

Global leadership and management

[Business](#), [Management](#)



Abstract

This research paper is based on global leadership management. By focusing on a painting company that has operations in France, the research paper offers insightful information that relates to business environment in France. This business environment revolves around political and economic issue in France, considering that France is a member state of European Union. Since the painting company wants to expand its operations, this research offers decisive information that ultimately helps the company's management and leadership facet in making strategic plans during the global expansion plan.

Introduction

To expand business operations beyond the local territories, the business must be aware of the foreign political and economic status of the target market. The painting company has to be aware of these situations before indulging in any business in France. For example, France is a member state of European Union and all its global business activities are dictated by rules and regulations prescribed by the European Union. Therefore, it is imperative that the company prescribed to the rules and regulations under the European Union. France has its own domestic's rules, and regulations that control all global business activities that take place within the country and for the painting company to access this France market, a strategic plan hat accommodates both the political and economic status of the country is inevitable. In this research paper, the management executives of the painting company should be aware of the political and economic issues described in France are as follows.

Political issues

Domestic French laws- it is imperative that the management executives of the painting company acknowledge that the French laws are based on the Napoleonic code (Steers & ardon, 2006; Paul, 1966). From this perspective, the painting company executives should be aware that, French laws protect any foreign threat that may target France citizens, as well as its business fraternity.

Political corruption- a lot of companies have fallen victims of political corruption in international business undertakings. Business executives of the painting company should be wary of political influence from political leaders who indulge in corruption favors. Such activities are termed as unethical from a business perspective, as they emanate from dishonesty from both the political and business parties. According to a research done in the year 2004, France was among the most corrupt counties in the world. Political corruption is rated to be almost 6.3 percent and the political risk that any business can take in investing in France, is above 7%. The importance of the political issues in expanding the company is non-avoidable considering that the painting company has an objective to realize favorable bottom-line.

Economic issues

Economic issues that the business executives of the painting company have to take into considerations include the territory of operations (Mesnooh, 1994; International Monetary Fund, 2008; Adekola & Sergi, 2007). That is,

either the transaction of the business is within the borders of France or outside the borders of France.

Business within France- all economic products and services that are delivered within France will be subjected to the local value added tax (VAT). Precisely, all goods painting products delivered in France will be subjected to this tax unless they are for export. If the nature of the business is categorized as a service, the value added tax will be added to the total amount of the service sale. However, since France is a member state of the European Union, all the painting products and services that are acquired from France and transacted within the member states of European Union, will be accorded a general value added tax as prescribed by the European Union and an additional French VAT.

Imports and exports- products imported from France or a nonmember state of the European Union will be subjected to taxes. These taxes will be consequently be added to the painting products and services invoices. In case of exports, painting products and services that are exported to countries that are not members of the European Union will not be subjected to VAT. In some cases, exports of painting products and services will entail a reimbursement fund or at least some taxes deductions. The management and leadership facet of, the painting company cannot overlook the importance of VAT in their strategic planning. The value added tax, plays a vital role in determining the cost of selling and the profit margin and so, the positioning of the painting company matters. That means the management should either decide to locate the company within or outside France.

Such a company that has undergone global expansion is the crown painting company and the United Kingdom reed international (Pederson, 2007; Altbach & Hoshino, 1995). These companies are United States and United Kingdom based painting companies respectively, and their operations are beyond their countries of origin.

Conclusion

For a company to go beyond its local boundaries and expand its operations, the two primary factors of considerations are unavoidable; political and economic issues. These issues substantially determine the success of the business, regardless of whether it is expanding its operation within a domestic scope or global scope. France is part of a giant economy called European Union, which has a significant influence on global economics and politics.