

## Digitalization and Globalization Increasing Organizational Performance

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### ABSTRACT

*The digital transformation of the new era is referring to globalization for communication. The implementation of digital is making organizations more productive, effective, and efficient. A digital currency will change the payment method. Globalization has shaped new humankind by concerning nations and generous to them. The literature aims to examine the role of globalization, digitalization, and organizational performance. The literature report is explaining the positivism philosophy. This report revealed that globalization and digitalization have positively supported organizational performance. The findings can help the organization turn into digital tools and use communication tools globally.*

### INTRODUCTION

In the literature, a new form of digitalization and globalization manipulative on organizations' performance. The world is at the height of the pandemic, organizations forced to transform their operation. The operations of the organization converted 70% into digitalization. The organization has a gap of 30% that needed to fill the operational transformation globally. There is a communication gap between organizations due to COVID-19 circumstances though globalization is trying to fulfill it. Now a day, a trend is set to use digital currency. It is much better to have a single digital exchange of payment to improve the relations in the organization.

The behavior of new organizations is experiencing a completely remote and digital on boarding process. At the same time, the millennial is growing into decision-making roles into own workspace. In 2020, the organization needed to use technology to make organizations more resilient. The organization has unpredicted uncertainties and instabilities throughout last year with the technology investment and globalization.

### LITERATURE REVIEW

In the world, bucked the industrial trends towards digitalization, create influence on developing new trend. All organizations are facing trouble in the way of improvement to

increasing the organization's performance. This new digital era is transforming the world. It enables people to communicate through Apps few seconds, people got their desired outcomes but most of facing difficulties in implement all these methods (Brynjolfsion& McAfee, 2014).

Globalization and digitalization have frequent assistances for the organization. Globalization opened up a new world of opportunities for employees who are best on jobs and connect these specialized people through digitalization. The worker performs the work as per standards increased the organizational performance. It is dif to hire the right person in the right place (Chi, N.W, 2011).

According to the research of Blake Morgan, 70% of companies are spending on digital transformation. Their spending is more than 2 trillion on digital transformation to increase the efficiency to increase the organizational performance and almost 26 % more profitable after shifting to digitalization. There is a risk factor involved in investing ( Blake Morgan, 2020).

Digitalization increased the global competition commercially to bring digital currency. The cryptocurrency makes the financial exchanges faster. A Data Reporter, Showing that 319 million new users came on buying digital currency within a couple of months. Thus, digitalization will transform the world toward a

single digital currency by the near future (Legal Report, 2020).

The Organizations interested in assistance appearance for elastic and advanced customs to produce their commercial foreign business and admission of new cultures. Technological advances are increasing the complexity of procedures that affect organizational performance. So, these complex procedures will be bringing transparency in work that has a significant positive impact on organizational performance (Demarco 2016).

Globalization is embracing all around and digitalization integrating sensation that is irrevocable. Globalization is a method of trade emancipation people in the world. It is exchanging for innovations and detonations, digitalization, and technological development. Digitalization and globalization have created a new world by connecting people and giving them linkage advantage. It shapes realities and faces risks with uncertainty (Choi, 2014).

Employees are working during pandemic COVID-19 on organizations. Digitalization covers shaping world business and brings organizational opportunities. Digital globalization connects organizations, industries, and individuals to share information, ideas, knowledge, goods, and services. The workspace will transform the work into digitalized (Guo Yang, 2020).

It contributes to connecting through investing in digital technology robotics between developed and developing countries. All multinational institutions are affected by digitalization and globalization. It is increasing the earnings of the firm. Globalization aims to increase market efficiency. It creates competition at the same sequence reduces conflicts. It also attracts foreign direct investment and brings Technologic innovation. It includes national sovereignty, Equal distribution, and the spread of opportunities through technology (Mayo Clinic 2016).

The digital technology boost up the global resources and digital intelligence bring flexibility, user friendly, Saves Cost, error-free, reduce organizational costs, data storage at cloud, monitor and operate creatively. Digitalization increases international relations through communication tools and deals with risks to actively explore in boosting organizational performance. The recent trends are developing globalization that affects

organizational performance bringing new technology (Aldrich, 2006).

This literature review fills the gap by examining digital transformation and organizational performance. There is a knowledge gap between digitalization in an organization to enhancing performance (Khin S, 2018). The investigation defines the relationship between globalization, performances with mediating role of digitalization to bring leverage development with effective utilization of resources (Acar S, 2019). The gap prevents taking benefit from increasing globalization to enhance organizational performance (Ain& Ahmad 2019).

Digitalization and globalization trends are increasing rapidly in organizations. New digital technology integrated staff to use management tools. The infrastructure has an organized role in performing the activities with application-specific procedures. Actor-oriented standards create a digital organization that collaborate top management to lower management to increase efficiency. The different types of working styles pollute the environment, with the usage of digital technology gave cloud storage to save the document that reduces paperwork and less manual work. The digitalization effect on customer services and providing goods with design (Langer, 2017)

### SIGNIFICANCE OF STUDY

The implication of literature has developed in digitalization and globalization in organizational performance.

- It contributes to connecting through advancing digital technology robotics between developed and developing countries.
- It is expensive to implement, the achievement of a maximum level of outcomes the investors rationally invest in digitalization.
- All multinational institutions are affected by digitalization. Globalization is increasing the profitability of the organization.
- Globalization's intentions to increase market efficiency, competition, reduce conflicts, attract foreign direct investment.
- It brings Technologic innovation and National sovereignty. It helps in equal distribution and spread opportunities through using new technology.

### RESEARCH QUESTION

What is the relationship between digitalization and organizational performance?

What kind of difficulties did organizations face to implement all these digital apps?

What roles of globalization difficulty organizations face to find the right person?

How has globalization functioned in the organization? How did it operate to enhance performance? Will digitalization bring single digital currency?

### Hypothesis

The hypothesis of this literature on organizational performance is explanations of the positive relation between digitalization and globalization.

H1- There is a significant positive relationship between digitalization and performance of organization.

H2- There is a significant positive relationship between globalization and performance of organization.

H3- There is a significant positive role of digitalization, globalization, and organizational performance.

### Limitation of the Study

There is always a threat of breaching the security system.

Globalization limits the local employees, local organizations, and equal economic growth.

Many other factors can be the effect on organizational performance like as organizational culture and organizational climate, economic factors,

In this research, three aspects are taking for digitalization, globalization, and organizational performance. In the future, more dimensions added to this exploration.

### Globalization

Globalization is the exchange of digital technologies in terms of goods and services from one place to another. Globalization is an economic market that creates systems to affect the social factor. The cultural factors in organization and technology are transformation. Globalization trend inaugurated as the existence of human history started. They started exchanging goods and services that introduce money. Now, money has changed into digital

currency, transportation and communication means have developed (Bilgili. F, 2020).

The term can be defined as the interdependence of the national economy in Firms with economic integration, exchange of goods, services, technology, finances, HR management, and hospital facilities rapidly increasing across the borders. The term defined the interdependence, integration, and utilization of resources for the national interest. These things all around the world make it possible at using artificial intelligence to makes the task faster and efficient (Gershgorn, 2016)

Industry 4.0 has developed transportation and commutation technology processes integrated into the organizational standards. An increase in global interaction technology brings growth in the trade of different ideas. Economic integration is related to the social-cultural factor of advanced globalization. These factors shaped new realities and uncertainty in the global supply chain. The COVID-19 pandemic highly affects the organization and culture. Thus the globalization has a significant effect on organizational performance (Sotvodiev & Mullabay, 2021)

The globalization flow is contingent on the digitalization significantly transforming the world –geopolitics. Geopolitics allows to trade and invest in another country focus economic benefits. The organization has recourse planning, capital management, Customer management, data management, and marketing that turns towards digitalization. It removes barriers from people's life that belongs to a different part of the world. It creates a bridge where ideas, culture can promote (Manyka J., 2016).

### Digitalization

Digitalization refers to the implication of digital technology in an organization within the business context. The impact of digitalization has a positive effect on the firms, bring international business competencies and digital implementation of policies. The administration of digital tech conveys transparency in procedures, result-oriented, and liberalization to develop (Bresciani, 2018).

Digital technology creates efficiency in working, develops easier way to e-commerce for organizations that creates opportunities. It denotes to on-going business to implement digital technologies top management to lower management. Digitalization is a megatrend to

promote the organization. The digitalization advancement facilitates for the organization (Gregory G. D., 2017)

High tech organization develops new technology to enhance business networking to improve communication among Staff. The consequence of digitalization helps to spread business in the world and makes the transaction fast and stress-free. These technologies change the world in few years encourage internationalization at speed. The advancement of digital equipment reduced the cost of transactions and equip with modern transportation with communication channels (Pham T. S, 2017).

Digitalization has to create a chance for small organization to pass in the worldwide market. The worldwide market has developed software to ease in working. It has changed the culture by digital technology in the organization. Various intelligent people become part of an organization by using software to connect people. The user of digital software enhances the efficiency of the firm. The Usage of digital techniques develops organizational productivity. So, digitalization can earn more profit (Pagni&Pardo, 2017).

### Organizational Performance

Organizational performance is management practices to improve the firm and produce profitability. It shows a gap between standard performance and actual performance with the sequence of goals and objectives. The organizational performance consists of three specific ranges: a financial performance that includes profit, return on asset and investment, a market performance that shares and sales, Shareholder's return with economic value (Mohammed, 2016).

Enhance organizational performance depend on strategic planning, operations, financial and legal development. It has different dimensions such as customer care, CSR, employee stewardship, globalization, technology modernization, competition, and digitalization. This management practice brings challenges for employees in the firm to ensure they meet the criteria. The employee performance assured of the diverse task given to the employee, evaluate the actual performance with defined standard (Vyas L June 2013).

The organization aims to check on operations, control, coordinating, and managing the activities in the organization. The

communication between the organization staff and stakeholder are collaborated for decision making by using digital technology (Suleiman w, 2018). The internal and external organization digitalization transaction shortens the long process of systematic way. It connects a highly digitalize supply chain to interconnect with clients and other sponsors (Quartey S 2012).

In organizations, digital tools are using for decision-making, knowledge of new trends, and the design market. Artificial intelligence tools are used for imaginary industries to promote 3D representation of work (Sabir R, 2014).

### Hypothesis Development

#### *H1- There is a significant positive relationship between digitalization and performance of organization*

The growing importance of digitalization enables digital transformation in the organization. Digital transformation has positively linked with organizational performance. The emerging technology brings new technology and subsequently boosts organizational performance (Khin, & Ho, 2018). There is a significant effect of digitalization on an organization that brings innovation in procedures, improves the organizational structure and agility in organizations (Kuusisto M. 2017)

#### *H2- There is a Positive Significant Relationship between Globalization and Performance of Organization*

The globalization sensation is brought many factors to the organization. These factors contribute towards organizational effectiveness and performance. Globalization has a significant positive effect on organizational performance (Deepika F, 2009). Globalization brings opportunities to the organization with economic benefits. With increasing globalization is improving far-reaching changes in organizations with a positive effect on performance. (Aimiuwu L, 2004)

#### *H3-There is a Positive Role of Digitalization, Globalization, and Organizational Performance*

The digitalization united with globalization creates opportunities for new business activities in organizations to enhance opportunity. Embracing digital technologies supports organizations, and globalization enhances communication. Digitalization and globalization have a significant positive effect (Lee Y, 2019).

Digital technologies and globalization enable them to enter the international market rapidly create challenges that they can learn organizational standards to enhance performance. Both digitalization and globalization has a substantial optimistic effect on performance (Kuusisto M, 2017)

### CONCLUSION

Our study shows the combination factor of digitalization and globalization that leads to organizational performance. The standard performance can be achieved in organizations through social networking, in the shape of globalization. The Updated and modest way of digitalization brings new digital tools. Moreover, the world awakens up challenges and restructures their countries; socially, economically, and politically facilitate globalization. Economic liberalization, technology with an advanced system, democratic governance develops policies.

To sum up, this study shows a significant positive association stuck between digitalization and performance of organization. The role of organizations prefers to use social networking to connect people. Globalization enables the world to make the connection to develop the firm profitability. Globalization has a significant positive impact on the organization, and it operates to enhance performance. During pandemic circumstances, people are shifting to online working systems. They are working from home even health facility is gave at home.

The digitalization of the workspace is associated to the increasing share of the internet. The global dissemination of information at every organization is also related to economic globalization that has significant positive effects on the organization. In the future, a single digital currency may recognize as a tool of exchange. Digital currency will replace cash currency globally. This single currency can eliminate the exchange rate fluctuation, free flow of trade, price stability with transparency, and facilitate market expansion.

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