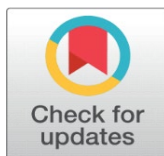


FROM LOCAL GIANTS TO GLOBAL PLAYERS: THE INTERNATIONALIZATION OF INDIAN FIRMS

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DOI

[10.29121/shodhkosh.v2.i2.2021.5784](https://doi.org/10.29121/shodhkosh.v2.i2.2021.5784)

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

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ABSTRACT

This paper examines the trajectory of Indian companies' globalization between 1990 and 2020, three decades of liberalization, strategic reforms, and increased global integration. The research maps the drivers that made it easier for Indian companies—particularly in the IT, pharma, and manufacturing industries—to expand internationally. The research stipulates enablers such as policy reforms, technological capabilities, strategic acquisitions, global leadership, and digital platforms. The research also identifies obstacles that hindered the trajectory of globalization, including regulatory obstacles, cultural alignment, poor branding, failed post-merger integration, and institutional weaknesses in the domestic setting.

Based on various theoretical frameworks—OLI Paradigm, LLL Model, Born Global Theory, and Institutional Theory—the paper presents a detailed view of how Indian companies managed to play in the advanced global game. Based on sectoral research and firm-level case studies, the study finds that though India has given rise to global champions, capability building, branding investment, and policy support are required for sustained internationalization. The findings contribute to global business research on emerging-market multinationals and offer policymakers with practical implications for inducing Indian firms to achieve long-term global competitiveness.

Keywords: Globalization, Indian companies, international strategy, emerging markets, economic liberalization



1. INTRODUCTION

The path of Indian business going global has been one of the most important economic trends since the beginning of the 1990s. The beginning of the economic liberalization in 1991 witnessed India adopting a market-friendly approach that ended decades of protectionism, a clear turning point towards a globalization path. This is a landmark shift in India's industrial and trade policy, bringing new avenues of opportunity for domestic companies to expand to global markets. Liberalization of the Indian economy, based on deregulation, disinvestment, and opening up to foreign direct investment (FDI), not only opened the gates of entry of foreign business into India but also inspired Indian business to go global.

Indian multinational firms' growth post-1990s is a reverse of the decades past when Indian firms were inward-looking due to stringent licensing policies, unavailability of foreign capital, and constrained global competitiveness. From software service giants such as Infosys and TCS to manufacturing groups such as the Tata Group and pharma giants such as Sun Pharma, Indian firms have come to leverage global opportunities to a larger degree. Overseas growth for them was not a mere economics but also a strategic imperative to counter growing competition, scarcity of resources, and a need to create global brand value.

The decades between 1990 and 2020 are particularly critical to achieving this phenomenon. The early 1990s witnessed structural adjustment programs and joining the World Trade Organization (WTO), setting the platform for international trade practices. The subsequent decades witnessed globalization, digitization, and the emergence of global value chains. Indian firms, and more so knowledge-intensive firms, made use of this environment to integrate themselves into global supply chains. This was, however, not without challenges. Lack of global branding, institutional hindrances in international markets, cultural diversity, and regulatory compliance have still confronted Indian firms in their internationalization journey.

Besides, the globalization strategies pursued by Indian firms have varied significantly across industries. For the IT sector, firms such as Infosys, Wipro, and TCS pursued an outsourcing-led offshore delivery strategy leveraging India's cost competitiveness and high-quality human resources. Manufacturing and pharma firms utilized M&As to gain entry into international markets, technology, and regulatory licenses. For example, the acquisition of iconic global brands such as Jaguar-Land Rover and Corus Steel by the Tata Group represented the ambition and capacity of Indian firms to confront global players. Likewise, Sun Pharma's acquisition of Ranbaxy helped it to become one of the world's largest generic pharma manufacturers.

This period also witnessed the emergence of "Born Globals"—firms that went international at an early point in their life cycle, driven by the digital economy and by the decline of traditional entry barriers. Start-ups and small and medium-sized enterprises, especially technology-driven industries, began to enter foreign markets through digital means, cloud-based solutions, and global incubator programs. These firms skirted traditional, incremental internationalization patterns and jumped over foreign markets with innovative, adaptive, and scalable models.

Though there are numerous success stories, the majority of Indian firms failed or stumbled in foreign ventures. The complexity of doing business in diverse systems of regulation, foreign consumer cultures, and unstable foreign exchange markets was intractable. Instances of Ranbaxy's FDA infractions and Kingfisher Airlines' failed foreign ventures illustrate the weakness of Indian business in sustaining foreign success. Furthermore, the lack of institutional support in the guise of export finance, foreign legal counsel, and R&D facilities effectively terminated sustained success.

The academic and policy interest in Indian companies going abroad has persisted over time, with scholars analysing the intersection of government policy, business strategy, and global market forces. Most of the literature, however, focuses on successful MNCs or macroeconomic patterns. There is still a need to explore a more nuanced image of the domestic and foreign pressures driving Indian companies' globalization, sectoral experiences, and the institutional challenges that they face abroad.

This research endeavours to bridge this gap by analysing the critical drivers that facilitated Indian companies to globalize and understanding the limitations that stalled or made it difficult. Balancing conceptual frameworks with sectoral case studies and policy analysis, this paper endeavours to offer an integrated landscape of India's global business transformation. The conclusions of this research endeavour to enrich international business knowledge, enrich policy discourse, and provide strategic recommendations for nascent Indian companies seeking to internationalize.

2. LITERATURE REVIEW

Internationalisation of Indian firms, particularly since the 1990s, has been attracting academic interest due to its deviation from traditional Western models of globalisation. The trend has been shaped by a combination of economic liberalisation, technological revolution, and conscious choice-making by Indian business managers. This literature review is grounded in theoretical frameworks relevant to internationalisation of firms, landmark empirical studies on Indian multinationals, and industry studies that assist in situating the period 1990–2018.

2.1. THEORETICAL MODELS OF INTERNATIONALIZATION

International business has been researched for many years employing a variety of dominant theories for explaining why and how internationalisation occurs in firms. One of the oldest is Uppsala Model (Johanson & Vahlne, 1977), which presumes that firms internationalise step by step, beginning with nearby markets and slowly extending to far-off markets as learning and experience grow. This has been questioned by the emergence of Born Global firms—firms which pursue international markets from the outset (Knight & Cavusgil, 2004).

Another most commonly applied model is Dunning's Eclectic Paradigm (OLI Framework), which explains internationalization in terms of three benefits: Ownership, Location, and Internalization (Dunning, 1980). This model has also been applied in research studies of Indian firms like Tata Motors and Infosys to analyse how ownership of in-house technology, favourable foreign locations, and internal control of operations drove the growth.

However, academics have argued that these Western models are not necessarily reflective of the drivers and limitations of emerging-market firms, specifically Indian firms during the period (Guillén & García-Canal, 2009). Mathews (2006) presented the Linkage–Leverage–Learning (LLL) model as an alternative, concentrating on the mechanisms through which latecomer Asian firms, including Indian and Chinese firms, globalize by exploiting alliances, rapid adaptation, and learning from advanced competitors.

2.2. INDIAN COMPANIES AND INTERNATIONALIZATION AFTER 1990

Liberalization in 1991 is a turning point period for Indian businesses. Balasubramanyam and Salisu (1991) highlighted how trade liberalization and liberalization of foreign exchange controls allowed Indian companies to pursue international opportunities with increased vigour. Indian MNCs were making huge global deals in the early 2000s. Kumar and Chadha (2009), for example, analysed the Tata Group's acquisition of Corus and highlighted how Indian firms used cheap domestic capital and visionary leadership to acquire international brands.

Khanna and Palepu (2006) asserted that Indian business groups—conglomerates with diversified assets—were the driving forces of internationalization, particularly where institutional environments were underdeveloped. They were strategically flexible and had internal capital markets to bear risks that could not be borne by less diversified, small firms.

Additionally, Indian software and pharma companies showcased good international integration ability on industry-specific grounds. Arora and Athreye (2002) analyzed the IT industry and observed how Indian companies like TCS and Infosys established international presence through providing low-cost, high-quality products, leveraging English language skills and an abundance of engineers. In the same manner, Chittoor and Ray (2007) outlined how Indian drug companies like Ranbaxy and Dr. Reddy's expanded through organic growth and acquisitions, securing entry into developed economies and regulatory approvals.

2.3. SECTOR-SPECIFIC LITERATURE

The IT sector is among the most studied sectors when it comes to Indian globalization. The offshore services model allowed Indian firms to build scalable business operations with little capital expense, as contended by Dossani and Kenney (2007). The firms were able to build trust from customers within developed economies and eventually create global delivery centres. The model allowed Indian firms to internationalize rapidly without adhering to traditional, gradualist models.

In the manufacturing sector, studies such as Pradhan (2008) found that Indian enterprises aimed at foreign company acquisition as a way to enhance their technology strength and brand image. Bharat Forge and Mahindra & Mahindra, for example, invested strategically overseas in Europe and the US to establish themselves as global players. But these were accompanied by operational and cultural challenges, particularly in integrating foreign assets and dealing with unfamiliar legal regimes (Athreye & Kapur, 2009).

The pharma literature mentions solid push forces from the domestic side. With the TRIPS compliance in 2005, Indian pharma firms had to re-invent themselves in order to survive. As a result, many of them focused on regulated markets like the US and EU. Kale and Little (2007) reported that Indian pharma firms focused on the development of generics and used regulatory clearance as a stepping stone to enter high-value markets, even though compliance issues were a common phenomenon.

2.4. CHALLENGES IN INTERNATIONALIZATION

Although the drivers of globalization have been focused on in much literature, Indian companies' difficulties in foreign markets have been less discussed. Indian companies are more likely to be deprived of institutions that other companies from developed nations can tap into, writes Ramamurti and Singh (2009). Legal knowledge, global R&D strength, and brand image are some of the challenges that restrict their competitiveness in high-technology areas.

Additionally, cultural barriers, regulatory complexity, and poor global marketing capabilities have also contributed to shortfalls in long-term success. Illustratively, Ghemawat and Hout (2008) contend that Indian companies have a tendency to under-estimate the necessity for localization and adaptation in host markets. Examples such as Ranbaxy's US FDA regulatory problems, or Kingfisher's ill-fated foray into global aviation, are cautionary tales of over-expansion and inept risk management.

Conversely, successful cases are characterized by long-term strategic planning, overseas talent investment, and prudent financial management (Sahoo, Nataraj, & Dash, 2014). These cases prove the role of internal capabilities and learning processes in managing the international environment.

2.5. RESEARCH GAPS

Despite growing research, much of it is focused on single industries or well-known firms. Extended comparative, cross-industry research is much needed.. Moreover, the dynamic interrelations among domestic reform, sectoral policies, and global developments are under researched. This study contributes to the literature by presenting an inclusive panorama of Indian firms' internationalization experiences, controlling for both facilitatory conditions as well as systemic issues across a wide spectrum of industries.

3. THEORETICAL FRAMEWORK

The theorizing of Indian firms' globalization involves the use of several theoretical lenses of international business studies. Since Indian firms occupy a special position as late multinationals from an emerging economy, this research utilizes a hybrid theoretical framework combining the Eclectic Paradigm (OLI model), the Linkage–Leverage–Learning (LLL) model, and the Born Global theory augmented with Institutional Theory. This multi-theoretical framework enables the explanation of facilitating conditions and structural issues of Indian firms in their internationalization.

3.1. THE ECLECTIC PARADIGM (OLI MODEL)

Dunning's Eclectic Paradigm or the OLI framework is a building block model for the analysis of foreign expansion of companies. It suggests three determinants of foreign investment:

Ownership advantages (O) are proprietary resources in the form of technology, reputation, and managerial skills; Location advantages (L) are advantageous foreign market conditions like availability of resources, labour prices, or regulatory incentives and Internalization benefits (I) explain why companies prefer to be offshore as subsidiaries instead of using licensing or joint ventures.

For Indian firms, ownership advantages emerged through expertise in low-cost engineering, IT capabilities, and process innovation—most evident in the development of firms like Infosys and Sun Pharma. Location advantages emerged as Indian firms targeted markets in the U.S., Europe, and Africa, typically selecting locations by market size, diaspora settlement, or access to inputs. Internalization advantages emerged in the ability of firms to invest or establish wholly owned foreign affiliates, most notably in knowledge-intensive and regulated sectors (Dunning, 1980; Narula & Dunning, 2000).

3.2. THE LINKAGE–LEVERAGE–LEARNING (LLL) MODEL

Although the OLI model is helpful, it tends to presume that companies start internationalization from a position of power. Mathews' Linkage–Leverage–Learning (LLL) model is a more suitable model for late mover companies from emerging economies such as India (Mathews, 2006). Linkage is strategic collaboration with overseas companies or organizations; Leverage refers to using such relationships to gain technologies, markets, or capabilities; Learning refers to continual knowledge accumulation in international business.

This framework embodies the way Indian companies, having overcome their initial handicaps, grew internationally through partnerships, foreign acquisitions, and rapid international expansion to standardize in line with international practices. Tata Motors' acquisition of Jaguar–Land Rover, for instance, is a classic example of utilizing external sources

for rapid global expansion. Pharmaceutical firms such as Lupin utilized out-licensing and contract manufacturing agreements to create initial connections to Western markets before building their own brands.

3.3. BORN GLOBAL THEORY

Traditional theory assumes that international business expansion takes place incrementally, but the Born Global theory refutes this by assuming that some firms begin international operations a few years following their initiation (Knight & Cavusgil, 2004). Such firms tend to be small, technology-based, and adaptable, utilizing the internet and niche positioning as a way of accessing international customers. Such companies were created in post-2000 India by start-up ecosystems across geographies from software-as-a-service (SaaS) to digital health and fintech. Zoho and Freshworks are just two examples of companies that expanded to many geographies in five years of operation. Their global spread is not through physical reach but through digital infrastructure, globalized online markets, and remote delivery of services.

3.4. INSTITUTIONAL THEORY

To comprehend the challenges for Indian businesses abroad, Institutional Theory is needed. It stipulates that businesses operate in structured environments with rules, norms, and cultural norms (Scott, 2001). For Indian businesses, going into the developed world would subject them to additional regulatory environments, the U.S. FDA, for example, for pharmaceuticals or global aviation standards for airlines.

Indian institutional weaknesses e.g. poor IP protection, poor contract enforcement, and underdeveloped capital markets influenced how Indian firms developed competitive capabilities internally. Khanna and Palepu (2006) argue that large Indian business groups filled in these weaknesses with internal governance mechanisms, but this was occasionally inadequate when transferred to foreign environments with diverse institutional norms.

Table 1 Comparative Theoretical Frameworks Explaining Globalization of Indian Firms

Theory/Model	Key Features	Application to Indian Firms	Strengths	Limitations
OLI Model (Dunning, 1980)	Ownership, Location, and Internalization advantages drive internationalization.	Tata, Infosys, Sun Pharma used proprietary capabilities and internalized operations abroad.	Explains why firms internationalize and choice of entry mode.	Assumes firms already have firm-specific advantages; less suited for latecomers.
LLL Model (Mathews, 2006)	Firms from emerging markets grow globally by creating linkages, leveraging resources, and learning fast.	Indian firms like Tata Motors, Dr. Reddy's used acquisitions and alliances to gain capabilities.	Captures how latecomer firms catch up and innovate internationally.	Less effective in explaining Born Global start-ups or digital-first strategies.
Born Global Theory	Firms internationalize early using digital tools, niche positioning, and global networks.	SaaS and tech start ups like Zoho, Freshworks entered global markets within a few years.	Highlights new-age firms' agility and speed in globalization.	Limited applicability to large, traditional firms or manufacturing sectors.
Institutional Theory	Firms' behaviour shaped by formal/informal institutions, norms, and regulatory environments.	Indian firms faced challenges complying with global standards (e.g., FDA, aviation norms).	Explains both domestic constraints and foreign regulatory challenges.	Less focused on firm-specific strategies or motivations.

Finally, this theoretical mixed-methods approach offers a multi-faceted explanation of Indian firms' internationalization. The OLI model describes their motives for expansion beyond regions, the LLL model illustrates late-mover companies' catch-up, Born Global theory describes new-generation technology companies' rapid expansion, and Institutional Theory describes the limitations at home and overseas. Integrating these models, the study is better able to explore the complexity of Indian internationalization following liberalization.

4. GLOBALIZATION DRIVERS OF INDIAN BUSINESSES

Indian corporate globalization post-1990 is not a monolithic result of economic liberalization but is subject to a complicated interaction between domestic reforms, technological capacities, international opportunities, and changing

global markets. This section discusses the key internal and external drivers that facilitated Indian firms' going global in this value-added period.

4.1. POLICY REFORMS AND ECONOMIC LIBERALIZATION

The economic liberalization of 1991 was the most fundamental driver of Indian business firms' globalization, which ended the License Raj, removed trade barriers, eased foreign exchange controls, and granted Indian firms greater freedom to foreign trade and investment (Ahluwalia, 2002). The removal of industrial licensing, easing of the MRTP Act, and outward foreign direct investment (OFDI) policies completely transformed the competitive landscape (Kumar & Chadha, 2009).

The Reserve Bank of India progressively permitted Indian firms to invest abroad under the automatic route, paving the way for strategic acquisitions and joint ventures (Pradhan, 2008). The reforms provided the financial legitimacy and regulatory autonomy to Indian firms to aggressively pursue overseas expansion.

4.2. TECHNOLOGICAL ADVANCEMENT AND THE IT REVOLUTION

India's IT and IT-enabled services (ITES) segment expansion was a key driver of global integration. Infosys, Wipro, and TCS, among others, leveraged India's excess, English-speaking, and technology-enabled human capital to serve low-cost Western-based customers. Offshore-onshore delivery enabled these organizations to become global and gain credibility with Fortune 500 clients (Arora & Athreye, 2002).

This technical training- and software export-led sectoral development was India's entry into the value chain of the global economy (Dossani & Kenney, 2007). IT capability was also leveraged as a stepping stone to global competitiveness in other sectors, allowing Indian firms to computerize activities and manage cross-border relations.

4.3. DOMESTIC MARKET PRESSURES AND OVERCAPACITY

While opportunities from overseas were established with liberalization, domestic pressures also occupied a pivotal place. Saturation of domestic markets and increased competition led firms to seek growth elsewhere. For example, India's steel and auto industries were capacity and domestic demand-constrained, so they were compelled to look elsewhere and acquire assets (Athreye & Kapur, 2009).

Tata Motors' acquisition of Jaguar-Land Rover was driven partly by the absence of Indian market potential for luxury cars and to reposition itself on the global stage (Ghemawat & Hout, 2008). Indian pharmaceutical companies moved to regulated and high-value markets, as patent law and price controls changes impacted profitability in the domestic market (Kale & Little, 2007).

4.4. STRATEGIC PURCHASES AND INTERNATIONAL EXPANSION

Strategic acquisition was the normal mode of globalization. Indian firms used cross-border mergers and acquisitions to acquire immediate access to cutting-edge technology, foreign brands, and proven supply chains. The strategy allowed for quicker entry into competitive markets than the slow organic path. Examples of these include Tata Steel's acquisition of Corus, Sun Pharma's acquisition of Ranbaxy, and Bharti Airtel's entry into Africa through Zain Telecom (Ramamurti & Singh, 2009). These firms used financial leverage and strategic acumen to become credible players in global industry segments.

4.5. EXPORT PROMOTION AND GOVERNMENT HELP SCHEMES

The external assistance was provided by the Indian government through institutions such as Export-Import Bank of India, India Brand Equity Foundation (IBEF), and sectoral Export Promotion Councils (Sahoo, Nataraj, & Dash, 2014). They helped companies overcome foreign regulations, organize trade fairs, and provide export incentives.

Initiatives such as Make in India, Digital India, and bilateral trade agreement negotiations also showed India's openness to enabling global competitiveness (Chittoor & Ray, 2007). Institutional support of this nature was most necessary, especially for medium-sized firms with global reach as their goal.

4.6. MANAGERIAL GLOBAL VISION AND HUMAN CAPITAL

India's large pool of human capital—particularly in engineering and management—enabled international expansion by companies. Indian companies built a generation of international managers and recruited experienced professionals from overseas. Infosys and Tata Consultancy Services, for instance, deliberately built internationally oriented leadership teams (Khanna & Palepu, 2006).

Leadership vision played a key role in formulating internationalization strategies. Ratan Tata, for example, envisioned an international presence for the Tata Group, investing in building overseas brands and operating overseas with excellence (Ghemawat & Hout, 2008). Globally trained management facilitated companies to cross cultural and operational barriers overseas.

4.7. BORN GLOBALS AND THE RISE OF DIGITAL PLATFORMS

From 2000 onwards, the internet platforms became drivers of globalization. Indian Born Global firms—firms that globalize early in their life cycle—appeared in industries like SaaS, e-commerce, and internet banking. Firms like Zoho and Freshworks grew worldwide in a couple of years of inception through cloud-based solutions and global platforms (Knight & Cavusgil, 2004). These companies skirted conventional export models and instead concentrated on digital-first world models, employing internet marketplaces, app stores, and remote shipping to distribute to global consumers at scale (Mathews, 2006).

4.8. DIASPORA NETWORKS AND CULTURAL BONDS

The Indian diaspora, one of the largest in the world, served as a facilitator in enabling global business access. Foreign Indian communities helped businesses with entry into the market, local channels of distribution, and legitimacy. These soft linkages were particularly useful in countries like the U.S., U.K., Canada, and the Gulf (Gupta & Govindarajan, 2002). Diaspora influence has been significant in industries like education, health, ethnic restaurants, and services, where cultural connection and trust ease the entry barriers for Indian companies.

Table 2 Summary of Key Drivers of Globalization for Indian Firms

Driver	Description	Examples/Impact
Economic Liberalization	1991 reforms enabled firms to access foreign markets, FDI, and capital.	Liberalization of MRTP, FEMA, and automatic route for OFDI.
Technological Advancement	Growth of IT and digital infrastructure enabled global service delivery.	TCS, Infosys, Wipro offered global IT services via offshore models.
Domestic Market Saturation	Increased competition and limited demand in India pushed firms abroad.	Tata Motors acquiring JLR; pharma firms targeting U.S. market.
Strategic Acquisitions	M&As enabled rapid international presence and access to foreign assets.	Tata–Corus, Sun Pharma–Ranbaxy, Bharti–Zain deals.
Government Support	Export promotion councils, EXIM Bank, and schemes like Make in India supported outward expansion.	Trade missions, financial incentives, branding support.
Global Leadership and Talent	Globally trained management led strategic overseas growth and integration.	Ratan Tata, Narayana Murthy fostered global thinking.
Digital Platforms and Startups	New-age firms used digital models to scale globally from inception.	Zoho, Freshworks using SaaS and online platforms.
Diaspora and Cultural Ties	Indian diaspora offered networks for market entry and credibility.	Strong presence in U.S., UK, Canada, Gulf aiding exports.

Accordingly, Indian companies' globalization during 1990-2018 was made possible through a convergence of policy reforms, technological innovation, strategic intent, and external partnerships. From export of software to cross-border acquisitions, from diaspora-expansion to digitally indigenous companies, Indian companies have followed different trajectories towards globalizing. Encouraged by visionary leadership, government assistance, and adaptability to global standards, Indian multinationals' rise is reflective of not only domestic economic transformation, but also of deep engagement with global capitalism.

5. CHALLENGES FACED BY INDIAN FIRMS GLOBALIZING

Although Indian companies have been more driven towards internationalization since the 1990s, their path has been marred by various setbacks. In spite of large-scale acquisitions, rising exports, and technology capabilities, most companies have faced colossal setbacks that restrict long-term success in overseas markets. These setbacks are not only derived from external market conditions but also from internal constraints, cross-cultural incompatibilities, and institutional gaps. This section presents the key kinds of setbacks Indian companies have faced while seeking globalization between 1990 and 2018.

5.1. INSTITUTIONAL AND REGULATORY BARRIERS

One of the core issues faced by Indian firms abroad is the intricacy of institutional and regulatory environments. Contrary to India's emerging economy, the majority of the target markets, particularly in Europe and North America, have rigorous compliance regulations, judicial transparency, and labor legislation. For instance, Indian drug companies such as Ranbaxy and Wockhardt were devastated in the United States after violating FDA regulations, leading to import prohibitions and brand reputation damage (Kale & Little, 2007).

Indian companies, in general, were not geared to the extent of regulatory control and paperwork that was prevalent in foreign markets. This was especially so in industries such as aviation, infrastructure, and healthcare, where non-compliance could be sufficient to invalidate overall business strategies. In addition, unbalanced taxation policies, trade practices, and foreign investment rules facilitated high entry barriers for less experienced companies (Ramamurti & Singh, 2009).

5.2. CULTURAL AND OPERATIONAL DIFFERENCES

The second endemic problem has been Indian companies' cultural incompatibility with their international stakeholders. These shape consumer attitudes, the aspirations of employees, management style, and marketing communication. Indian service firms, for example, prefer hierarchical and centralized decision-making, which conflicts with the flatter and participative corporate cultures in Western economies (Gupta & Govindarajan, 2002).

In addition, language differences, religious differences, and company culture necessitate broad localization of HR policies and brand messaging. Companies that did not localize to local cultures encountered employee turnover, customer loyalty, and brand acceptance issues. The Airtel expansion to Africa example illustrates operational issues on workforce integration, customer service adaptation, and local partnerships (Athreye & Kapur, 2009).

5.3. BRAND AND MARKET POSITIONING

The majority of Indian firms going abroad were of poor brand image and lack of familiarity. While Tata and Infosys have made good names abroad, Indian brands are not known to Western consumers. Indian firms are seen as cost-oriented rather than quality-oriented compared to Western or Japanese multinational giants, and this affects their competitiveness in the upper segments (Ghemawat & Hout, 2008).

The rebranding and repositioning process entails significant investment in research, advertising, and educating customers. This is especially difficult for mid-sized companies with limited foreign marketing budgets and access to well-established distribution networks.

5.4. RESOURCE AND CAPABILITY CONSTRAINTS

While Indian companies are increasingly investing in human resources and R&D, financial and infrastructural constraints hold them back from going global. For instance, most companies do not have the R&D labs, logistic networks, and global customer care systems needed for multinational business (Pradhan, 2008). Even if Indian companies wish to go global, they do not have the finance and poor institutional environment favourable to outward foreign investment, particularly in the MSME sector.

In addition, managerial bandwidth is a long-standing problem. Indian management is bound to be stretched between operating domestic growth and operating foreign subsidiaries, and this is likely to lead to overextension and strategic drift (Khanna & Palepu, 2006).

5.5. STRATEGIC MISALIGNMENT AND INTEGRATION FAILURES

Some Indian firms that ventured abroad through mergers and acquisitions have faced post-merger integration problems. Integration problems are caused by differences in operating systems, employee resistance, technology compatibility, and differences in business goals. The acquisition of Tata–Corus, ambitious and forward-looking as it was, failed to merge production systems and cost structures geographically, particularly during the 2008 financial meltdown (Kumar & Chadha, 2009).

In the same vein, Jet Airways' venture into increasing international flights without adequate capital or competitive pricing strategies was its eventual demise. These cases demonstrate the danger of quick internationalization without proper internal strengthening and strategic alignment.

5.6. GLOBAL MNC COMPETITIVE PRESSURES

Entering foreign markets typically means competing with established multinational companies (MNCs) with superior resources, stronger brands, and well-established networks. Indian players typically have an unfavourable position in terms of technology, lobbying power, and local networks. In sectors like retail, energy, and aviation, Indian entry is typically met by established incumbents with predatory pricing, patent battles, and legal resistance (Dossani & Kenney, 2007). This competitive environment has a tendency to induce market withdrawals, divestitures, or a retreat to lower-margin business on which Indian firms can compete through price alone, but not innovation.

5.7. DOMESTIC INSTITUTIONAL VOIDS AFFECTING INTERNATIONALIZATION:

The Indian institutional environment itself provides challenges to firms that want to go global. Khanna and Palepu (2006) argue that the absence of effective contract enforcement, intellectual property rights protection, and financial markets limits the development of capabilities that are necessary for global competitiveness. Firms in developed economies possess strong institutional settings—ranging from judicial to infrastructure and innovation systems. Indian firms, especially small firms, do not have access to global legal resources, arbitration systems, and global financial instruments, all of which are essential to compete adequately in world markets. Summary Indian companies' evolution towards globalization in 1990-2018 has been vibrant and marred by issues. Ranging from regulation problems and cultural disequilibria to brand constraints and resource deficiencies, Indian companies have had to manage a complicated world scenario. While certain companies managed to establish global footprints through expansionist growth and digital adaptability, certain other companies were hampered by internal limitations and external frictions. An interdisciplinary understanding of these impediments is essential not only for Indian companies eager to internationalize but also for policymakers, investors, and researchers looking to develop a sustainable blue print for India's global business future.

6. DISCUSSION AND ANALYSIS

Globalization of Indian companies during is marked by both systemic challenges and strategic innovation, which portray India's multifaceted evolution from an insulated to a global business force. Before proceeding to describe drivers and impediments to internationalization in the foregoing sections, the ensuing section aggregates these forces by contrast across sectors, determining trends towards success and failure, and evaluating larger implications for emerging-market companies.

6.1. TRENDS IN SECTORAL GLOBALIZATION

The pattern of globalization differs considerably among industries. Indian IT and pharma companies pioneered globalization in the 1990s and early 2000s because of their low-asset, high-knowledge character. Both industries were helped by India's comparative advantage in human capital, English language skills, and lower cost of operations (Arora

& Athreye, 2002). TCS, Infosys, and Dr. Reddy's employed global outsourcing patterns and generics production to make inroads into regulated markets.

Conversely, auto, steel, and manufacturing industries have chosen globalization in the form of foreign acquisition. The Tata Group itself offers a few examples of this trend—Tata Steel's acquisition of Corus, and Tata Motors' acquisition of Jaguar–Land Rover (JLR) helped the company acquire market share and brand equity in the developed world rapidly (Kumar & Chadha, 2009). The acquisitions were risky and necessary, yet eventually led to integration and financial problems.

Conversely, technology and start-up firms took a divergent route. Zoho and Freshworks, for instance, took a Born Global route to growth, expanding early on through virtual platforms and minimal physical infrastructure (Knight & Cavusgil, 2004). Their growth was nearly independent of traditional export infrastructure, showcasing the paradigm-breaking role of digitalization for new firms.

6.2. SUCCESS FACTORS OF GLOBAL EXPANSION

A study of successful Indian companies identifies a shared set of facilitators:

- **Visionary Leadership:** Visionaries such as Ratan Tata, Narayana Murthy, and Sunil Bharti Mittal possessed long-term world vision and strategic patience. They operated with a focus on creating long-lasting impressions abroad, as opposed to short-term gains (Ghemawat & Hout, 2008).
- **Strategic Acquisitions:** Indian firms employed M&A as a speedy way of obtaining capability that they lacked in the domestic market—either technological capability, market position, or brand image. But that necessitated effective post-acquisition integration and cultural sensitivity (Athreye & Kapur, 2009).
- **Institutional and Government Support:** Government incentives for exports, human capital development investment, and improved business-friendly policy have contributed to global readiness, especially post-2000 (Sahoo, Nataraj, & Dash, 2014).
- **Learning and Adaptation:** Learning from overseas markets and adjusting business strategies was critical. Firms like Infosys invested in local hires and local offices in a bid to serve global customers more effectively.

6.3. COMMON CAUSES OF FAILURE AND RETREAT

Whereas a number of Indian companies prospered overseas, others failed with a catalogue of typical issues:

- **Global overpreparation:** Companies such as Kingfisher Airlines and Jet Airways ventured abroad without completely establishing their home base or comprehending international cost levels (Pradhan, 2008).
- **Failure to comply with regulation:** The Ranbaxy–FDA scandal can be cited as a classic case where ignoring international standards resulted in legal suits, fines, and brand equity loss (Kale & Little, 2007).
- **Poor post-acquisition management:** Post-acquisition integration issues after large acquisitions—such as with Tata–Corus—imposed financial weights and operational inefficacies on firms during international economic recessions (Kumar & Chadha, 2009).
- **Weaknesses in positioning and brand:** Indian companies lacked an ability to create powerful international brands because of insufficient investment in international marketing and customer interaction.

6.4. THE INSTITUTIONS AND ECOSYSTEM READINESS ROLE

One of the key findings of the analysis is institutional readiness, foreign and domestic. Indian firms from sectors which matured in well-functioning policy settings (e.g., IT and pharma) were able to expand internationally quite easily. Firms from sectors with weak domestic institutions (e.g., aviation, logistics, or retail) had a steep learning curve abroad (Khanna & Palepu, 2006).

In India, institutional shortcomings—e.g., inadequately developed R&D facilities, weak contract enforcement, and lack of international adjudication mechanisms—are directly responsible for the capacity to scale up internationally. These constraints disproportionately fall on MSMEs, which do not have in-house organizational systems to counter such systemic risks.

6.5. CHANGING TRENDS: FROM COST ARBITRAGE TO CAPABILITY ADVANTAGE

Indian companies during the 1990s and early 2000s relied heavily on cost arbitrage—low cost of operations and labour—as their main global selling proposition. The model is lagging behind now in the more globalized economy that is more about innovation, speed, and agility.

Indian business leaders at the helm are shifting towards capability-led globalization: developing new value propositions, R&D investments, and intellectual property development. Sun Pharma, Biocon, and Mahindra Electric, for example, have started focusing on high-value products and clean technologies, marking a trend towards knowledge-led globalization (Chittoor & Ray, 2007).

6.6. EMERGING MARKET FIRM LESSONS

The Indian experience provides valuable lessons for other emerging economies:

- International success is assured when companies complement internal capability building with astute external partnerships.
- Cross-cultural management, policy support, and investing in branding are essentials for success worldwide.
- Explosive growth without solid foundations may put companies at risk of extinction in times of international downturns.
- Technology platforms now enable firms to bypass conventional hurdles—a golden chance for MSMEs and start-ups alike.

Finally, Indian business overseas expansion after 1990s is a multifaceted mix of ambition, policy reform, innovation, and learning-by-doing. There were some firms that constructed robust global presence, while others collapsed due to over-expansion, regulatory shortcomings, or strategic errors. Success was not evenly distributed—IT and pharma led the way, and manufacturing and aviation were more tumultuous.

Indian companies overall have proved that globalization is not merely an issue of opportunity but of adaptive strategy, institutional backing, and visionary management. Although India's economy remains in the development phase, the learning of this phase is a lesson to existing companies and new players looking to create global hubs.

7. CONCLUSION

The year 1990 is the turning point phase in the history of Indian corporations as global leaders. Encouraged by the liberalization process, Indian companies had begun to look at their path of growth across borders. Their path of globalization has been influenced by the intersection of factors like leadership vision, sectoral capabilities (specifically IT and pharma), facilitating policy regimes, and the rise of digital platforms.

Companies like Infosys, Tata Group, Sun Pharma, and Bharti Airtel show how Indian companies utilized their value propositions—cost leadership, engineering prowess, and adaptive business models—to achieve global presence. Global entry by Born Global companies born digital like Zoho and Freshworks diversified the channels of globalization further by deviating from conventional entry points with innovation and virtual presence.

However, the journey has also been marked by systemic failures. Regulatory blunders, cultural incompatibilities, post-acquisition integration failure, and poor branding usually constrained the long-term performance of even the most promising ventures (Ramamurti & Singh, 2009; Khanna & Palepu, 2006). Moreover, institutional vacuums in the Indian domestic context—finance, R&D, and legal support being the key areas—continue to restrict global expansion by small and medium enterprises.

The greatest lesson of this study is perhaps that globalization is not one-size-fits-all. Indian firms have taken different routes—organic, acquisitive, digital, or diaspora-driven—and each of these trajectories requires tailored capabilities and institutional infrastructure. As India is set to become a global economic leader within a few decades, it is essential to build the pillars of the global business ecosystem.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

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