

1 Shifting Paradigms in Business Competition

Introduction and context

The competitiveness of companies is the key to their success and survival in a changing global market. In spite of numerous successes, companies, that is, corporations are increasingly facing problems, and academic circles emphasise that the way they are managed is not synchronised with changes in the business environment. Despite the fact that a small number of large companies dominate the global market, there are a significant number of those who are continuously fighting for mere survival, as well as those who are not in the system of related economic and political power. With the changes that have taken place in the economy, both globally and nationally, especially since the peak of the semi-global financial crisis, the so-called classic “hands off” capitalism is experiencing a rapid transformation in which political power comes to the fore. This was most felt by the financial sector, which according to research considers politics (political power) to be the biggest risk factor. This new approach to the economy aims to control global banks and fragment the banking sector (although we are witnessing the business success of large US banks), but its failure would not have a significant impact on the global market. The price of rescuing banks during the financial crisis is paid by market participants, the economy and ordinary people. The new interventionism implies greater fiscal control and more aggressive tax policy, even a reduction in the internationalisation of domestic companies. The active role of the state, on the one hand, and the demands of the public/consumers, on the other hand, impose new rules in the business environment and pose new challenges for businesses whose positioning requires an innovative approach to strategic decision-making. According to the results of a significant number of empirical studies, in changed circumstances, concern for company behaviour is evident in a wider range of interest groups, including employees, consumers, the local community and public sector representatives. This attitude changes the traditional approach of companies in creating values based on their own interests and the interests of owners and executive managers. Also, this attitude affects their defined business strategies. The influence of interest