

The Transvergence Proposition Under Globalization: Looking Beyond Convergence, Divergence and Crossvergence

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ABSTRACT: Three strategic perspectives exist in dealing with globalization: convergence with the rational Anglo perspective, divergence of the local cultural perspective, and a hybrid cross-vergence. A fourth alternative “transvergence” – a transformative reinterpretation and application of the indigenous cultural perspective – is identified, that firms can learn over time to combine their strong ties to the local environment with technological and institutional change. Three case studies highlight the process of transvergence. The findings suggest that a focus on the transvergence perspective can be an important addition to our understanding of how globalization can affect firm behavior and result in new business strategies.

INTRODUCTION

Several events, such as the end of the Cold War, the formation of the European Common Market, the implementation of NAFTA, the economic liberalization in Asia, the growth of the internet, and falling telecommunication costs, have combined to make the end of the 20th century the marker of a distinctively new phase of globalization (Low, 2001). With an unprecedented rise

in the number of competitors from different regions of the world, the new phase of globalization calls for a strategic perspective – a perspective that supports creating and sustaining competitive advantage at an international level (Goodstein, Nolan & Pfeiffer, 1992; Bartlett & Ghoshal, 2001). This paper examines the three existing dominant strategic perspectives, discusses their characteristics, functions and

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The authors wish to thank the MBR anonymous reviewers and Sandra Heinold for their helpful comments. An early version of this paper was presented at the International Business & Economics Research Conference in 2002 at Las Vegas, and won a Best Paper Award.