AN EMPIRICAL STUDY ON INTERNATIONALISATION OF BUSINESS & ITS IMPACT ON THE KNOWLEDGE NETWORK AND INNOVATIVE PERFORMANCE

Abstract

The World is going through the rapid changes and interdependency among the countries is increasing, thus nations and businesses are seeking for a partnership to explore new markets for accessing the facilities like human, technology, financial and informational resources, to gain reputation and increase profit. The firms globalize their technological capabilities as well as activities such as marketing and production and in the same time the biggest attention is paid to increasing offshore R&D activities in other countries. Consequently the internationalization of business became an important dimension, that is driven by internal as well as an externat forces.

To gain sustainable advantages through internationalization companies choose among the several modes of investment, such as FDI, FPI, M&A, Brownfield and Greenfield investments, joint ventures. It is vital for a firm to make a balanced investment decision as this can create a strong impact on the future performance of the organization. This study highlights the influence of investment decisions on innovative performance.

Companies are going global and do their best to choose the most appropriate mode of entry. In the best case scenario the investment decision has to increase the value of the final product, service and organization itself on account of leveraging the utility of external knowledge as well as boosting firm's innovative performance. Nevertheless this can be guaranteed only in case the organization is able to rationally and strategically use the opportunities of the investments. While investing in a new market organizational ambidexterity and absorptive

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capacities (potential and realized) can help to be prepared to face all the consequences, adjust and come up with on time decisions to withhold the position and bring advantageous changes.

The study has made an attempt to study the investments as the mode of internationalization on the company, to highlight importance and connection between the knowledge network and innovative performance and to analyze how investments as the mode of entry can affect the knowledge network and innovative performance, also to find out the gap between the firm's expectations and reality of the investment's effect on innovative performance and to analyze how investments should be done to achieve more sufficient effect on knowledge network & innovative performance.

Keywords: Internationalization, knowledge network, Greenfield investment, Brownfield investment, innovative performance.

I. INTRODUCTION

1. **Internationalisation of Business:** The World Economy is dynamic by its nature and demands a broader strategically approach from the businesses. Economic internationalisation becomes indispensable when the company's viability and global competition is questioned. Nevertheless it's still important to keep in mind that it gets harder for competitors, suppliers and clients to access those markets from the outside because of the international pressure.

   These days internationalization is a critical component of an effective functioning of the business and its prospects. All together for an organization to be competitive domestically, it is vital to be such globally. Despite, if the business is not strong enough domestically it will hardly succeed internationally.

   Globalisation of business appears to be closely to the issue of competitiveness before the external firms. Current worldwide economic climate is becoming even more powerful and global. This is the reason why the internationalisation process also demands a thorough analysis of the local and other national companies' position in respect to the worldwide rivalry.

   However, understanding of the world's economy tendencies sometimes quiet challenging for small and medium size companies, when they acquire a competitive advantage of new commercial opportunities, and usually a will of growing appears to be the main trigger for internationalisation. In this case the size of the company is not an obstacle on the way to expansion beyond the boundaries.

II. MODES OF ENTRY

1. **International Joint Venture:** International Joint Ventures (IJV) is an alternative that may be considered by the company as the way of entering overseas market. IJV is a partnership at corporate level in which partners are from more than one country, the venture is formed for a specific purpose where ownership and control shared between the investors. Partner's respective obligations, rights and roles, as well as ownership of intellectual property are represented within the IJV agreement. The latest examples of IJV are a venture between Uber and Volvo Trucks with the purpose to produce driverless cars with the 50-50% of ownership. Glaxo and Smith and Google's parent company sign an agreement with an ownership 45-55% to produce bioelectric medicine. IJV between JST "Military Industrial Consortium" "NPO Mashinostroyenia" and Defence Research and Development Organisation with an ownership 50.5-49.5% to design, develop and production of the BrahMos supersonic cruise missiles.

2. **Foreign Direct Investment:** A Foreign Direct Investment (FDI) refers to the flow of capital between the countries; it is the mode of entry under which an investment is done in establishment of operations outside the economy of investor or in an enterprise operating in the foreign country and acquisition of control over the assets invested along with a lasting interest. FDI is distinguished from Foreign Portfolio investment as the last one characterised with equities purchases of foreign-based companies. The economies that are opened and can offer skilled labour and sound growth prospects for the investor

more commonly attracts FDI, compare to tightly regulated economies. FDI id more than just a capital investment, it also includes provisions of management or technology, as well as it establishes substantial control and influence over the decision-making of a foreign business. At the end of 2019 the Bureau of Economic Analysis (BEA), published data regarding manufacturing sector FDI inflow that is over 40% and FDI into U.S. economy that was about 4.46 trillion $. Special Consideration is that according to the Organisation of Economic Co-operation and Development (OECD) guidance the ownership share in a foreign-based venture cannot me less than 10% for FDI that establishes a controlling interest, with the exception of special considerations. To enhance the R&D in Chine (its 3rd largest market after Americas and Europe) Apple initiated investment worth $ 507 million in 2017, despite the decline in revenue. The investment in renewable energy programs in India around $ 6 billion in is planned by International Finance Corporation by 2022.

3. **Foreign Portfolio Investment:** Financial assets held by investor in a foreign county are called as Foreign Portfolio Investment (FPI), the investor is not provided with a direct ownership of such assets as well as its relatively liquid due to the market volatility. This is the most preferred type of investment in case of interest in opportunities outside the home country. It involves a hand-off or passive investment of securities that can be hold or made by investor expecting to earn a return. Such securities include: GDR (Global Depositary Receipts), ADR (American Depositary Receipts), stocks of companies headquartered abroad, as well as exchange traded funds (ETFs), mutual funds, bonds or other debt issued by these companies or foreign governments. In 2018 more than 600 new FPI were registered in India through the Securities and Exchange Board of India (SEBI). This was created due to an easier regulatory climate and a strong performance by Indian equities over the last few years were among the factors sparking foreign investors' interest.

4. **Mergers & Acquisitions:** Mergers and Acquisitions (M&A) is a very complex financial topic, these alliances are used to diversify or grow the business, the process of M&A includes variety of issues related to synergy, taxes, and legal aspects. A Merger takes a place when company decides to join efforts with another company to get more effective output, whereas Acquisition refers to the buyout of company by another, and the last one establishes itself as the new owner. Another form of Acquisition is “reverse merger” that allows company to buy publicly-listed company in case the first one has strong position and financially strong avoiding legitimate business operations and limited assets . M&A deals can be friendly as well as hostile, depending on the target company’s board approval. The deal can be done via cash, stock or its combination. In 2020 despite the numerous changes in the ecosystem, Unilever N.V. made a decision to merge into Unilever PLC to become one holding company based in UK. This merger was one of the biggest mergers of the decade as its transaction cost was $ 81 billion; else the company contributed over $ 100 million in the form of donation during the COVID-19 crisis. The other example is the acquisition of Postmates by Uber in 2020 worth $ 2.65 billion. As well as Plaid’s was acquired by Visa for $ 5.3 billion in January 2020, this deal will benefit Visa with new market opportunities in the fintech space internationally.

5. **Brownfield Investment:** A Brownfield Investment happens when an investor's transferred resources dominate those provided by an acquired firm. This hybrid mode of entry requires the investor to extensively restructure the acquired company to assure fit between two organisations. Despite this, Brownfield is a worth-while strategy to consider when pure acquisition or Greenfield Investment is not feasible. Considering Vodafone penetrated into Indian telecommunication industry in 2007 through the acquisition worth $ 10.9 billion that added nearly 6 million subscribers monthly. The other example acquisition of Jaguar Land Rover's by Tata in 2009 valued at $2.3 billion. Through the acquisition, the Indian automaker was able to obtain intellectual property rights, manufacturing plants, two design centres in the United Kingdom, and a world-renowned network of National Sales Companies.

6. **Greenfield Investment:** Generally Governments welcome Foreign Direct Investments that start up a new enterprise that called as Greenfield enterprise. A Greenfield project embraced by the host country implies prosperous market entry. Greenfield investment refers to the creation of a branch by a parent company in a foreign country, launching the venture from the ground up that includes constructs of new facilities (distribution hubs, offices, etc.). If the company wants to achieve the highest control over the foreign activities - a Greenfield Investment is the best way to do so. Considering the announcement of Toyota regarding its first Greenfield project in Mexico to establish a completely new manufacturing plant on Guanajuato, as well build and develop urban providing houses for employees called Toyota City. Mexico is attractive for such an investment due to the low labour and production cost and nearness to the U.S. market.

III. KNOWLEDGE NETWORK

Collections of individuals and teams who come together across organizational, spatial and disciplinary boundaries and whose purpose is to invent and share a Body of Knowledge called as Knowledge Network (KM). They usually focused on developing, distributing and applying knowledge. However, lost steam due to poor participation, goal ambiguity, mixed allegiances or technology mismatches can become a challenge for the effective of Knowledge network.

These days most of the businesses seeking for effective collaboration communication tools as its highly important to choose a tools that enhance the results and in which both knowledge and community will constantly grow and evolve. Empowered by tools and platforms that encourage creation and distribution of knowledge employees able to collaborate and communicate productively. Times are drastically changing along with the business landscape and these require a **fresh ways to invent new knowledge and reuse a body of knowledge.** Technologies and seamless access to valuable data and content make networking and exchanging ideas possible, that are achievable anywhere and anytime within open virtual environment.

IV. CURRENT TRENDS

Modern days the need for more effective knowledge network is growing and technologies is a sufficient part of it. The modern world is digitalised, and this connection between individual is very intensive that generates tsunami of data on daily basis. Not all the business capable to capitalise on the full potential of such an era. Approximately 55% of company's data is unused that concluded by a global study among business and Information Technology sector executives. New ways of working were generated by technologies and made the Knowledge Management need more urgent. The flow of knowledge present days is mainly through the digital platforms and its dynamic define professional intercommunication. Considering Google Meet, Zoom, Microsoft Teams are the most popular communication tools used by the business last one year, it report 12-13 million active users daily.

Workers' mobility increased highly as well due to new ways of working, employees shifting though different projects, teams, countries, business units transferring critical knowledge with them. It is concluded in the Global Human Capital Trends survey that about 52% companies motivated to develop their knowledge networks and knowledge management approach because of the intense movement of the workforce, at the same time the frequent mobility can be a barrier for effective knowledge – stated by 35% of respondents.

Not all the companies able to keep pace towards the enhancement of knowledge management and knowledge network, even though the technologies are fast-developing and benefit the organisations. Such a companies fail to provide access to knowledge-sharing platforms and in general knowledge management is not integrated effectively. This could become a significant barrier to knowledge creation in the future, as we leave in the digital world. During the pandemic crisis lots of companies struggles with the basis of knowledge managements and trying to increase focus on this as well. Coming back to the Delloit Global Human Capital Trends survey, it was concluded that 55% responders defined the connection between knowledge and its ability to bring value and less than 43% agree that knowledge triggers innovations (Figure 1).

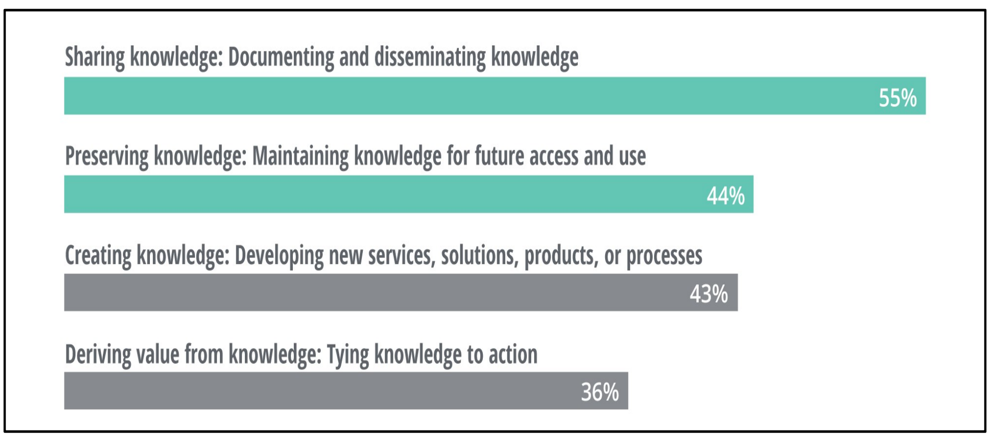

Figure 1: The way Organisation defines Knowledge Network. Source: Deloitte Global Human Trends Survey, 2020

V. INNOVATIVE PERFORMANCE

This day's the World's largest companies spend lots of money on R&D – this tendency demonstrates the significance of such an investment. Stanford University study shows that R&D along with about 5% falling productivity since 1930s, becoming more expensive. It means that to achieve the same outputs organisations need to spend considerably. Despite this, getting out of the concept has even more negative effects. According to the London School of Economics research income efficiency of the companies who introduce new product frequently increases by 17 %. The profound effect on the profitability and share price arises altogether in case of investment in innovation capacity – this was discovered by University of Houston. The other study done by Cambridge University addresses that uneven innovations' allocation is caused by policy-makers and low growth of productivity.

The Innovation Matrix

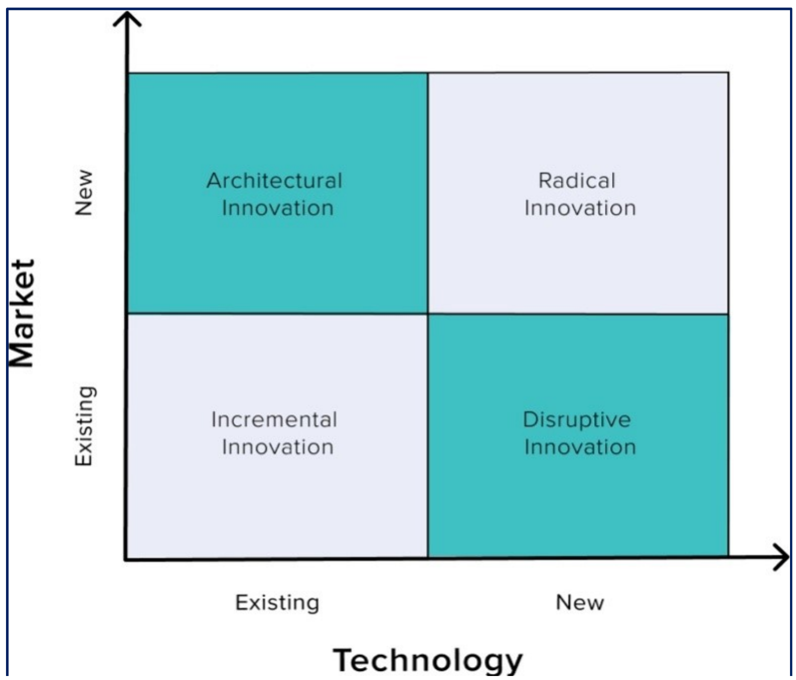

Figure 2: Innovation Matrix. Source: 14 Different Types Of Innovation: Why One Size Doesn't Fit All, Callan Hough, 2020

VI. RESEARCH OVERVIEW

KyuhoJin, Chulhyung Park and **JeonghwanLeein(2020)** in their study address that managerial control of foreign parent firms probably can harm innovation under the IJV and in the same time this effect can be relieved with the help of equity ownership balance. Authors explore the optimal control structure of International Joint Ventures for an ability to develop innovation as well as examine how particular IJV's attributes can transform the optimal control structure. They did link between control structure to local embeddedness, the liability of outsider ship, and open innovation while considering foreign managerial control and equity ownership balance. Empirical support was based on the panel data of 48 IJV in Korea between 2000-2016. Authors concluded that managerial control by foreign firms does make negative impact on innovation and this effect is minimised in case there is a balance in ownership between local and parent firm. Findings also suggest that business groups and inter-affiliate relations therein can functionally substitute for locally embedded relations. The findings give a meaning for a policymaker to contemplate a regulation and offer insights how increase innovation output by creating a proper IJVs' design and its control structure.

Frank Coleman III, **Tarun Khurana** along with the partners **Justin Sanders** and **Jannick Thomsen**, **AsutoshPadhi (2021)** addressed the continuation of COVID-19 doesn't seem like a promising time for M&A, but those who are active now will face more favourable growth post pandemic. From the point of authors' view this is the right moment to lean forward, shape the future of the industry, and set the stage for the next S-curve of innovation, growth, and leadership. There are global leaders who pursues for M&A, but this type of activity is still limited, but it will increase dramatically as soon as the economy will recover. The post pandemic crisis outcomes will be more disruptive compare to the result of crisis 2008 and CEO should be ready for this. McKinsey research suggests that the business that forecast their steps rationally will improve their performance in the long run and strengthen compatibility. They can achieve this by evaluating their capacity, emphasise value creation and strengthen M&A activities. The authors has also concluded that in today's ecosystem challenges and priorities vary a lot, however, M&A should still be one of the top priorities. The power of M&A can generate growth and value creation and the companies paying attention for this will be able to execute their through-cycle M&A strategies quickly and effectively **Shih-Chieh, Wang, Ming-Chao, Chen, Pei-Chen (2017)** addresses the issue with regard to the knowledge network its structure, content and its ability to increase innovative performance of the firm. Also, authors concerned about how the company connect with stakeholders, how knowledge should be acquired and why it is essential for a business to collaborate. To conduct the research there were used data of 144 high-technology firms in Taiwan's science parks. Researchers assessed the contribution to the innovative performance of the three main determinants that are: network structure, knowledge heterogeneity, knowledge cognition. The findings suggest that flow of knowledge must be taken into the consideration from the point of network structure and content. Network explains the intentions of the company to cooperate with others but still do not depict the abilities of the company or the quality level of knowledge to be shares. Thus, no guarantee can be provided to ensure the leading position. In general, this research gives a critical insight to the relevant literature where the knowledge network is described as the main factor that can affect the success.

Sean Brown, **Matt Banholzer**, and **Erik Roth (2019)** analyse the matter for innovation initiatives to succeed, they must be staffed with the right combination of talent. The most common challenge that could be faced by leaders is the mix of participants of the team, their combination should be as much productive that it would bring the company into a market and help develop winning products. The speakers believe that there is a need in some sort of through thread across the life cycle of a project. It is important to hold the vision and own what this thing could become. The second point is they're playing a screening role or a talent-development role in parallel to the team, to make sure they're getting the right people plugged in as time goes on. With regards to the gaps in training and development it is suggested that if there is a high-potential performer and they're just not a real visionary or a salesperson in the sense of representing an idea well. This individual can be surrounding with people who they can learn from, they can be apprenticed, it is beneficial to remix teams for better productivity and knowledge transfer.

VII. RESEARCH GAP

The ecosystem has been changed a lot since the outbreak 2019; the ways business activities were functioning are not effective enough in today's world. To succeed companies should increase their innovate performance as well as knowledge base. The one of the most popular and effective ways is to pursue for the foreign investment as the mode of internationalisation. The relation between knowledge network and innovative performance has a good research base to review. This research will give a little bit of clarity with the regard of three determinant and their interrelations in today's business world, this includes: internationalisation of business as the mode of entry, knowledge network, innovative performance.

VIII. OBJECTIVES OF THE STUDY

- To study the investments as the mode of internationalisation of the company.
- To find out the gap between the firm's expectations and reality of the investments' effect on the knowledge network and innovative performance.
- To highlight the presence of reciprocate relationship between the knowledge network and innovative performance.
- To analyse how investments as the mode of entry can impact the knowledge network and innovative performance.
- To analyse how process of investments can enhance the capacity of knowledge network & innovative performance.

IX. LIMITATIONS OF THE STUDY

- The data which has been collected from the organisations is assumed to be accurate. The responders need to have an experience in the company in which they work not less than 3 years and overall experience not less than 10 years. Still level of expertise is found varying among the responders, which can cause deviations of the overall feedback.
- The decision of the corporations to maintain confidentiality of some facts and figures was also a constraint. Thus, the questionnaire was created completely anonymous with no requests of confidential information to motivate professional to share the opinion.
- The time the research conduction was limited, and it was the main constrain. As well as the absence of extra resources to attract more companies and involve them into the data collection process.

X. ANALYSIS AND DISCUSSION

Table 1: Showing the state confirming the highest level of reciprocation between Knowledge Network and Innovative Performance.

Confirmation State	Percentage
Increased product development capability	9.40%
Adopted agile mindset and implemented effective	43.80%

change management strategies	
Fostered culture of innovation and opened collaboration	18.80%
Operational changes that complement and integrate with existing behaviours, solutions and methods	28.10%

Source: Primary Data

Analysis: From the Companies' point of view next conditions confirms the highest level of reciprocation between Knowledge Network and Innovative Performance: increased product development capability (9.40%), adopted agile mindset and implemented effective change management strategies (43.80%), fostered culture of innovation and opened collaboration (18.80%), operational changes that complement and integrate with existing behaviours, solutions and methods (28.10%).

Inference: The prevailing number of Companies stated that adopted agile mindset and implemented effective change management strategies confirms the highest level of reciprocation between Knowledge Network and Innovative Performance. Leaders are trying to create the favourable conditions for a smooth internal and external knowledge exchange between users, it erases barriers of a mindset, opens new opportunities for all of the users, and thus, they would be able to bring outstanding input into processes. Least number assumed that it refers to increased product development capability. It is evident as efficient talent pool brings innovative ideas and contributes into the value of operational output.

Table 2: Showing the presence of reciprocates relationship between Knowledge Network and Innovative Performance.

	Percentage
Yes	74.30%
Maybe	17.10%
No	8.60%

Source: Primary Data

Analysis: The data represents the level of agreement with the existence of reciprocate relationship between Knowledge Network and Innovative Performance: yes (74.30%), maybe (17.10%), no (8.6%).

Inference: Most of the companies agrees that there is a reciprocate relationship between Knowledge Network and Innovative Performance. **Matt Banholzer**, **Fabian Metzeler**, and **Erik Roth** in their study **(2019)** discuss on the point that innovation is a team work that depends on the combination of talents, when it comes to innovation, it is not so often possible to see an employee who has the full range of skills needed to lead an initiative. Basically the team should act like a start-up that will continuously adapt development and commercialization which will include evaluated assumptions and learning, the combination of these factors will enhance the business to scale. Least number of companies disagree that there is a reciprocate relationship between Knowledge Network and Innovative Performance.

Table 3: Showing the association between Knowledge Networks by the company.

Knowledge Network	Percentage
Production network (knowledge and competence are defined and explicit)	22.90%
Development network (knowledge and competence are experiential, hidden, tacit)	40%
Innovation network (knowledge and competence are intuitive, potential)	37.10%

Source: Primary Data

Analysis: From the point Companies' view the Knowledge Network is: production network (22.90%), development network (40%), and innovation network (37.10%).

Inference: Companies mostly relate knowledge network with development and innovative networks. The first on allows companies to share knowledge between the users and benefit them individually. Companies who appreciate employees and value knowledge pay high attention to develop processes in the way it will benefit company and its stakeholders equally.

The study of **Andrea Alexander**, **Aaron De Smet**, **Sarah Kleinman**, and **Marino Mugayar-Baldocchi(2020)** suggests that it's a good motivation for leaders to think about what kind of organization, culture, and operating model they want to put in place, thus they can avoid returning to previous patterns and stimulate to embrace the next normal. The last one relates to the constant creation of innovations and new knowledges, these companies a very collaborative. **Qifeng Wei, Qiuming Zhang, Ruzhen Yan, Xu Wu** in their study **(2020)** concludes thatcollaboration is the advance stage of the operating mechanism evolution of the knowledge network.

Table 4: Showing an absolute impact of Foreign Investment on the Innovative Performance from the company's perspective.

Absolute Impact	Percentage
A compelling case for innovation	5.72%
An inspiring, shared vision of the future	22.90%
A fully aligned strategic innovation agenda	14.30%
Visible senior management involvement	2.86%
A creatively resourced, multi-functional dedicated team	8.60%
Open-minded exploration of the marketplace drivers of innovation	31.40%
Willingness to take risk and see value in absurdity	8.58%
A well-defined yet flexible execution process	5.64%

Source: Primary Data

Analysis: Companies suppose that an absolute impact of Foreign Investment on the Innovative Performance is: a compelling case for innovation (5.72%), an inspiring, shared vision of the future (22.90%), a fully aligned strategic innovation agenda (14.30%), visible senior management involvement (2.86%), a creatively resourced, multi-functional dedicated team (8.6%), open-minded exploration of the marketplace drivers of innovation (31.40%), willingness to take risk and see value in absurdity (8.58%), a well-defined yet flexible execution process (5.64%).

Inference: The most ideal impact on Innovative Performance is open-minded exploration of the marketplace drivers of innovation and an inspiring, shared vision of the future. The less concerned impact is visible senior management involvement. According to **Robert E. Moritz** study **(2021)** the ecosystem of innovation has changed a lot with regard to the past platform solutions, new collaborative models, yet it need to be more transformational to introduce leading-edge skill development it creates ability to predict breaking points requests more adopting capability to succeed. **Sean Brown**, **Matt Banholzer**, and **Erik Roth (2019)** conclude that there is a need in some sort of through thread across the life cycle of a project as is important to hold the vision for a better productivity and knowledge transfer.

Table 5: Showing the obstacles of internationalisation for the innovative performance that the company actually experienced.

Obstacles Experienced	**Percentage**
Losing market share to competitors	25.70%
Falling productivity and efficiency	25.70%
Losing key staff	11.40%
Reduced margins and profit	25.70%
Going Out of Business	0%
Other	11.50%

Source: Primary Data

Analysis: The drawbacks affected innovative performance as the result of internationalisation are: losing market share to competitors (25.70%), falling productivity and efficiency (25.70%), losing key staff (11.40%), reduced margins and profit (25.70%), others (11.50%).

Inference: From the data it’s evident that none of the companies were out of the business as the result of internationalisation. Despite, the most number of companies faced drawbacks like: losing market share to competitors, falling productivity and efficiency, reduced margins and profit. **Sophie Clarke**, **Robert Uhlaner**, and **Liz Wol (2020**) in their study addresses it takes a well-trough-out strategy that will support comprehensive transaction sourcing and opportunistic deal estimation. Thus, for example, bad quality marketing research before entering can create unfavourable environment for the business.

Table 6: Showing the opportunities of internationalisation for the knowledge network that the company actually experienced.

Opportunities Experienced	**Percentage**
Improved organisational agility	11.48%
Quicker problem-solving and faster decision making	19.67%
Increased rate of innovation	19.67%
Supported employee growth and development	14.75%

Sharing of specialist expertise and better communication	22.95%
Improved business processes	11.48%

Source: Primary Data

Analysis: Companies experienced various opportunities that made a positive impact on its knowledge network as the result if internationalisation: improved organisational agility (11.48%), quicker problem-solving and faster decision making (19.67%), increased rate of innovation (19.67%), supported employee growth and development (14.75%), sharing of specialist expertise and better communication (22.95%), improved business processes (11.48%).

Inference: Most common opportunity faced by the companies related to sharing of specialist expertise and better communication, a little lesser number of companies experienced benefits of quicker problem-solving and faster decision making and increased rate of innovation. Improved organisational agility and improved business processes were experienced by the least number of companies. According to the **Andrea Alexander**, **Aaron De Smet**, **Sarah Kleinman**, and **Marino Mugayar-Baldocchi** study **(2020)** strategic collaborations can help leaders to bring all of the factors like agility, decision making, employee growth and motivation inro work. Hence an effective network can infuse the team with a common vision, that will increase the speed of responsiveness and ability to overcome challenges and likewise it can point the way to becoming a more dynamic, agile organization down the road.

Table 7: Showing the gap between the major expectations and the reality towards the innovative performance due to Mergers & Acquisitions.

	Making things faster, potentially slower	Increased productivity and efficiency	Dramatically reducing a risk	Achieve performance targets	Acquire a competitive advantage	Developing superior know-how, intellectual property
M&A (Expectations)	11.11%	22.22%	11.11%	0.00%	44.44%	11.11%
M&A (Drawbacks)	40.00%	10.00%	30.00%	10.00%	10.00%	0.00%

Source: Primary Data

Analysis: Expectations from M&A: making things faster or potentially slower if that has value and transforming quality (11.11%), increased productivity and efficiency (12.12%), dramatically reducing a risk (11.11%), acquire a competitive advantage (44.44%), developing superior know-how and valuable intellectual property (11.11%). Drawbacks: making things faster or potentially slower if that has value and transforming quality (40%), increased productivity and efficiency (10%), dramatically reducing a risk (30%), achieve performance targets (10%), acquire a competitive advantage (10%).

Inference: The highest expectations were towards acquisition of competitive advantage and the lowest towards achieving performance targets. The expectation mostly failed in making things faster or potentially slower if that has value and transforming quality and less in developing superior know-how. The main drawbacks of M&A are making things faster, or potentially slower, reducing the risk. This can be caused by increased stress among the employees, as well as mismatch in their competencies that can stop innovation development within the companies.

XI. MAJOR FINDINGS, SUGGESTIONS AND CONCLUDING REMARKS

For the Businesses to prosper, to increase value of output and acquire competitive advantages it is highly important to develop knowledge network and invest in innovation processes. All of the three concepts are strongly connected: Internationalisation, Knowledge Network and Innovative Performance. Going global, a company is able to expose its expertise and gain new valuable knowledge through the strengthening of knowledge network, thus, creating an impact on the innovation progress.

XII. FINDINGS

- Foreign Investments allows bringing more new technologies, increasing inflow of capital, stimulating exports, creating new employment opportunities and overall making the countries’ economy stronger.
- Companies of a different age endeavour to invest internationally.
- The level of companies’ expertise and its business life cycle is not a barrier to explore international markets.
- Companies mostly prefer to choose International Joint Venture and Mergers & Acquisitions as a mode of Foreign Investment, considering financial, learning and growth performance as a major.
- In the coming years companies are planning to be mostly involved in FDI activities as it brings funds, technology and know-how and its lead to the productivity growth of the recipient country.
- While going for Foreign Investments deal, companies mostly consider financial and learning and growth performance.
- In the last 5 years companies have done business in Asia region mostly and they find this region is more important than others in terms of being a stimulus for the company’s innovation and knowledge network.
- The most number of the companies experience substantial as well as moderate growth of the organization in the last 5 years as the result of the chosen mode of entry.
- There is an average gap between the companies’ expectations and reality towards the knowledge network and innovative performance as the result of internationalisation, the main drawbacks related to the cost and optimisation as well as developing superior know-how and valuable intellectual property.
- Companies mostly consider knowledge network as development and innovation networks.
- Companies mostly consider innovative performance as novel principles and paradigms that have the power to illuminate new approaches.
- There is a reciprocate relationship between knowledge network and innovative performance.

- Adopted agile mindset and implemented effective change management strategies confirm the highest level of reciprocate association between knowledge network and innovative performance.
- There is a positive as well as negative impact of internationalisation on the knowledge network and innovative performance for the company.
- The process of investments can enhance the knowledge network & innovative performance output with the synergy effect, effective sharing of the best practises and building of consistent processes and creation of a compelling case for innovation.

XIII. SUGGESTIONS

- There is a need to increase the subject matter knowledge regarding the internationalisation of the business to explore benefits for different modes of entry.
- Before choosing the mode of entry it is important to consider the fundamentals to enhance the value. As there are a tough competition forms within post-pandemic ecosystem and it is going to increase.
- It is important to deepen the ecosystem to enhance the results of localisation, to engage with governments regarding the policies, structures to increase stability. The foreign investments should be done only in case if the business is competitive enough and capable to prosper in a geopolitically charged world.
- There is a need to evaluate the true cost of a Foreign Investment deal and be ready for the uncertainty. The strategies that follows excellence and synergies will help to enhance the value of the business, these processes requires discipline and care to avoid common missteps.
- In today's ecosystem challenges and priorities vary a lot, however, internationalisation should still be one of the top priorities. The power of such investments can generate growth and value creation and the companies who paying attention for this during these tough times will be able to gain more in the future and execute their through-cycle investment strategies quickly and effectively.
- Pandemic time is good for economies to brace themselves as the technology wave brought overall shifts. Those companies who is paying attention to their technological and connectivity development will take more favourable positions, achieve better capitalisation.
- The crisis caused by the pandemic has created trends in the workforce that includes accelerated automation and digitisation along with the demand in the remote work and gig workers; overall, it brings better productivity and decreased cost. This should be one of the main concerns and trigger to approach more digital and technology-based assets.
- To predict breaking points requests more adopting capability from companies. Thus it is important to explore new approaches, spirit of innovation and expansion of human opportunities, elevating ecosystem, embrace interdependencies, measure outcomes.
- Find new platform solutions, new collaborative models, yet it need to be more transformational to introduce leading-edge skill development.

XIV. CONCLUSION

Internationalisation of business becomes indispensable when the company's viability and global competition is questioned and is a critical component of an effective functioning of the business and its prospects. The internationalisation process also demands a thorough analysis of the local and other national companies' position in respect to the worldwide rivalry. These days most of the businesses seeking for effective collaboration to become empowered by tools and platform, thus encourage create and distribute of knowledge among the stakeholders. As well as finding **fresh ways to invent new knowledge and reuse a body of knowledge.** Technologies and seamless access to valuable data and content make networking and exchanging ideas possible, that are achievable anywhere and anytime within open virtual environment. This creates a positive impact on the overall innovative performance of the organisation.

In comparison to a year ago, the corporate world has changed dramatically, processes are not the same anymore and companies are forced to adjust and show their creativity as the rivalry is very intensive and no one desires to go out of a business. Many companies were not able to face the challenge mostly because were not able to showcase their adjustment capability and creative thinking, else were afraid to take extra risk. But prevailing numbers of companies have seen the new opportunities behind these challenges and were triggered to collaborate, as they believe that common efforts can bring better value and benefit in difficult times. Companies still going global get into foreign investment deals but the difference are they became more precise in their decisions and pay more attention to the evaluation of the deal. The time dictates the need for more digitalisation and automation that is a good motivation for the businesses to explore new partnerships and achieve outstanding results. This collaboration brings new talents and benefits all the stakeholders along with the innovation growth.

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