is a weak collaboration between the public and private sector bodies for developing incentive schemes to enhance facilities for exporters.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q20. Investors (stockholders) perceive corporate globalization favorably and invest with us on
Preferential basis.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q21. Banks and financial institutes perceive corporate globalization favorably and lend us
On concessional interest/mark up.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q22. Banks and financial institutes perceive corporate globalization favorably and lend us
On concessional non-price terms (such as, convenient mortgage, amortization schedule, etc.).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q23. For improved performance leading toward success in the global arena, we emphasize on continual learning across all divisions / departments / subsidiaries.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q24. Our learning about success stories is shared across our network for effective replication (to implement the best practices and proven ways).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q25. We prioritize on effective knowledge management system across our network in anticipation of better productivity and performance.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q26. By opening our own sales office/company abroad, overseas sales are increased up to 50 percent within two years.
(Note those who don't have their offices / branches overseas yet, can make a calculated guess on the basis of their knowledge and expertise).
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree
Q27. Becoming a global company means becoming competitive to survive and succeed in the intensive competition.
a. Strongly agree b. Agree c. Undecided d. Disagree e. Strongly disagree