



A framework for enabling aspiring multinational corporations in South Africa

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DECLARATION

I declare that “**A Framework for Enabling Aspiring Multinational Corporations in South Africa**” is my own work, that it has not been submitted for any degree or examination in any other university, and that all the sources I have used or quoted have been indicated and acknowledged by complete references.

Full names..... Date.....

Signed.....

Signature..... Date.....

Supervisor

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ABSTRACT

Aspiring multinational companies have very few guidelines for how to expand their businesses beyond South Africa, unlike established multinational companies. The plight of aspiring multinational companies finding business opportunities outside the South African borders highlights the importance of properly understanding the multinational business environment and managing the requirements associated with going multinational as a business, hence the purpose of this study is to create a framework for enabling aspiring multinational corporations in South Africa. This study expands on the existing frameworks for corporations to specifically address challenges faced by South African aspiring multinational corporations.

The choice of research approach was the mixed-methods approach and the chosen design was explanatory sequential design. The approach was informed by the nature of the research questions as well as the overall objectives of the study. The explanatory sequential design was ideal because it is trusted to explore phenomena where little or no research or theory exists. Similarly, there's minimal research on aspiring multinational companies. The first two objectives of this study, which are to identify the extent of the availability of information and the success factors of multinational companies cannot be answered very satisfactorily when using only one method, hence some phenomena were researched using qualitative and some used quantitative method. The study uses a sequential explanatory mixed method whereby questionnaires were used to collect quantitative data initially followed by the collection of qualitative data, the data from the different methods were analysed separately and finally the two were brought together at the interpretation phase. The population and sample for the study quantitative and qualitative data collection was the same group of managers of multinational companies in South Africa. The population consist of 196 managers of aspiring multinational companies who are LinkedIn contacts of the researcher with a sampling size of 152. One questionnaire was issued to participants containing both quantitative and qualitative questions, the first part of the questionnaire contained six quantitative questions regarding the regulatory environment, economic environment, public environment, international laws, foreign companies' assistance and local spending, which were further divided into 18 attributes. The second part of the questionnaire contained 10 qualitative questions about sources of

multinational business information. For the quantitative analysis, gap and factor analysis was used while thematic analysis was used for the qualitative analysis to analyse the collected data.

The results of the study revealed the following; the quantitative analysis indicated that companies that have been in operation for less than three years and are engaged in direct exporting, expressed that they have a challenge accessing the information on successfully penetrating multinational business markets. The supporting data from qualitative analysis further revealed that these challenges experienced by the newer aspiring multinational companies emanate from the fact that they do not have any guideline on what needs to be in place and from where they can get the information, this has therefore proven the assertion that there's a need for a framework for aspiring multinational companies. The overall results from the study indicated that the participants enjoy access to information on running a multinational business in South Africa, especially the information on the regulatory and economic environment. Information on international laws, local spend and the public environment was revealed by the gap analysis, factor analysis, and thematic analysis to be lacking. It was also discovered that the companies are not following multinational frameworks in their plans to do business multi-nationally, hence the recommended Aspiring Multinational Companies Framework.

The proposed Aspiring Multinational Companies' Framework recommends the following:

- Aspiring multinational companies need to understand the regulatory universe for the companies' environment, whereby legal and political forces act to change regulations that affect the company's business efforts.
- The companies need to explore external economic factors presented by the multinational economic environment outside the companies' control which is influencing the purchasing habits of other businesses and consumers; these are likely to have an impact on the effectiveness of a company achieving its goal.
- Aspiring multinational companies need to gain insights into what basic information about local spend to look for, so as to establish which categories of customers are in the foreign country and what products and services, they spend their money on.

- The companies need to know that there are various aspects of public environment spending which one has to know before doing business with foreign public departments; and
- Aspiring multinational companies need to understand the multinational law concerning international commercial transactions, licensing procedures, tariffs and taxes, and other particulars, which are used to regulate international transactions of multinational enterprises.

Key words: aspiring multinational companies, foreign markets, framework, availability of information.

GLOSSARY OF TERMS

Multinational Company – A company that enters markets other than in their home country to achieve globalisation of their products and service. These can either be locally established companies or newly registered companies (Spero & Hart, 2010).

Aspiring Multinational Company – is an organisation that intends or wishes to become a multinational company, and eventually sell its products and services in more than one country (Jordaan, 2012).

Globalisation – the allocation of goods, equipment, knowledge, and jobs nationwide over borders and civilizations. In economic terms, it portrays an interrelationship of peoples around the globe cultivated through free commercial activities (Noruzi, 2011).

LIST OF ABBREVIATIONS

DTI	Department of Trade and Industry
FDI	Foreign Direct Investment
ISP	Internet Service Provider
LLL	Linkage Leverage Learning
MNC	Multinational Company/Corporation
PPC	Pay Per Click
TCE	Transaction Cost Economics

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CHAPTER ONE

AN OVERVIEW OF THE STUDY

1.1 Introduction

Many companies go multinational because they want their products or services to be sold to new markets elsewhere in the world. On the other hand, a multinational could be a new company setting out to enter globalisation of their products and services, so these multinationals can either be old companies that are long-established in their country of origin, or newly registered. Being a multinational also means the company is developing globally, so more revenue streams can be explored, more strategic business partnerships can be forged, more job opportunities will be provided in foreign countries, and the services or goods can gain prominence (Jones, 2014).

According to Jones (2014), attempting to establish a business in a new country in the world is continuing to prove to be difficult. Many corporations are searching for growth opportunities in new markets and even multinationally and, although this brings the excitement of new opportunities, it also presents the likelihood of risks materialising. Depending on the company management's willingness to tolerate the risks, it can be challenging and discouraging, especially when going into a foreign country, even for the most experienced managers, because they face exposure to unexpected changes. Jordaan (2016) indicates that aspiring multinational businesses get a push from a strong need to explore foreign offerings and also a desire to capture a customer base by entering a foreign country with ground-breaking trendy products or services. The intentions of the aspiring companies are not easily achievable because of many factors including the timing of these aspirations.

Multinational Companies can be simply defined as business establishments that have value-added holdings outside their home countries (Shah, 2012). However, Spero and Hart (1999) argue that a business entity that has direct investments overseas and has value-added services in more than one country is not necessarily a multinational, as it is only there as a service provider to foreign companies. A company that merely has direct investments or offers goods and services to foreign countries will not be able to satisfy the criteria for being a multinational company (Shah, 2012).

The history of multinational companies in South Africa goes as far back as the 19th century, with SAB Miller being the first company to list on the JSE, therefore allowing them to trade on international platforms (Mkhabela, 2013). This study seeks to focus on companies that went

multinational in recent years. This timescale was specifically chosen to ensure relevance to the current state of affairs. Five South African companies were selected for the study, which is: Airports Company South Africa (ACSA), Travelstart, Mediclinic Southern Africa, Dimension Data, and Afrihost. These companies were chosen because they have successfully gone multinational. In the sections below, multinational companies in South Africa are discussed and their road to becoming multinational corporations.

Airports Company South Africa (ACSA) is one example of a multinational company. It was formed in 1993, and the company owns and runs nine airports. The company previously had aeronautical activities (landing fees, parking of aircraft, airport tariffs, and so on) as the main source of revenue. The company has now matured into an entity that generates revenue from both aeronautical and non-aeronautical business activities (property rentals and selling professional consulting services). ACSA recently expanded the business and entered into a strategic partnership with Ghana Airports Company Limited to provide technical airport services and airport business advisory (Airports Company South Africa Corporate Plan, 2016).

Another example of a multinational company in South Africa is Travelstart, which offers a virtual platform to book airline tickets, accommodation, and other tourism services electronically. The company was founded in Sweden in 1999 and later relocated its headquarters to South Africa. It is Africa's leading online travel agency based in Cape Town (Travelstart Group Annual Report, 2017). Travelstart operates in South Africa and fifteen other countries located in both Africa and Asia (Travelstart Group Annual Report, 2017). Travelstart is known for using Pay per Click (PPC) advertising as their core method of generating income, which is completed by additional revenue from other companies aligning their businesses with the travel group (lodges, hotels). All Travelstart transactions make use of secure online payments. However, online payment businesses have recently had their own share of hacking problems; as a result, having a multinational company that relies solely on online business transactions can expose the business to heavy penalties as a result of customer losses (Travelstart Group Annual Report, 2017).

Mediclinic Southern Africa was founded in 1983 in Stellenbosch South Africa. Its journey to being a multinational company was no different from other companies. It arose out of interest from the organization to look for revenue-generating opportunities in the business of private hospitals. It is an independent cluster of hospital services operating in South Africa and Namibia, focused on providing acute care, specialist-orientated, multi-disciplinary hospital services and

related service offerings. Mediclinic places science at the heart of its care process by striving to provide evidence-based care of the highest standard. The group currently has 48 hospitals operating privately (Mediclinic Annual Report, 2017).

Dimension Data started trading in late 1982, but the company only started exploring doing business elsewhere outside South Africa ten years later. Three years before going multinational, Dimension Data achieved one of the most sought-after milestones, when the company became one of the Johannesburg Stock Exchange's corporations. The company's road from aspiring to become a multinational corporation started with attempts to enter Botswana. Upon successfully integrating into Botswana in late 1993, the company management started writing a strategy to go further into North Africa and Asia. After their successful expansion into Botswana, during the late 1990s the company started operations in the Asia Pacific region. During the same period, Dimension Data initiated operations in the Northern African countries where their strategy was mainly to make mergers with similar companies. From 2000, Dimension Data started forging good multinational strategic partnerships and making acquisitions of small to medium size companies as part of their strategy to grow (Dimension Data Annual Report, 2017).

Dimension Data is well-known to be a leading provider of information technology products and services. Having found its way to establish a presence in the majority of the continents, the company retained its headquarters in Johannesburg where it originally started. Dimension Data is currently an official sponsor of international sports teams and also supports global sports tournaments. The company has been diversified not only in the services and products it offers but also in its visibility to various markets, which contributes to its competitiveness (Dimension Data Annual Report, 2017). The expectation for a company of Dimension Data's size is that with the expertise gained in the home country operations, it should excel at doing business over borders. It is important to acknowledge that companies that operate in their home country already possess automatic local advantages; because they are already familiar with trends, the language and local rules, as a lack of awareness and knowledge can be a huge impediment to a company's success especially outside its home country. Companies providing information technology services are predominantly reliant on the availability of connectivity to internet platforms to thrive both locally and outside the borders of South Africa (Dimension Data Annual Report, 2017).

Afrihost is a company offering information technology services and products for various clientele ranging from small to large companies and also offers a variety of complex to simple everyday

internet needs. Although Afrihost opened its doors to business during the early 2000s, the company was confined to offering typical information technology basics for at least nine years before finally competing in the broadband arena, with other information technology giants. After the year 2012, Afrihost made a huge business leap by partnering with MTN, the cell phone company, which was already at the time trading in many countries. The business partnership with MTN automatically converted Afrihost into a fully integrated multinational company, with a presence in very attractive markets (Afrihost Annual Report, 2017).

Due to the aforementioned description, the main purpose of the study is to review the level of availability of information that is mainly focused on the guidance of South African companies aspiring to become multinational corporations searching for business outside the country. From the conclusions and recommendations of the research, a framework was developed to assist towards the successful penetration of South African aspiring multinational companies into the global business market.

1.2 Background of the Study

Unlike established multinational companies, aspiring multinational companies have very few guidelines for how to expand their businesses beyond South Africa. The pattern of increasing numbers of companies looking for opportunities outside the borders of South Africa highlights the importance of properly understanding the multinational business environment, and manage the requirements associated with going multinational as a business. Therefore, the purpose of this study is to create a framework for enabling aspiring multinational corporations in South Africa. This research would expand on the existing framework for corporations to specifically address challenges faced by South African aspiring multinational corporations (Mkhabela, 2013).

A study aimed at exploring possibilities of achieving complete integration of the African countries multinational trade revealed that South Africa is among three countries that are projected to lead the pack towards entrenching robust economic bonds in the international business sphere. This could be achieved if these countries start doing big global business deals by themselves as opposed to the current trend of either relegating themselves to small scale businesses or partnering with companies from first world countries (Modiba, 2019).

Mkhabela (2013) explains that these multinational companies invest in foreign countries because there are advantages identified overseas which they would like to exploit. Even though the companies mentioned in the previous section have proven to be able to grow multi-nationally

over the years, they have had their fair share of challenges. When Airports Company South Africa decided in 2011 to diversify by providing technical airport services and airport business advisory to other national airport markets, penetrating the foreign business market was not as easy as expected. The company experienced a slow growth into outside markets to the extent that a further decision was made to restructure the foreign business side and include a whole new department whose purpose would be to focus on conducting market analysis in various countries and forge relationships with outside markets. The new business development department of eight staff members came at a big cost to Airports Company South Africa because the company had to create eight employment vacancies that were otherwise not planned for when the decision to go multinational was being made. On a daily basis, the business development department at Airports Company South Africa conducts market analysis and comparative studies about which countries need the profile of their potential client, and further analyze which market entry modes would be best suited for the business opportunities because this information is not readily available (Airports Company South Africa Corporate Plan, 2016). This is a typical example of how costly it can be for a company to go multinational, a cost that a small-to-medium-sized company may not be able to afford.

Mediclinic also faced challenges within the medical care business. Although the health fraternity obtains standards from the World Health Organisation, various countries have local health departments with specific laws on healthcare. A discovery was made by Mediclinic that outside South Africa, their industry is run completely differently, whereby the healthcare sector is mainly regulated by constituencies. In Switzerland, the local municipal constituencies manage and supervise hospitals and ensure their funding as per the compulsory local health insurance, making the private hospitals' business less competitive. This caused difficulties towards meeting projected profits because the cost of running such facilities is higher due to competitive exchange rates (Mediclinic Annual Report, 2016).

According to the Dimension Data Annual Report (2017), although the company prides itself as a global citizen, the company has endured difficulty in reaching its revenue and profitability targets, especially in the United States. The company managed to achieve its first significant amount of profitability in the United States at eight billion (8bn) US Dollars since their forty per cent (40%) acquisition of a US ICT company, Nexus, in 2004. Dimension Data was struggling to achieve its targets for thirteen years since their United States multinational acquisition before getting a breakthrough.

Although Travelstart was well-established in Sweden with over fifteen (15) years in operation, the South African-based company had to be boosted with a cash injection of R648 million rand to allow the company to move multi-nationally from South Africa. The investment was a plan to thoroughly entrench Travelstart's presence in more African markets so that the name became known throughout the travel industry and the travelling public. The founder of Travelstart stated clearly that the sole purpose of the R648 million-rand investment into the South African operations was to get a breakthrough into other African countries from South Africa. Shortly after that, the company managed to conduct market research and forged relationships with countries in strategic locations; the north-eastern, West African and East African countries such as Kenya, Nigeria and Egypt. Not every company has huge amounts of money to conduct lengthy market research before entering foreign markets (Travelstart Group Annual Report, 2017). This indicates how difficult it is for companies in South Africa to penetrate multinational markets, hence the purpose of this study is to develop a framework to assist towards successful penetration into multinational markets from South Africa.

Afrihost has had its fair share of problems, which in 2015 led to them experiencing huge internet connectivity cuts, and on a different occasion were given a huge monetary fine as a result of a complaint raised against them. Although Afrihost tried to appeal the fine in 2016, the company lost the appeal. Afrihost was also fined a further thirty thousand rand (R30 000) for distasteful advertising in addition to the initial fine (Afrihost Annual Report, 2017). These legislative challenges experienced by Afrihost are bringing a different dimension to doing business in a foreign country, that even though the company manages to penetrate the markets commercially, they still need to align with the laws of the country. The possibility of a lack in understanding of foreign business laws creates a case for the envisaged framework to have guidelines on international business laws.

1.3 Problem Statement

Aspiring multinational companies in South Africa find it difficult to access business opportunities in foreign business markets (Gilbert & Heinecke, 2014). This problem is witnessed by the existence of challenges faced by the highlighted South African companies, as they also had difficulties penetrating and establishing themselves in the global economy. Although foreign markets are in themselves complex, because of the traditional challenges emanating from government policy, religion, different customer behaviour and so on, the major problem that can be identified is the lack of information specifically tailored for aspiring companies looking to go into foreign business markets (Jordaan, 2012). The inability to acquire adequate information

about foreign markets is a major constraint for aspiring South African multinationals (Gilbert & Heinecke, 2014).

As third world countries are gradually entering global markets, and endeavour to control global business sectors within their respective markets, there are still uncertainties about the applicability of existing multinational frameworks and whether these frameworks have considered the evolution of multinational companies in developing countries. The significance of considering the road being travelled by third-world countries is the similarities and dissimilarities with the roadmaps of their counterparts in first world countries, whereby if the dissimilarities far outweigh the similarities, then the available frameworks may not be a one size fits all. In a study of FDI determinants conducted in Korea, it was discovered that aspects such as understanding of export markets and focus on workforce orientated industries were key to Korean firms' FDI success whereas their developed countries counterparts have completely different and highly technical determinants of FDI (Klein & Wocke, 2007). This indicates that any framework that seeks to assist Korean firms has to be tailor-made to match their unique under-developed circumstances.

Aspiring Multinational Companies in South Africa, compared to those firms in developed countries and those in emerging countries are not similar to any of these. As a result, a typical model that would be used by aspiring multinational firms in developed countries would not be a fit because due to underdevelopment South Africa are generally risk-averse and hence prefer FDI with a wholly-owned model whereas other developed countries' firms are risk diverse. On the other hand, those in developed countries are not similar to developing countries firms because aspiring multinational firms in South Africa are typical multi-regional spreading their presence into six other continents, contrary to other developing county firms like in India who are regional or bi-regional at the most choosing to firstly understand other cultures close to home as a launch pad (Museisi, 2013). This indicates a need for South African aspiring multinational companies to be afforded a framework that satisfies their risk-averse manner and their appetite to go too far out continents.

There is however a need to learn more about new entrants coming into the fold as partnerships and mergers and acquisitions, and as potential acquirers, as multinational market competitors because these will equally add to the challenges faced by emerging multinational companies (Yaprak & Karademir, 2010). In order to achieve the target of playing in big global markets these aspiring multinational companies will need to have a thoroughly thought-through method of

entering big markets however, may be unique between developing and developed environments, and firms from other emerging markets may follow different paths because of various constraints. Central to these questions of theoretical applicability and path-dependency are issues of competitive advantage, their nature, where they are derived from, and how they are developed. Another theory suggests that firm-specific advantages (FSAs) stem from asset-based ownership advantages and that over time, as the firm evolves into an aspiring multinational, transaction-based firm-specific based become more important (Klein & Wocke, 2007).

To address the problem, the South African Department of Trade and Industry (DTI) introduced the Trade Lead Bulletin, which is an information publication on multinational business opportunities consolidated from their associations with foreign economic experts and other trusted contributors for distribution and matching to South African small- and medium-sized companies (Mkhabela, 2013:93). The problem with the DTI initiative is that the website and walk-in information site works very well for businesses that are already well established locally and overseas. Unfortunately, the solution does not cater for companies who are still finding their feet in business, that is, those who are not strong brands in the home country. Gilbert and Heinecke (2014) elaborate on the key drivers of success for multinational companies as mostly depending on the strong home country and regional multinational business strategies. The most critical aspects of home country and regional multinational business to achieve the point of intersection is for the strategies to interface with the nature of the partnership, and the plan of action or management method proposed by the multinational organization.

When the government creates interventions to stimulate the growth of aspiring multinational companies a decision has to be made whether the role of government will be an unreceptive contributor or hands-on and also if the chosen strategy would be inclusive or for a select few. The chosen strategy is important for the fate of aspiring multinational companies because unreceptive strategies tend to favour stagnant location advantages, whereas hands-on strategies have the benefits of enabling firms through skills development opportunities. On the other hand, when either of the strategies is paired with a “select-few” approach instead of inclusive, it can lead to over resourcing of few firms and lack of enablement of the remaining majority leading to overall weak multinational capabilities (Narula, 2016).

Fewer new aspiring multinational companies in developing countries are able to comfortably stand alone without the help of a partnership or government support, an example is that of Chinese manufacturing companies whereby out of a sample of 500 aspiring multinational

companies only 49 were found to be self-reliant. Most of the remaining 451 companies depend on their country-specific advantages created by their government (Jormanainen & Kovesnikov, 2012).

The consequence of the problem of lack of information to guide multinationals is that companies are going to make wrong business decisions and lose their profits while doing business outside their home country. One of Africa's biggest problems in entering multinational markets is the lack of guidance on entry modes. For many years business decisions were made in Africa based on information that was either not precise enough to be relied on, missing important details, being older than one year, or simply unavailable (Mkhabela, 2013).

Most existing frameworks on multinationals in South Africa offer guidance on how a company can be slowly established locally (incrementally) and later enter multinational markets. There are a few guidelines and not frameworks that guide aspiring multinational companies, especially on trading for a few years locally before attempting to go outside South Africa, or even whether to go multinational immediately at inception (Jordaan, 2016). Mkhabela (2013) explains that the South African Parliament mandated the Committee of International Relations and Cooperation to gather information through public participation, to investigate the challenges faced by aspiring multinational companies looking for business opportunities. Following a report from the investigation indicating that there are indeed challenges faced by aspiring multinational companies, Parliament suggested a code of good practice for doing business elsewhere in the world. Some Members of Parliament called for a code of good business practice to guide the operations of South African aspiring multinational companies. The proposal for good business practice was followed by a workshop attended by various industry participants and aspiring multinational company management, where the findings revealed the need for a scholarly inquiry on the challenges faced by and resources available to South African aspiring multinational companies. Hence the study seeks to research what risks could South African aspiring multinational companies face, what information is available to assist them to look for business opportunities in other countries, and ultimately to create a framework to be used as a guideline for multinational companies.

1.4 Aim and objectives of the study

The aims and objectives of the research are essentially three-pronged:

- To assess the extent of availability of information specifically designed to guide South African companies aspiring to become multinational companies looking for business outside the country.
- To examine the success factors for enabling aspiring multinational companies to enter the multinational business sphere; and
- To recommend a framework to assist towards successful penetration of South African aspiring multinational companies into the global business market.

1.5 Research Questions

The following are the research questions:

- What is the extent of the availability of information specifically designed to guide South African aspiring multinational companies in accessing and utilizing profitable foreign business markets?
- What are the success factors for enabling aspiring multinational companies to enter the multinational business sphere? and
- What is the best framework that can best be adopted by South African aspiring multinational companies in entering into foreign business markets?

1.6 Rationale and significance of the study

Firstly, the research is important as it ought to show the identification of what made the five companies selected for the study successful as multinational companies. The study would achieve this by assessing whether being established in the home country, knowledge of international business dynamics, entrepreneurial leadership, and competitive products and services, have an impact on the degree of success towards penetrating the global business market. The research would enrich theory and strategies that the companies aspiring to go multinational can use to improve their chances of succeeding multinationally.

The second rationale for the research study is that it is expected to generate greater awareness among other non-multinational companies on how to enter the multinational business sphere;

and finally, the research study would improve on existing frameworks and provide a useful framework that is expected to contribute to the existing literature on aspiring and future multinational companies as a guide for businesses.

This study seeks to expand on research done by Jordaan (2012) and Mkhabela (2013). In their recommendations for further research, both scholars recommended that over and above existing traditional frameworks there is a need for a specific framework to guide aspiring multinational companies in South Africa. Through a literature review, the researcher was able to establish which gaps exist in the information available to aspiring multinational companies in South Africa.

1.7 Contribution of the study

The study is expected to contribute to the existing body of knowledge in the field of multinational business by researching a solution specific to aspiring South African multinational companies. The study is also expected to bring forth a new framework for aspiring multinational companies in South Africa, which would provide a springboard consisting of a repository of attributes towards successful transnational operations. These five attributes are made up of micro-elements which together form the solution for aspiring multinational companies. The attributes are regulatory environment, economic environment, public environment, international laws, and local spending. There is a likelihood that the expected outcomes of this research would be realised because the researcher used a good sample to help unravel the problem of lack of information to help multinational companies in South Africa.

1.8 Chapter Organization

The thesis consists of seven chapters, which are as follows:

Chapter One: Introduction. Chapter one is as follows: the research was introduced, the problem statement was shared in this chapter, also the background of the study, the objectives of the study, research questions, aim of the research, and the significance of the research.

Chapter Two: Research Design and Methodology. The chapter looks at the measures deployed to rate and unravel the study. The chapter covered the following topics: introduction, research philosophy, research design, research approach, research population, data collection techniques, data analysis, reliability and validity, ethical consideration, limitations of the research, and a chapter summary.

Chapter Three: An overview of multinational companies. The chapter gives a further description of the literature review of types of multinational companies and the main concepts of the study. Over and above assisting with sharing work produced by other studies on the topic, the literature review helps with addressing the research questions. The following topics will be covered in this chapter: introduction, a multinational company, an aspiring multinational company, traditional intrinsic motives, traditional extrinsic motives, horizontally integrated multinational, conglomerate multinational, joint ventures, advantages and disadvantages of multinational companies, and a chapter summary.

Chapter Four: Theoretical perspective of multinational companies. This part of the research work profiles a literature review of multinational theories, and other terminology used in the research. Collecting literature on a study assists the researcher with uncovering what others have to say about the study topic. The chapter covers the following topics: introduction, multinational theories, empirical studies, and a chapter summary.

Chapter Five: Data Analysis. Chapter five made use of the discoveries and information gathered at the selected companies to clarify the outcomes. The chapter would cover the following: introduction, reliability test, demographic analysis, discussion of qualitative and quantitative findings, and a chapter summary. The chapter will include a discussion of Quantitative and Qualitative Findings. This chapter is a point of convergence for the quantitative and qualitative findings. Although mixed methods were used the researcher has opted not to combine the quantitative and qualitative data but rather to bring the two data sets together during conclusions whereby one method provides a supporting role for the other method. The chapter will cover the following topics: introduction, factor analysis, gap analysis, thematic analysis, sources of multinational business information, discussion, findings from the study, and a chapter summary.

Chapter Six: Conclusions, Recommendations and Framework. Chapter seven discusses the findings and summarize the interpretation done in chapter six. The researcher will give recommendations on what guidelines are needed by aspiring multinational companies and recommend a framework to be used by South African aspiring multinational companies. The chapter covers the following topics: introduction, conclusions, the proposed framework for aspiring multinational companies, recommendations, areas for further study, and a chapter summary.

1.9 Chapter Summary

This chapter has given a snapshot introduction to why this study was undertaken, which is to find a solution to the problem of lack of information to guide aspiring multinational companies in South Africa. Having enough reliable information and operational strategies is a prerequisite for entry into multinational markets. The state of the market and its competitiveness determines the effectiveness of entry strategies and therefore growth and development potential of the business. In the introduction of this chapter, the beginnings of the selected multinational companies were discussed. The brief overview of these companies is exemplary to the notion that the journey towards becoming a multinational company needs more than capital to succeed; over and above the capital, a company needs networking capabilities and multinational managerial knowledge. The problem giving rise to the need for research to be done on aspiring multinational companies was outlined as the struggles facing aspiring multinational companies in South Africa in accessing business opportunities in foreign business markets. The chapter also discussed the aims and objectives of the study, and research that will assist to unravel the problem identified, by assessing the extent of availability of information, examining multinational success factors and subsequently creating a framework for enabling aspiring multinational companies. The next chapter will outline literature relevant for this study focusing on the overview of multinational companies.

CHAPTER TWO

AN OVERVIEW OF MULTINATIONAL COMPANIES

2.1 Introduction

This chapter will give the necessary literature on the study topic by providing insights that will be used to assess the various methods of multinationalism, which companies aspiring to go multinational can adopt. The chapter will further explore what the existing modes of multinationalism have to offer for aspiring multinational companies, which underpins the reason why this study is being conducted. In the latter chapters, the findings from the literature review will be documented, and recommendations will be drawn.

The phenomenon of aspiring multinational companies is a topic of interest to many scholars, especially the concept of the emergence of multinational companies. Some of the reasons given by researchers and theorists are that these companies are either seeking efficiency or to get market access. Many theoretical models have been developed to explain the concept of companies looking for growth beyond their home countries; unfortunately, most of the theories seemed rather lean more towards unravelling the phenomenon of foreign direct investment rather than an aspiring multinational business. However, historically, multinational corporations have been among the important contributors in a continuous globalization activity which has increased phenomenally over the last three decades, even surpassing the gross domestic product of various countries (Markusen, 2013).

2.2 Multinational Company

According to Heindereich (2012), although there are various diverse definitions of a multinational company, all of these point to the same idea, that business corporations that own or offer value-added services across borders are multinational businesses. Multinational Companies can be simply defined as business establishments that have value-added holdings outside their home countries (Shah, 2012). A company chooses to go multinational during its strategy formulation or strategy review session. During this session, the management team makes a decision to either continue with the local business strategy or diversify its operations to trade beyond the company's home country. Heindereich (2012) explains that the strategy of operating outside the home country can be both daunting and exciting at the same time, because doing business elsewhere in the world means that the company resources may no longer be used in an

integrated manner, taking away the opportunity for economies of scale. On the other hand, corporations can be creative in their choice of business activities undertaken multinationally allowing the interdependencies on home country expertise to be fully utilised remotely. A truly multinational company must, according to Shah (2012), over and above having value-added services, also send to those countries a complete business package consisting of capital injection, technological advancements, managerial capabilities, and marketing competencies, to be able to satisfy the multinational company criteria.

2.3 Aspiring Multinational Company

Dunning (2008) explains that for economic organisations that are attempting to grow from their national origins to operations across borders, it is critical to distinguish between a company looking to establish business operations locally, exporting companies, and aspiring multinational companies, which are corporations that have a corporate office in their home country but are looking to have other management head-offices elsewhere. On the other hand, local and exporting companies get to keep their corporate office local, where the management and staff operate from; even if a decision is made to have other satellite offices, the operations are still in the home country. Companies aspiring to go multinational should be aware when defining their multinational entry criteria, that they would need to have financial, human, information technology and other business resources in the new countries to be true multinational companies. Heindereich (2012) indicates that to have multinational company status, businesses need to ensure that in one way or another, they have, or command, value-added services in more than one country. Some companies wish to separate from local partners in the foreign country and yet do not have financial, human, information technology and other business resources there; these companies will benefit from this study to enable them to be stand-alone multinational companies. The study will also benefit companies that have financial, human, information technology and other business resources in one or two countries and yet are aspiring to enter more foreign markets.

The difference between multinational and aspiring multinational companies is that multinational companies have managed to own, or control, value-added services in more than one country, whereas aspiring multinational companies are still looking for ways to go multinational. Although some of the companies might have managed to enter into one or two countries outside South Africa, they might still be aspiring to enter into more countries' markets. Kraemer and van

Tulder (2009) explain that there are both traditional intrinsic and traditional extrinsic motives for an organization to aspire to go multinational from an international business perspective.

2.4 Traditional intrinsic motives

Traditional intrinsic motives of aspiring multinational companies purport that a corporation becomes effective in doing business across borders by forging business friendships and by internalising markets over borders, or by investigating assets where they are found and moving them to another country; linking several competitive assets which are peculiar to those global markets that are normally unrelated; or gaining in efficiency through the combining of closed markets globally, such as, the labour markets. The concept of traditional intrinsic motives simplifies the pursuit of business by aspiring multinational companies as either being for resources reasons, looking for efficiencies, or adopting a particular strategy for the company (Kraemer & van Tulder, 2009).

2.4.1 Resource-seeking

The resource-seeking motive is fundamentally represented by the overall quest for modest common assets. This motive is used when the plan of going multinational is one that is also most simply fitted into a business model that focuses on differentiating itself comparatively from other organizations welfare-increasing framework. In resource-seeking businesses, various strategies exist to get raw materials, including the following: day-to-day procurement (buy as you need), contracts of twelve or more months with service providers, or multinationalisation of production, which comes with competitive advantage (Kraemer & van Tulder, 2009).

2.4.2 Efficiency-seeking

According to Kraemer and van Tulder (2009), efficiency-seeking multinational companies are mainly seen where there is a need for companies to gain discounts on products to becoming competitive, and the aspiring multinational corporation wants to take advantage of differences in what can be exploited by their home country, as opposed to other countries, by increasing their value chain multinationally. The local determinants of efficiency-seeking motives can be geographical makeup, attractiveness, international relations and the associated political implications (reputational risk and wasteful costs resulting from projects having to be abandoned because of political instability or conflicts). These determinants may vary throughout the

touchpoints in the value chain. Other local costs which will assist with refining the efficiencies are the distributing and transport costs, that is, access to marketplaces and increasing the productivity levels, which have to be brought into the equation. Getting resource accessibility right is a balancing act that is done differently for various industries (in the aluminium sector, inexpensive energy is highly treasured by companies, and places, where one can conduct energy-generating activities, are rather preferred for other business activities). There is also a need to develop future-oriented multinational firms, whereby companies seek to create products and services which would appeal to future multinational market aspirations, which could also be a source of horizontal integration into doing business elsewhere where such opportunities exist (Peleckis, 2013).

2.4.3 Strategic asset-seeking

The strategic asset-seeking motive is based on the notion that a company's access to international markets gives it a huge information advantage, better than that of other home country firms, because of the scanning and learning possibility of the company network. Coupled with the motive of strategic asset-seeking is the idea that the superiority of multinational corporations' networks is due to the enhanced ability to innovate. The challenge is that there is very little country-specific data on the strategic asset-seeking behaviour of various corporations which could be readily available when companies are considering moving into certain countries, especially 3rd world countries. Under oligopolistic situations, corporations may choose to invest in overseas countries as a strategy to establish barriers to block other companies from claiming that specific market. This is one entry deterrent that outside companies can also use to block local firms from taking advantage of emerging markets. Meyer (2015) asserts that the motive for strategic asset-seeking is for the multinational company to utilize the assets gained overseas to improve the business aspirations of the corporation in new markets. To date, this motive is still hailed as a sharp and unique way of investing in future ventures for any business. It is also trusted to successfully put processes in place to build capabilities that could allow aspiring multinational companies to build a competitive edge.

2.5 Traditional extrinsic motives

The extent of authorizations given by the host country to foreign companies is the key to exploring location-specific advantages, but the existence of these advantages alone is not enough.

An example is that of countries with natural resources attractive to foreign companies; however, the host country has laws relating to natural resources which impede foreign companies. Some countries create tax laws that are unfavourable to foreign companies, while the same laws make local companies thrive; a good mix of enabling legislation for locals and realistic tax benefits for foreign companies will attract good investments. The degree of multinationalisation, according to the traditional extrinsic motives, is influenced by the sources of power of bargaining: governments, multinational companies and the evolution of these sources change over time (Meyer, 2015).

2.5.1 Government bargaining power

Kraemer and van Tunder (2009) argue that the bargaining power of the home country in relation to resource-seeking aspiring multinational corporations depends heavily on the relevance of operations in the other country and the level of opportunities to be exploited at the new location. Industry legislation is one way for governments to ensure that they receive a share of the benefits generated by resource exploitation, in the form of taxes paid on raw products traded within the firm. There are differences in countries' legal frameworks regarding natural resource extraction, confronting multinational companies with a jurisdictional asymmetry. Heidenreich (2012) explains that in less-developed host countries, legal systems are often developed, as Government officials gain more experience with the various industries, which adds another dimension of complexity and uncertainty for the aspiring multinational company's management and are a potential source of transaction costs.

Legislation differences between countries bring a huge influence to bear on decision-making on foreign investments. It has been shown that, besides the overall profitability of a project and the mineral potential of the country, a favourable fiscal regime is the third decisive factor for the direction of an aspiring multinational company. This calls for regulatory bargaining between foreign governments and aspiring companies and usually comes down to what governments are willing to give (Kraemer & van Tulder, 2009). Peleckis's (2013) concept of international business negotiations is that the representatives of businesses or business membership organizations from different countries enter negotiations with a set of key factors in mind. They focus on differentiating attributes to enable successful facilitation, while at the same time quietly adjusting the gaps that exist between the markets to achieve synergy. As a useful method to assess cultural and country differences which, if used properly, will yield positive introduction of

competitive products and services from one country to another, Hofstede's cultural dimensions are recommended in this case (Peleckis, 2013). A good business would ideally look at the peculiarities between the countries as an opportunity, whereby in instances where it is not necessary to close the existing gaps, the aspiring multinational company can make good profits out of being a market gap-filler.

2.5.2 An obsolescing bargain over time

Kraemer and van Tunder (2009) explain that obsolescing bargaining power depends on a company's technological capabilities and the level of control over its multinational value chain. In developing countries, this is usually a challenge, because host countries often do not have access to the newest technology possessed by a foreign country, which has a direct impact on their aspiring companies.

Peleckis (2013) shares the concept of a long-term view towards bargaining with a foreign country, whereby a multinational company needs to be acquainted with the host country's long-term view. Openly communicating the duration for which the country is willing to have a foreign company providing certain services will allow the management team to adjust their strategy to align with the communicated timelines. After the initial phase in the bargaining process, the host country's government becomes less dependent on the aspiring multinational company when infrastructure is built and returns from resource exploration flow in and contribute to development. Furthermore, there is political calculus and the wish to distance the government from the aspiring company in the sense of showing government independence from foreign firms. This may reduce the appreciation of the aspiring multinational corporation presence in the country. On the other hand, the obsolescing bargain model has been criticised for overestimating the power of local governments to dictate policy, and for underestimating the ability of aspiring multinational companies to put pressure on governments; equally, on the part of the government, there is a desire of host governments to attract foreign business, combined with more cooperative relations between governments, and hence the model is seen as less applicable today. The aspiring company's legality and the desire to create and maintain its corporate reputation has become an increasingly important variable that is not accounted for in the obsolescing bargain model; the extent to which the organisation is accepted by its environment has the potential to enhance the aspiring multinational company's bargaining position and to prevent the bargain from becoming obsolete (Kraemer & van Tulder, 2009).

Whether a company goes the route of traditional intrinsic, by internationalizing markets over the borders in a multinational economy, or traditional extrinsic, by government involvement using their bargaining power capabilities, the company has to choose the mode of entry into multinational markets. Mkhabela (2013) explains that aspiring multinationals can opt for any of the following modes of entry into markets: Horizontally Integrated Multinational, Vertically Integrated Multinational, Conglomerate Multinational, franchising, and joint ventures. He further points out that there is a need for the development of a theory or model for analysing two important factors in international politics, which is the role of home governments and of multinational corporations, which he believes will provide clues to a corporation's domestic and global challenges.

2.6 Horizontally Integrated Multinational

A horizontally integrated multinational involves itself in the production of essentially the same product but in different countries. The main objective here is for the corporation to continue to grow by the means of expansion into many different types of new markets. Multinational business relations are most prevalent between countries of a similar size. This is in line with the notion that minimal productivity differences between the home country and foreign markets increase the level of likelihood of multinational activity. Initially, the models of horizontally integrated multinationals were based on partial equilibrium frameworks and assumed identical factor endowments across countries. Later, they were extended to the general equilibrium setting. The theoretical modelling of horizontally integrated multinational companies involves a trade-off between the saving on the trade cost and the cost of establishing a new plant in the host country. The theory of horizontally integrated multinational companies predicts that given moderate to high trade costs, multinational activity will prevail in the equilibrium when countries are similar in size and in relative factor endowments (Cieřlik, 2013). Achieving good profit margins is key to the success of all horizontally integrated corporations if they intend to continue maintaining a healthy balance between return on investment and working capital. This can be achieved by having well-articulated structural units along with horizontal integration. An example of these structural units is horizontal building blocks within the medical services' multinational companies, whereby with typical entry-level management decisions there is autonomy and decentralization of decision-making. On the middle management level and points of integration, there is deliberate consolidated decision-making by horizontally integrated responsibility centres (Doshkov & Deliverska, 2017).

Gorbunova et al. (2012) explain that horizontal and vertical models existed within multinational companies for a long time; however, they were always silos which were seen to be significant in their parallel existence. One of the greatest achievements of the 21st century multinational theories was the ability to create an interface between horizontal and vertical models; this allowed firms to comfortably choose either one of the two models with full knowledge that a safe switch from one to the other could be made. This was done by Markusen (2002), as cited by Cieřlik (2013), who called this broader framework the Knowledge Capital (KC) model. In his model, firms, horizontally integrated multinationals and vertically integrated multinationals come to light intrinsically in parity as a solution to achieve a set of identified attributes of the home and host country. According to the KC model, the situation whereby the cost of doing business is affordable to companies when their home and host countries are similar in size but differ in what is available to be exploited in the country. In such cases, it is easy for vertically integrated companies to enjoy a competitive advantage over the market. In a situation where the cost of doing business is very high in companies when their home and the host country is similar in size but differ in what is available to be exploited in the country, the horizontally integrated multinational companies enjoy market share.

The merging of more multinational attributes, such as other forms of capital as additional forms of production, has put the KC model on the stage with newer models as a form of differentiation and opportunity for competitive advantage. In some cases, migrant labourers and equipment used to generate goods and services and other primary sources of production are some of the latest additions to the KC model's forms of production. These new additions to the Knowledge Capital have redefined how vertically- and horizontally- integrated aspiring multinational companies can use the most basic forms of production (such as unskilled labourers), which can be a differentiator.

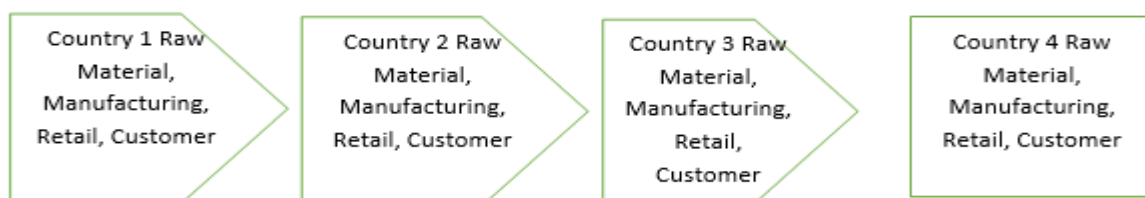


Figure 2. 1: Horizontally Integrated multinational companies

Source: Markusen (2002)

2.7 Vertically Integrated Multinational

This kind of multinational company's integration starts from the top of the stages, with raw materials in one country, manufacturing in the second country, retailers in a third country, and lastly, customers in either the same country with the retailers or customers in country 4. The main aim of integrating vertically is for the companies to have the advantage of controlling the costs and mitigate the risks posed by various business settings. To gain comparative advantage, vertically integrated multinational companies carefully scan the environment for countries with the least costs and risk for each of the stages of integration. From each country with the lowest costs and risks, a strategic partner (company) is identified. The companies are then allocated the stages fitting their level of advantage in the integration. According to the conceptual makeup of multinational companies that are vertically integrated is that each of the stages of a business is unique and can achieve success by infusing unique elements that typically exist in that particular location. A company from a country with the most moderate temperature will be selected amongst all companies providing raw materials for wood furniture production. In another example, the company from a country with the best human capital capability and with the least cost to manufacture the furniture will be allocated the manufacturing stage in the integration. Ultimately it is the relative factor endowments of each of the participating countries within the integration that determine the structure and position of each country through the stages (Cieřlik, 2019). In more recent years, the vertically integrated model was extended in many directions. However, so far, of all the changes in the vertically integrated multinational companies, the most notable recent one was the incorporation of physical capital as an additional factor of production, along with human resources and unskilled personnel proposed by Bergstrand & Egger (2013).

According to Kraemer and van Tulder (2009), a decision to vertically integrate cannot be achieved with a one-size-fits-all approach. From a transaction cost point of view, firms in specialised industries have, on average, more reason to try to make up for the inadequacies of foreign markets via vertical integration. Factors such as specifications, information unevenness (e.g., variable quality of the raw materials), uncertain circumstances (quality, resource availability, and geopolitical factors), and the frequency of transactions, determine the choice between the various entry options. Gorbunova et al. (2012) indicate that quality idiosyncrasy is

of obvious importance in most of the specialised industries, hence vertical integration is ideal in such industries. Proponents of vertical integration indicate that it minimises sunk cost and enables the company to be self-sustainable, giving the freedom for businesses to choose where to source raw materials for their services and products the main attraction in the integration. Those companies who are heavily reliant on raw material sources need to continuously secure access to cheap sources to be able to compete on price, which further translates into further multinationalisation.

On the other hand, a company in the oil industry that vertically integrates into the refining industry would realize a lot of benefits from vertical integration, but at the same time suffer high administrative costs, which indicates that valid reasons other than the transaction benefits must be there to justify the company's reason to vertically integrate. According to Bergstrand and Egger (2013), pragmatic views attempting to unravel the latest theories in modern multinational theories did not start until the early 1990s. These studies initially focused mainly on US multinationals, while multinationals from other countries received relatively less attention. The empirical studies on determinants of multinational activity were initiated by theorists in 1993. The scholars tested theoretical predictions derived from the models of both horizontally and vertically integrated multinationals. According to the findings from the 1993 study, the majority of multinational companies are integrated horizontally and not vertically. Subsequently, the results were called into question by other theorists, who estimated specifications directly derived from the more general model, and found that although the multinationals were integrated horizontally, they were also integrated vertically through foreign direct investments. Kraemer and van Tulder (2009) explain that vertical integration gained traction and popularity in the late 1990s when more and more companies entering foreign markets opted to integrate vertically.

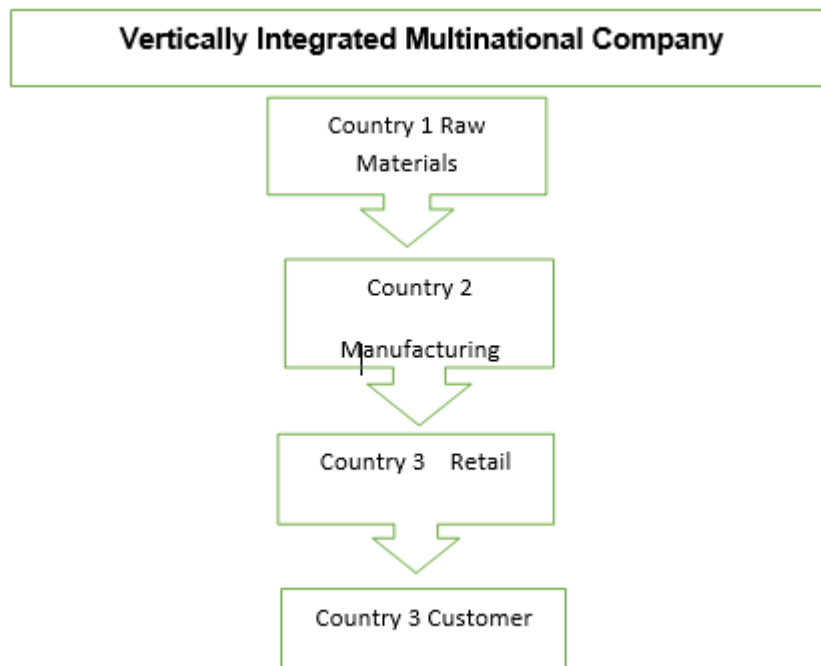


Figure 2. 2: Vertically Integrated Multinational Companies

Source: Bergstrand and Egger (2013)

2.8 Conglomerate Multinational

In this strategy, the multinationals produce a different range of products in different countries. By this diversification process, conglomerate multinationals look to spread risks and maximise returns by careful buying of assets overseas. A conglomerate merger involves a merger between two companies that are completely unrelated to one another in terms of the products they sell (Hill, 2013).

Companies establish a conglomerate because it helps the company to diversify. Unlike a single-product company, conglomerates are less vulnerable to losses due to business challenges in one sector or industry (Hill, 2013). Therefore, in the above example, the company will not sell the same product or service in all the countries they enter but rather diversify according to opportunities in each country. This is a big advantage to companies because when income from one revenue stream dries up the other stream will keep the company afloat. Equally, when demand for one product or service is low, the other product will help keep the company busy. Conglomerate integration also helps companies with sufficient financial resources but who find themselves in oversaturated markets; as a result, they cannot find investment opportunities. The

companies would rather invest in conglomerate-integrated businesses and receive good returns on their investment than work alone and wait forever for opportunities. For such companies whose main aim is investing, conglomerate integration magnifies their market and also opens up opportunities for more profits and exposure to new investment opportunities. What makes a distinction between a vertically integrated company and a conglomerate multinational company is that the latter has the disadvantage of continuing to invest in unknown markets outside their core business which, due to lack of expertise on their side, leads to poor performance and loss of revenue. The trick with following a conglomerate integration is that a company does not have to compromise its expertise and experience to reach its goals, as a perfect investment fit can be found within the conglomerate. The challenge with these types of multinational businesses is that in conglomerates, it is not easy to replicate the workforce to be like that of another industry; it will be difficult to mirror the culture or values of another industry (Bergstrand & Egger 2013).

At face value, the idea of a conglomerate looks very attractive and may deceive a business into investing. However, the reality such as a possible loss of investment due to lack of expertise in foreign industries is one that an aspiring multinational company will have to consider before making investment decisions.

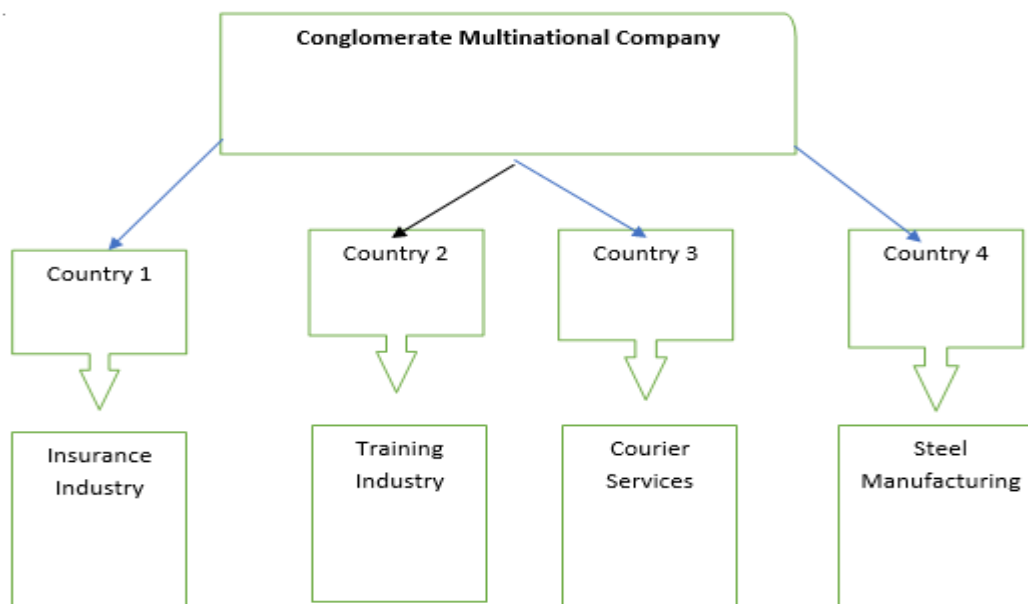


Figure 2. 3: Conglomerate multinational companies

Source: Hill, (2013)

2.9 Franchising Multinational

According to Hill (2013), franchising is a specialized form of business in which the franchisor not only sells a trademark to the franchisee but also insists that the franchisee agree to abide by its rules of doing business. A franchisor typically receives a royalty payment, which amounts to a percentage of the franchisee's revenue. Franchises are unfortunately not one-size-fits-all; in extreme cases, the franchise may not appeal to another country as much as it is very popular in another, which leads to failure. Franchises also limit the franchisees on where they can obtain supplies; if the supplies are not readily available locally this can come at a huge cost to the franchisees, which would in the long run disadvantage the company. The structure of a standard franchise can be simplified as follows, but the detail will differ according to product and complexities:

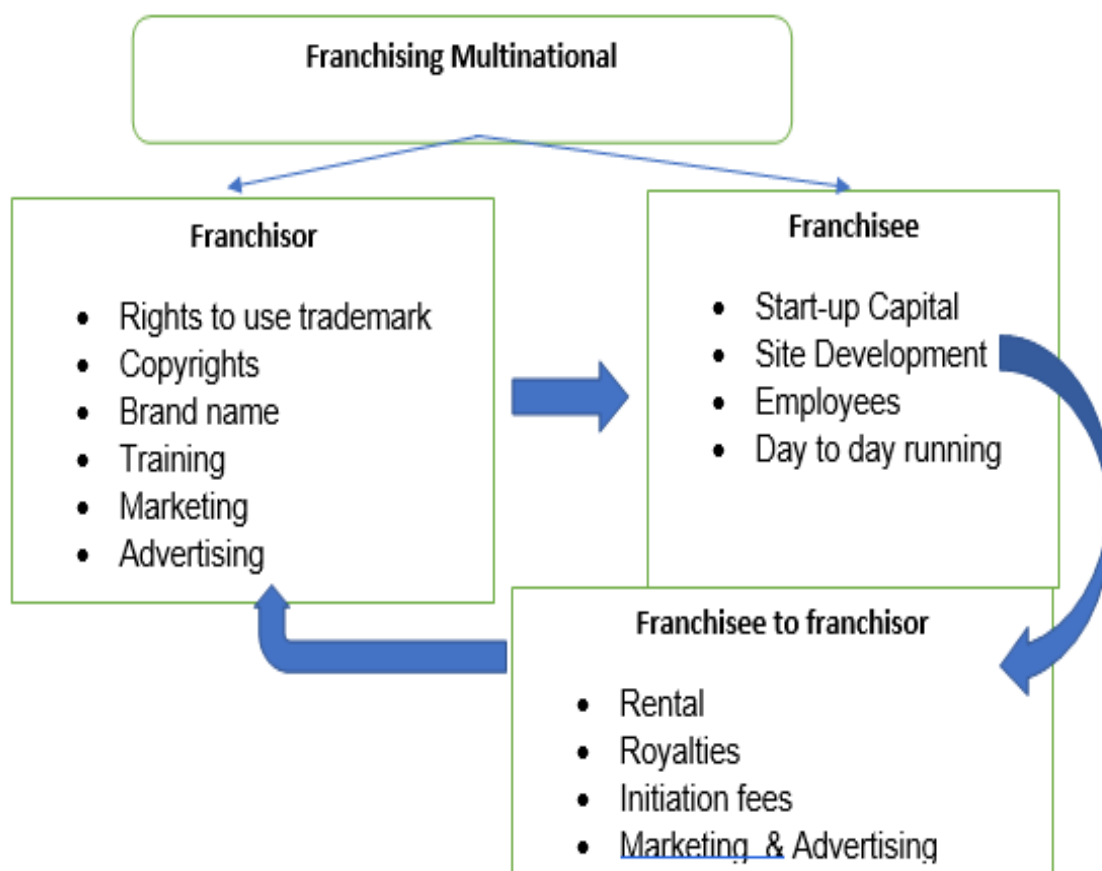


Figure 2. 4: Franchising Multinational Companies

Source: Hill, (2013)

2.10 Multinational Joint Ventures

A joint venture entails establishing a firm that is jointly owned by two or more firms or people. In a wholly-owned subsidiary, the firm owns 100% of the stock. Establishing a wholly-owned subsidiary in a foreign market can be done in two ways: the firm can either set up a new operation in that country, often referred to as a Greenfield venture, or it can acquire an established firm in the host nation and use that firm to promote its product. While companies can benefit from each other's brand to gain market presence which would otherwise take longer for one company to build from scratch, some companies avoid entering into joint ventures because they fear losing their brand in the quest to jointly create value, where if the joint venture is dissolved, one company could lose brand value (Hill, 2013). Nippa and Reuer (2019) define multinational joint ventures as international joint – a type of strategic alliance – and although joint ventures (JV's) is widely known in business circles, the multinational effect has for decades been a subject of much empirical research. The concept of multinational joint ventures is based on the understanding that the strategic partnership comes with an injection of increased technical know-how, capital capacity, more distribution channels and the certainty of trading in already established markets.

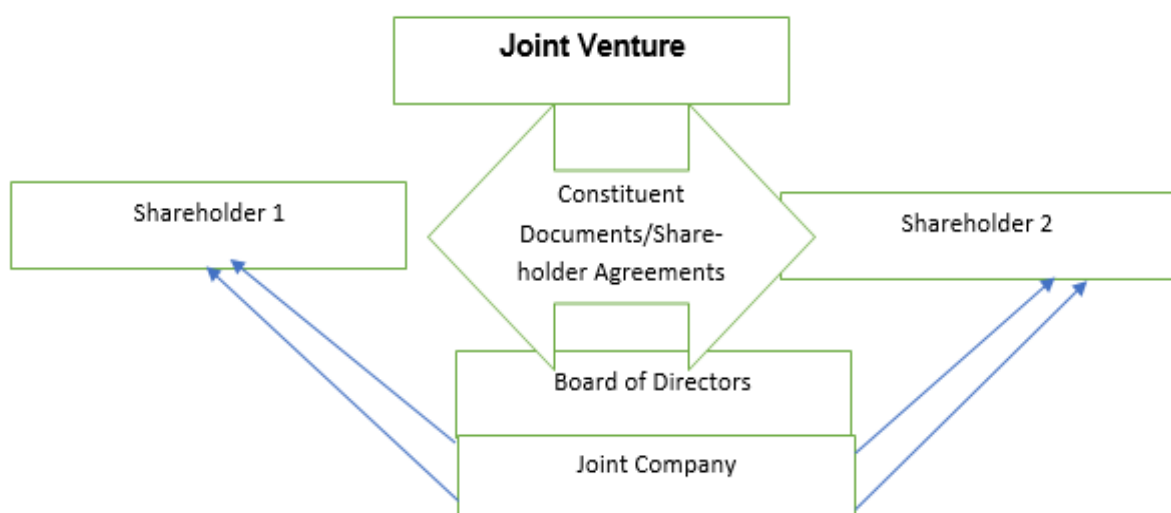


Figure 2. 5: Joint Ventures

Source: Hill (2013)

Joint ventures are outlined in the knowledge capital model as national firms within a strategic partnership, who are interchangeably sending services and products between their companies. In the long run, this activity enables the partners to dominate the market. The degree of ability to dominate the market relies heavily on the size of the countries involved, the more alike the size of the economy of the countries and factors of production, the higher the likelihood of market dominance by the joint venture. Another factor that determines the dominance of joint ventures is the similarities in their trade costs; the more equal the trade costs between the two multinational companies the more likely the success of the joint venture. Joint ventures also successfully dominate their markets if they integrate vertically when their multinational countries are alike in relation to size but differ in factor endowments (Taylor & Andreosso-O'Callaghan, 2016).

2.11 Advantages and Disadvantages of multinational companies

From the above overview, the advantages and disadvantages of multinational companies as outlined by Taylor and Andreosso-O'Callaghan (2016) can be summarised as follows:

2.11.1 Advantages of Multinational Companies

Taylor and Andreosso-O'Callaghan (2016) explain that the advantages of multinational companies as follows:

Horizontally Integrated Multinational Companies

Horizontally integrated multinational companies break up their manufacturing activities to become individual elements that can be found in various locations consistent with their comparative advantages. The less complicated design of horizontally integrated multinationals is the single speciality integration, consisting of companies that offer the same products and services and may still differ in size. Although these may appear to be too simple, internationalisation still benefits the companies through increased market share, economies of scale and familiarity with customers. The other advantage of horizontal integration can be realized when companies have diverse expertise within the same industry; the benefits of integration are realized when one multinational company refers customers to another multinational company partner for a specialised product or service.

Vertically Integrated Multinational Companies

The main advantages of vertically integrated multinational companies are that they have easy control of their processes, and their supply chain becomes more easily manageable compared to other models. Some companies enter into formal partnerships to integrate their supply chain processes; this is particularly beneficial across borders, because the partnership increases the competitive advantage of the companies, while at the same time they remain autonomous of each other.

Conglomerate multinational companies

The main advantage of conglomerate multinationals is that the model magnifies the clientele of the firms, and as a result, the companies are able to cross-sell their products to the fresh clientele, enabling the company to maximise the sales of its main products. As a result, this realises increased earnings for all the other companies inside the conglomerate.

Joint Venture Multinational Companies

The companies can benefit from each other's brand to gain market presence which would otherwise take longer for one company to build from scratch. Multinational Joint Ventures are also beneficial for markets that are otherwise closed for foreign company investments; the partnership will allow the foreign company to have a strategic partnership, and in some instances allow one company to get ownership of the other in the long run.

Franchise Multinational Companies

The main advantage of franchises is that the franchisee gets the opportunity to start the business immediately after satisfying the requirements because the franchisor will provide the rest in terms of known brand name, training, marketing and advertising. The other advantage of franchise multinational companies is that when one enters a foreign market as an aspiring multinational franchisee, the likelihood that the locals are familiar with the product is high. As a result, the probability that the business will be off to a smooth start due to the advantage of familiarity is almost guaranteed.

2.11.2 Disadvantages of Multinational Companies

Taylor and Andreosso-O'Callaghan (2016) explain that the disadvantages of multinational companies as follow:

Horizontally Integrated Multinational Companies

The one disadvantage of horizontally integrated multinational companies is that the model does not give enough room to manoeuvre, especially from a regulatory point of view, which can in the end erode the value of the other company. Horizontal integration on a local scale can be straightforward, especially when the companies offer the market lower prices as a result of the partnership benefits. The challenge when this narrow context is applied across borders without aligning first is that, the foreign company may not be able to reduce production costs due to differences in the cost of production from country to country. The foreign company may not be able to directly replicate the post-integration prices as a result of the country-to-country differences.

Vertically Integrated Multinational Companies

The majority of multinational companies are integrated horizontally and not vertically, which leaves vertically integrated companies very few examples to learn from. The other challenge with vertically integrated multinational companies is their autonomy, which means that each has a separate governance structure, which creates possible compliance gaps, whereby one company can be exposed to the risks of the other.

Conglomerate multinational companies

Moving away from the main aim of their business and losing returns as a result of a lack of expertise in uncharted waters is one main disadvantage of a conglomerate multinational company. The solution to a company within a conglomerate to safely move into investing in new markets or industries is to bring in human capital with the expertise from the new industries; however, this will come at a cost that will further erode the company's profits.

Joint Venture Multinational Companies

One disadvantage of joint ventures is that companies can lose their brand in their quest to jointly create value, whereby after the joint venture is dissolved, one company may struggle to retain its initial market presence. One of the reasons for the loss of market share is in a case whereby the

companies split, and the local company cannot replicate the competitive advantage that was provided by the foreign company.

Franchise Multinational Companies

The downside of franchise multinational companies is that because by their nature they limit the franchisee on where they can obtain supplies; if the supplies are not readily available locally, this can come at a huge cost to the franchisee. In extreme cases the franchise may not appeal to one country as much as to another, leading to failure.

2.12 Chapter Summary

This chapter looked at the overview of aspiring multinational companies and the differences these companies have with established multinational companies. The chapter also outlined what could motivate a company to go multinational, and also the different modes of entering the multinational sphere. The literature has shown how the horizontal and vertical models of going multinational were initially thought to be two completely disjointed varieties of doing business. The chapter also looked at the biggest milestone within the development of the latest type of Multinational Companies, which was the mix of horizontal and vertical approaches into the unified framework, as opposed to when firms were ready to choose from national, horizontal and vertical strategies. The chapter also revealed that empirical studies that attempted to validate the predictions of the fashionable Multinational Companies theories failed to start, at least for a while, until the early 1990s.

Given this theoretical examination, South African companies may choose to enter the multinational market in different ways; they can choose a combination of entry modes or a single mode. The choice of entry mode/s opted for by the company has to be relevant to the market; however, in the absence of information about the markets the emerging multinational company wishes to enter, one may fail even with the best business idea at hand. This chapter also outlined the advantages and disadvantages of multinational companies based on the various entry modes. It also became evident that there are also shared advantages, whereby a combination of horizontal and vertical approaches to the framework means multinational firms are able to create the advantage of equilibrium in response to various combinations of home and host country characteristics. Looking at the literature in this chapter, it is evident that there are several factors that influence whether aspiring multinational companies will be able to navigate the foreign

markets. In the next chapter, we will look at the theories behind how companies enter multinational markets.

CHAPTER THREE

THEORETICAL PERSPECTIVE OF MULTINATIONAL COMPANIES

3.1 Introduction

This chapter will provide a literature review of existing multinational theories. The exploration of existing theories will help with the understanding of, among others, the benefits of being established in the home country, knowledge of international business dynamics, entrepreneurial leadership, and competitive products and services. This will be followed by the identification of the factors that are required for multinational companies to enter global markets and what will be required to create a theory to enable aspiring multinational companies. The theories are Firm Based-Advantages Theories, Host Country Advantages Theories, and Firm and Host Country Advantages Theories.

3.2 Multinational Theories

This section will discuss multinational theories, although many scholars came up with multinational theories, the following were found to be relevant to this study: Firm Based-Advantages Theories, Host Country Advantages Theory and Firm and Host Country Advantages Based Theories.

3.2.1 Firm Based-Advantages Theories.

The Firm-Based Advantages Theories is based on the understanding that the underlying motive for an aspiring multinational company to move beyond its home country is to gain a competitive advantage enjoyed by other firms already operating in those foreign markets (Verbeke & Greidanus, 2009). Andreff and Andreff (2017) explain that competitive advantage is two-pronged, that is ownership competitive advantages and non-ownership competitive advantages. Ownership advantages are aspects such as patents and trademarks. The non-ownership competitive advantages are knowledge of products and services, company management structure, and business strategic partners. The ownership and non-ownership competitive advantages framework for multinational companies is appealing to the researcher, however, the concept is too general and oversimplified to guide a struggling company.

Lundan (2011) argues that the pattern and extent of the cross-border activities of multinational companies could only be explained by reference to the interplay between the immobile, location-

bound resources in the host country (the L-factor), and the mobile ownership advantages of the firm (the O-factor). Moon (2014) indicates that although there is a difference between the L-factors and the O-factors, empirical research reveals that following either approach does not cause any impediment to business. Scholars of internationalisation might admit that, if one looks beyond the initial decision to internationalise, O-advantages are found to be beneficial towards a company clarifying the progression and shape of the make-or-buy decisions that follow. Similarly, those favouring the L-factors or other theories could also be emphasising the importance of location advantages that, with careful planning on how to make the local markets attractive for incoming business, foreign countries stand to score good FDI. However, in the absence of compelling alternatives to measure and support these advantages, these ownership and location internationalisation (OLI) explanations could be easily reduced to nothing but mere justifications.

It is always beneficial to a multinational company to review and understand the nature of ownership advantages in their entirety. The review will reveal the following about ownership advantages; that there is a causal relationship between the porous boundaries of multinational companies and the nature of equity-based and predetermined relationships as defined in the contracts entered into with sellers and clienteles. Over and above these porous boundaries within the contracts entered into by multinational companies, the new wave of different types of the network of multinational companies was noticed, particularly from Asia. Second, there has been a glaring widening gap in the core variety and differences within multinational companies as a result of a continued devolution of responsibility to the subsidiary level. As a consequence of knowledge generation taking place at the subsidiary level, the multinational parent is presented with new challenges concerning the integration of the knowledge and material flows within the multinational network (Lundan, 2010). Third, in addition to traditional multinational government relations, multinational companies have begun to participate in a greater variety of non-market collaborations, comprising the general public and quasi-governmental institutions. The interdependent capabilities are mostly based on commitment, connections, conducting benchmarks, and the ability to be agile (Moon, 2014).

These facts about ownership advantages have encouraged researchers to question whether the hypothetical understanding of the ownership advantages of multinational companies is more than trying to integrate the kinds of personnel and physical assets that are required to manage effectively in both the market and non-market spheres. Lundan (2010) further says that as a result of knowledge generation happening within the subsidiaries of the partnership, the parent

company is presented with new challenges concerning the integration of the knowledge and material flows within the multinational company.

Lundan (2010) indicates that, as a result, firm-based advantages theories have to be understood to be a reflection of civil society and quasi-governmental institutions. Both fields ought to be seen as mirror images of each other, and to a lesser extent, with a few minute differences in human capabilities, day-to-day running and competitive advantages. On the side of multinational companies' literature, how the international business market sphere needs to be managed has been studied rather satisfactorily, to the extent of studying multinational market entry modes. Further attention has been focused on the concept of higher performance and how it can be attributed to ownership advantages. There is still a need for studies to be conducted on interfaces in international business and aspiring multinational companies that can be enabled by the private sector and the public domain simultaneously. Such studies will help clarify the intricacies of day-to-day business governance and the proficiencies that the management of emerging multinationals entails. Emerging multinationals should consider whether ownership advantages are useful and necessary for hypothesizing about the multinational business, and the systematic parting of diverse categories of ownership advantages enables them to improve tractability, contributing to a further vigorous framework.

Verbeke and Greidanus (2009) argue that both internationalisation philosophy and the sunk costs as a result of the multinational business (transaction costs) advance autonomously, although they may have occurred at parallel intervals, and although they are similar in some way, there is no causal relationship between the two. The key variance between the two approaches is that, unlike transaction cost economics, internationalisation theory focuses specifically on imperfections in the market for knowledge, which he believes is key in any business to gain market share. Transaction cost economics looks at microeconomics and unscrupulousness as factors that obstruct transactions between multinational businesses. One might argue that what might have made the internationalization theory less empirically relevant as opposed to more appealing transaction cost economics could be the absence of a similarly robust drive for resourcefulness in internationalisation theory. It is also unrealistic to emphasize putting in place governance measures to create assurances that business partners will not be unscrupulous, because business has to focus on day-to-day revenue activities, and not policing. Perhaps on a short-term contract, a company can emphasize governance, but in the end, partnerships have to continue because there are greater opportunities and returns to be realised.

3.2.1.1 The Resources-based Theory

Rothaermel (2013) argues that aspiring multinational companies need to act on the assumption that a company's resources are homogeneous with a strong strategic management business position. According to this framework, a multinational company like any other has to be presumed to have perfect mobility of resources, otherwise trying to go multinational will be a long process. The key resources which any company that intends to go multinational should possess in homogeneity, according to this framework, are human resources, physical resources and organizational resources. Human resources are the necessary experience needed, physical resources are machinery, information technology and materials needed, and organisational resources are an operating model and strategic leaders to achieve the company's direction. Teece (2018) explains that focusing on creating strategic resources to improve the business will not only create a sustained advantage for the aspiring multinational company but also cultivate a competitive advantage. The concept of resources-based approaches to the business may be a known practice, however, a one-size-fits-all approach may not be ideal for a diverse country like South Africa.

$$HR + PR + OR = \text{Multinational Company Direction}$$

Figure 3. 1: The Resources Based Theory

Source: Rothaemel (2013)

The above is a formula that Rothaemel (2013) argues that a multinational company needs to have direction; Human Resources + Physical Resources + Organisational Resources. Resource dependence theory also advocates that all firms have pockets of excellence in different aspects of their businesses but not enough to compete in the global arena, and thus the firm needs to look

for complementary resources from external environments that are not available internally (Rothaemel, 2013).

Madhani (2010) explains that most of the empirical studies reviewed make use of Ordinary Least Square (OLS) because the method of knowledge analysis and the majority of the studies doesn't state their sample size, method of information collection, and also the theory or theories that support and provides direction to their studies. The finding of the articles reviewed varies some are with positive or negative results. In general, empirical studies using the idea have strongly supported the resource-based view.

3.2.1.2 The Entrepreneurial Approach

Teece (2014) indicates that an aspiring multinational company needs an entrepreneurial transitional leader who can take advantage of foreign opportunities. The model advocates for managers of these companies to be able to juggle three critical functions, namely: remote strategic management to manage the company's investments from a distance, the ability to adjust towards managing economic activities of socially and geographically different markets and have the ability to research and explore opportunities in foreign markets (Teece, 2014). Jordaan (2012) emphasizes that managers of an aspiring multinational company are critical to the company's foreign or multinational risk-bearing capacity. Although this approach appeals to the researcher because it emphasizes the capabilities of the managers, the "transitional" concept creates a perception that the approach expects the aspiring multinational company to move at a snail's pace.

Ngugi et al. (2012) explain that an entrepreneur is ultimately going to act on his desire to take his business transnational based on three very critical factors: drive, viability, and a predisposition, with a higher drive and predisposition being regarded as the most significant basic elements ultimately propelling an entrepreneur to assess the viability of a multinational business opportunity. Shapero (1982, as cited in Ngugi, 2014) identified the intentions of the entrepreneur (dependent variable), and the individual outlook of the entrepreneur towards transnational business (independent variable), as critical variables in the entrepreneurial approach. The independent variable is further divided into three other attributes (drive, variability and predisposition) which all work together towards determining the entrepreneurial behaviour of an individual towards attempting to do business multinationally. The relationship between these independent and dependent variables is articulated in Shapero's Model of Entrepreneurial Intentions.

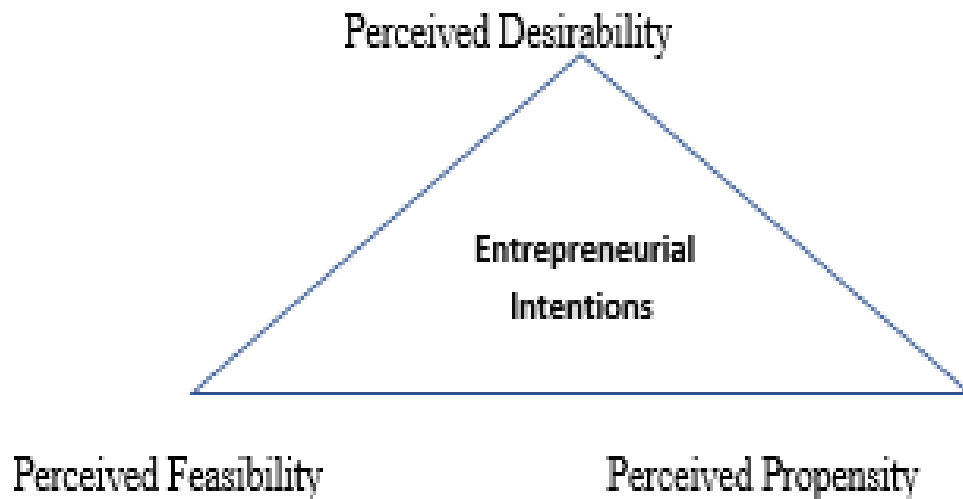


Figure 3. 2: Shapero's Model of Entrepreneurial Intentions

Source: Ngugi (2014)

Mkhabela (2013:95) argues that managers must set up high-tech governance processes of expertise and control that can function excellently over long distances and deal with the multinational risks of markets that differ from their current base of operation. Multinational management teams must be assured that the benefits far surpass the costs of their business crossing the borders. The high-tech governance processes are essentially the multinational strategies, which serve as a springboard, are a critical aspect of their commercial savvy.

According to Mkhabela (2013), a study was conducted in Kenya on university students using Shapero's model to evaluate the contributing factors towards entrepreneurial intentions. The study revealed that there is very little frequency of entrepreneurial intentions among Kenyan university students and graduates. The study further revealed that there is a link between education policies and the level of entrepreneurial practices in the country. The study can be seen to be conclusive on entrepreneurial intentions only in relation to Shapero's model. For the findings to be conclusive on what the overall contributing factors towards entrepreneurial intentions for university students and graduates in Kenya are, other modes of assessing entrepreneurial intentions have to be applied to a similar sample.

Another study that could be useful would also be that now that it has been found that entrepreneurial intentions are low in graduates and university students, the next probe would be to test the drive for the same group of participants to be entrepreneurial.

3.2.1.3 The Uppsala Model (Stages Model)

Andreff and Balcet (2013) outline the stages model from the basis that aspiring multinational companies can easily navigate foreign markets by incrementally gaining knowledge and experience. The understanding, according to the Uppsala Model, is that a multinational company is bound to have problems penetrating the global markets unless it gains enough knowledge of how to control and own businesses multinationally. The company management needs inside information on opportunities and prevailing market problems in the foreign markets, investment laws, and projected current and near-future demand and supply. Taylor and Andreosso-O'Callaghan (2016) advocate the Uppsala Model because it encourages aspiring multinational companies to move slowly through the stages of learning foreign markets as the only fool-proof mechanism to succeed multinationally the researcher's discomfort with the stage's model is that aspiring multinational companies may not have the appetite to be established locally first; at worst, the home country market may be oversaturated with their expertise.

The Uppsala model, according to Doole and Lowe (2008), shows four stages of entering foreign markets which have to be applied in unison:

- Stage 1: Sporadic and Minimal Exports
- Stage 2: Export mode is via independent agents.
- Stage 3: Establish a transnational subsidiary.
- Stage 4: Transnational Production or Manufacturing

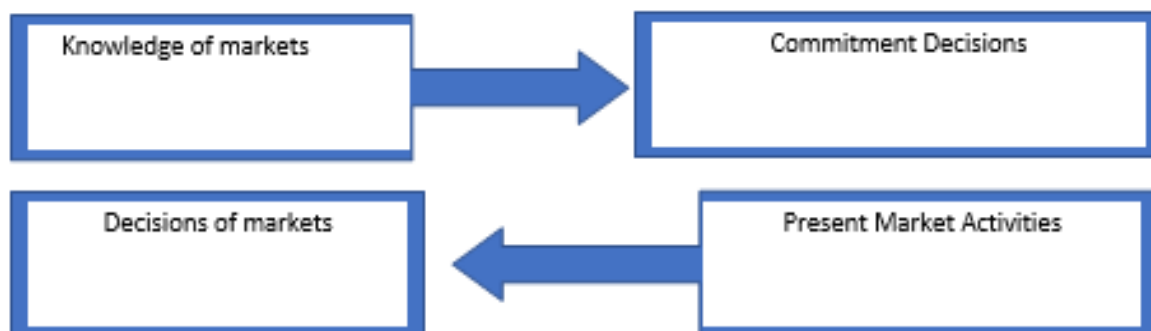


Figure 3. 3: Uppsala Framework: Aspiring Multinational Companies in a South African Context

Source: Doole and Lowe (2008)

3.2.2 Host Country Advantages Theory

Unlike the firm advantages-based category, this class of theories underlines the role of a company's competitive advantages when choosing the route of going multinational, simply because new companies generally lack competitive advantages. The host country advantages theories emphasise that the multinationalisation process is triggered by the attractiveness of the host country. These theories presume that the company can however be prepared and have a host of competitive advantages from their home country; however, the success in the new country lies heavily with the host country (Fan et al., 2019)

The following are host country advantages theories:

3.2.2.1 The Imbalance and Springboard Approach

Balcer and Bruchieri (2010) argue that the springboard of any aspiring multinational company is outward foreign direct investment, which, according to the Imbalance and Springboard framework, helps companies to gain an enormous competitive advantage. The framework purports that what is crucial for an aspiring multinational company is to look for imbalances or disadvantages in foreign markets (such as lack of a certain critical resource); therefore, the company should capitalize on the imbalance as a business opportunity. Deng (2012) argues that once the company has that portion of the market share, it can easily leapfrog into foreign markets with more speed than their more experienced competitors. The researcher is sceptical of basing a penetration strategy mostly on the imbalances of the foreign markets, because the imbalances may be pointing to an even bigger problem that may not be solved remotely (e.g., lack of supportive technological infrastructure.)

Kim et al. (2019) argue that the conventional theories (that is, internationalisation perspective and OLI paradigm) are not satisfactory in providing adequate explanations for the rich variety of FDI activities observed from Chinese multinational companies based in emerging markets. The imbalance theory suggests that Chinese multinational companies often undertake FDI to build new assets, which will strengthen the firm's own arsenal of resources for future competition. Based on these discussions, we believe that this is an appropriate time to try to refine mainstream multinational business theories, considering multinationalisation primarily as the outcome of competitive advantage based on the possession of unique assets. Also, scholars of multinational business should attempt to explore the evolution of the theoretical domains by synthesizing a

variety of international business triggers, as these are often not properly explained by ownership-specific and internationalisation advantage approaches. Teece (2018) adds that it will be a valuable exercise for researchers to deliberately improve the overall understanding of seasoned multinational companies from developed countries especially in relation to their extension into emerging markets. A thorough study will offer an opportunity for aspiring multinational companies and other emerging market multinational companies.

3.2.2.2 The Linkage, Leverage and Learning Theory

Jordaan (2012) explains that the ability of aspiring multinational companies to penetrate foreign markets can be achieved through a combination of three aspects: linkage, leverage and learning. Companies create linkages with large experienced multinational companies through strategic partnerships and joint ventures. As a result of creating linkages, the companies are able to use these linkages to give them access to their desired markets and automatically take learning from their partner giant company. The idea of piggybacking on big companies could be a challenge for developing countries, specifically South Africa, whereby even big companies are still trying to gain market share globally. The other challenge is that aspiring multinationals may not be able to leverage big companies unless their interest is similar or related.

Mohan et al. (2016) argue that the world in which we now exist, and work demands re-examination and refinement of the typical understanding of the internationalization strategies and competitive possibilities of multinational corporations, by incorporating the traits of corporations from emerging economies. Based on interviews in four emerging multinationals in one-of-a-kind industrial sectors, the company leaders showed preliminary proof on the fundamental reasons behind the internationalization method of emerging multinationals from the viewpoint of linkage, leverage, and learning (LLL). Mohan et al. (2016) exhibit how the case study companies have advanced themselves to end up credible global players, by way of leveraging on their learning via centred acquisitions in developed markets to collect intangible assets and/or following international customers in search of new markets and competitive advantages.

3.2.2.3 The Network Model

Mohan et al. (2016) indicate that firms usually look for network opportunities with foreign firms to gain real experience of what it is like to operate in the targeted foreign markets. A multinational network has the advantage of affording the out-of-town company a genuine feel of the new

markets and help the partner company to obtain access to the resources or assets necessary to improve their competitive advantage. However, the network model has the disadvantage of inter-organisational relations, causing a strong imitation to the extent of brand over-dependency over its counterpart.

Fan et al. (2019) indicate that it can be observed that the Network Model and the Linkage, Leverage and Learning Theory have similarities on the point of the usefulness of establishing business networks. They both have a perspective that networks help corporations to attain a right-of-entry mode into foreign markets, while at the same time being in conformance with the resources or assets required for improving a firm's competitive advantages. Jordaan (2012) indicates that, nevertheless, the two theories differ significantly regarding how they perceive the time chosen by a company to go multinational. The Linkage, Leverage and Learning Theory rather than the Network Model perceives multinationalisation as an unnecessarily lengthy and time-consuming process.

3.2.3 Firm and Host Country Advantages Based Theories

Jordaan (2012) explains that firm and host company-based theories are more logical, consistent and comprehensive than the firm advantages-based theories and the host country advantages-based theories. This category combines both afore-mentioned theories. As a result, they interpret the basis of a company managing to successfully be going multinational being the need of either exploiting company and host country resources (asset-exploiting investment), or the need to obtain access to otherwise unavailable resources in the company and the host country (asset-seeking investments), or the company might be looking to do both at the same time. The following are firm and host company-based theories.

3.2.3.1 The Double Networking Model

Mohan et al. (2016) explain that with the networking model of multinationalisation, a company's internationalisation is outlined as the institution, maintenance and development of relations with network participants in foreign markets. This model stresses the importance of developing long-distance interactions with entities from the foreign setting and characterises the multinationalisation method itself as determined by the entity-diverse foreign setting and the institution of formal and informal contacts with the entities in it. The degree of company multinationalisation is mirrored by the extent to which it occupies certain positions in national (foreign) networks and the degree of importance and integration of those positions. Moreover,

the position in the network determines the relations with alternative network participants and primarily results from previous interactions. A high degree of a company's multinationalisation implies that it has several robust links with entities from varied countries.

Kim et al. (2019) indicate that there is additionally the conception of the multinationalisation of a market or a business network itself (or of a district of it, like a production network.) Increasing the extent of a network multinationally corresponds to increasing the amount and strength of the relationships between varied parts of a global network, or between branches of a world production network. The degree of multinationalisation of the individual national networks that structure one's world business network could vary. The degree of multinationalisation of a company results from its intention to strengthen its position by extending its business network beyond the borders of its home country.

Depending on the level of appetite for multinationalisation, a company may decide on any of the following:

- International extension,
- International penetration,
- International integration.

In the 1st case of international extension, a company establishes new relationships in foreign markets, while in the second case of international penetration, a company develops its current network positions in countries wherever it already operates. The third case, international integration, involves the improved coordination of positions occupied by the company within varied foreign networks by establishing contacts, enterprise joint actions and mutually adapting resources, every company creates its own network of relations. These relations in turn are successively connected to the networks of different entities. The primary variant of network relationships within the method of company multinationalisation and international extension involves relationships with partners from the foreign network within the country targeted for enlargement. The second possibility involves relationships with foreign network partners from non-target countries. During this case, the multinationalisation method could be initiated by corporations from different countries, which see it as useful to act with a given company (Kim et al., 2019).

According to Andreff and Andreff (2017), the final risk involves relations with partners in a native business network (in the home country). In this case, a company might use its native

business network as a springboard to accelerate its multinationalisation. At an equivalent time, as a result of a business network, a company could also be forced to expand; for instance, once a consumer demands that the supplier follows him outside the home country to maintain the current relations in the home market. Moreover, if a company's suppliers, customers (clients) and competitors are themselves internationalised entities, then even a typical native entity has several indirect links with foreign networks. Therefore, according to Teece (2014), at this level of international penetration, lack of resources is the main limitation. One suggestion is that the internationalisation method ought to begin on a market similar to the home market. Because of the position occupied by the agent in his network and through the use of his resources, the price of getting data and adjusting to the conditions of the foreign market is reduced to a minimum. The risk of investment is additionally reduced because the company could take advantage of the investments created by the agent. The double networking model emphasises that at some time, as the volume of data, resources and sales will increase, a company's exploitation of the services of associate agents could plan to build a foreign direct investment. Associate acquisition of a Greenfield investment could be associated with different means to that of entry to a foreign associate 'early starter'. Whereas requiring intensive investment expenditure in the short run, will increase long-term opportunities for developing data and additionally promote market penetration. This mode of internationalisation would seem adequate for a corporation that has already reinforced its position in a native market so has accumulated a number of its resources.

Ratajczak-Mrozek (2012) argues that as the degree of multinationalisation grows, the corporate evolves from an associate 'early starter' to a 'lonely international'. The inflated level of multinationalisation is conducive to exploit the information required to act in a foreign setting, gaining expertise in adjusting the resources to completely different conditions, and to getting access to new resources through newly established relationships. Then, connections to new, foreign business networks are often created in exchange for information of the home market, and of the relationships, a given company has thereon. Additionally, through information and expertise, the company could individually manage and stimulate the multinationalisation activities of its competitors. Here, enlargement is not as dependent on similarities between the home and foreign markets as it is in the case of the first starter. Affiliation with a foreign network typically permits immediate direct enlargement or acquisitions.

Ratajczak-Mrozek (2012) argues that the third company position, known as the double networking model, is that of the 'late starter'. In this instance, there is no direct relationship with

foreign markets. However, the company's native suppliers, purchasers and competitors all show a high degree of multinationalisation. Typically speaking, the position of a 'late starter' is more at an advantage because of the network and, by taking part in joint ventures, could reach a point from where it will launch its own multinationalisation method. In the case of a 'late starter' company, multinationalisation will not need gradual involvement in markets that are the same as the home market, and instead, it has the potential to enter a completely different market. Small firms, which are typically specialised and versatile, may choose between strategically exploiting the services of an associate agent and fitting a trade or production branch by relying on their purchasers' needs. Mohan et al. (2016) explain that in a different setting, the scenario of giant firms is that they are more advanced at times too advanced for the late starter to benefit from a partnership with them. Their lack of flexibility and specialisation once compared to the local suppliers, buyers and other competitors means that their status as a so-called international among others needs a world-class level of coordination of activities in varied foreign markets. This lack of flexibility can cause the company to face levels of demand they cannot provide; hence it is vital for corporates to remain versatile and continuously adjust to industry demand instabilities and always prepared to respond promptly to beat competitors. The following is an outline of how the double networking model defines that aspiring multinational companies can create interlinks.

3.2.3.2 Internal Networks

This internal network defines the interdependence among the inner affiliates and headquarters of multinational companies operating from different countries. This network is the key to the availability of resources, insights and various technologies underpinning multinational companies. Because of the clear purpose of the internal network, it can reject any multinational company's asset-exploiting intent (Ratajczak-Mrozek, 2012).

3.2.3.3 External Networks

Multinational companies tend to create networks outside with different companies and institutions in other countries, which will then afford them the advantage of gaining insights and additional resources. Unlike the Network Model and the Linkage, Leverage and Learning Theory, the Double Networking Model adopts a broader and more meaningful definition of external networks.

Zanfei (2010) explains that the external network does not only include companies or commercial organisations but additionally includes institutions of higher learning, research companies and think tanks. One would appreciate that the internal and external networks are not remote from each other, simply because by their nature, the characteristics of the internal networks are expected to bear tangible resemblances to the attributes of the external networks; after all, they are both parts of a whole. Bruschieri (2010) explains that the idea concerning ‘alliances’ may be regarded more and more as a measure to capture the external network and ideal for global expansion. At the same time, the concept of ‘acquisitions’ could be close to better referring to an internal network between home countries.

Both alliances and acquisitions shape the pace at which multinational companies are gradually moving into foreign markets. Alliances and acquisitions could be residing inside the home country economy in the initial stage, and a foreign country in the second stage of the multinationalisation process, which at face level, looks very grounded and safe; however, the consequence could be that the process could evolve very slowly.

3.2.3.4 Born Global Theory

Bruschieri (2010) comments that most researchers recognize the early start-up of a firm’s multinational activity. In the Born Global Theory, a broad list of phrases is used to describe that phenomenon, including international recent ventures, global start-ups, new multinational companies, and leap-frogging firms. In this regard, the theory distinguishes four types of these early start-ups, based on the various markets and activities the company undertakes. These can be summarised as follows: export/import start-ups, (involved in smaller sizes of market activities), multinational activities (involved in medium to large types of market activities), geographically larger market activities (sitting among small to medium markets), and world start-up (involved in an extensive wide variety all types of small, medium to large markets and activities).

A different perspective to International Born Global Firms according to Jordaan (2012) is a company involved in production multinationally through multinational new ventures, global start-ups, emerging multinational firms and taking more than forty per cent (40%) of their production to sell multinationally.

3.2.3.5 The Eclectic Paradigm Model

Jordaan (2012) explains that the Eclectic Paradigm Model was introduced by Dunning in 1976. The model is also referred to as the Ownership, Location and Internationalisation (OLI) model. The central theme of this model is that going multinational is a result of the following three advantages: ownership, location, and internationalisation. Firstly, the advantages of ownership are seen to be the machinery for becoming involved in multinational value-added activities. With ownership advantages, the company is expected to have specific advantages to be competitive in the multinational arena. Secondly, the company has to have location advantages that should work well in its domestic market, and lastly, once the company has mastered the ownership and location advantages, it can proceed to multinational markets.

Pedersen (2001), as cited by Jordaan (2012), clarifies that the success of the multinational company to penetrate the markets depends heavily on which particular advantages the company has. Where a company does not have location advantages, the company may opt to focus on exporting. In cases where a company has none of the three advantages, it may perhaps choose the franchise route if it does not wish to start by building one of the advantages. Finally, licences or franchises would be ideal if the company has neither location nor internationalisation advantages. This shows that having at least one or two of the advantages is critical to be a multinational company.

3.2.3.6 The Investment-Development Path

The single most utilised multinational process is the Investment-Development Path (IDP). It is seen as the easiest way of interpreting multinationalisation. The IDP clarifies which countries are going to engage in what kind of foreign direct investment, and the extent to which these activities will influence and impact the economy of the home country. The main aspect of the investment development plan is the active interaction between inward and outward FDI and the speed at which the economy develops as a result. What is most interesting is that the investment development plan takes into consideration the impact of the governmental laws of the home country. So, the value of foreign direct investment equals that of the country's economic development (Kraemer & Tulder 2009).

Given this theoretical examination, there are several factors that should be taken into consideration when a company intends to go multinational. Firstly, companies need to consider where they are in terms of their home country before choosing which model of going outside their country they will adopt. Secondly is the availability of information to guide specifically

South African aspiring multinational companies on how to look for business outside the country, which is relevant to the South African context, and lastly, guiding the companies on how to mitigate the risks associated with going multinational.

Doole and Lowe (2008) indicate that although the Uppsala Framework will assist aspiring multinational companies to understand transnational business processes, the models seem to be lacking a lot of the basic fundamentals of how to go multinational as a company. The initial stage of this framework in itself indicates that it is designed for an existing multinational company, which is the unit of analysis for the adequacy of a framework in terms of this study. For instance the framework does not give guidelines on the effect of management decision-making. The Uppsala Framework neglected to explain how the four stages would be relevant for various market entries, such as franchising, which is a less-risky market entry, especially for a new entrant. By not guiding such a market entry, the opportunity will short-change aspiring multinational companies of a chance to enter multinational business by creating great market coverage and control.

Kim et al. (2019) argue that the debates about the significance of the rule-based business approach for emerging multinational companies for economic growth, and the likely positive effects on aspiring companies, is critical for consideration by political and academic policy makers, which the theories discussed so far do not encourage.

3.3. Empirical Literature Review

This section will explore various empirical studies which are classified as follows: resource based, firm-based advantages, firm and host country advantages-based view and host country advantages view empirical literature.

3.3.1 Empirical Studies on Resources Based View

According to this framework, a multinational company like any other has to be presumed to have perfect mobility of resources, otherwise trying to go multinational will be a long process. Madhani (2010) when referring to the resource-based view (RBV) argues that firms possess resources, a subset of which enable them to realize competitive advantage, and a subset of these that result in superior long-term performance. Resources that are valuable and rare can cause the creation of a competitive advantage. That advantage will be sustained over longer periods to the extent that the firm is in a position to guard against resource imitation, transfer, or substitution.

This is supported by Assensoh-Kodua (2019) RBV enables and empowers companies to produce, fostering and sustain a competitive edge, it also gives the companies perspective on what strengths they need to possess to successfully compete multinationally. The key resources which any company that intends to go multinational should possess in homogeneity, according to this framework, are human resources, physical resources and organizational resources. Human resources are the necessary experience needed, physical resources are machinery, information technology and materials needed, and organisational resources are an operating model and strategic leaders to achieve the company's direction. Teece (2018) explains that focusing on creating strategic resources to improve the business will not only create a sustained advantage for the aspiring multinational company but also cultivate a competitive advantage. The concept of resources-based approaches to business may be a known practice, however a one-size-fits-all approach may not be ideal for a diverse country like South Africa.

3.3.2 Empirical Studies on Firm Based Advantages View

In a study conducted by Okpara (2011) it was interesting to find that a firm's success is commonly characterised by criteria like ratio or increased turnover. In other similar research work, the words 'performance' and 'successes are used interchangeably. Therefore, emphasis is placed on performance is being the ability to contribute to job and wealth creation through firm start-up, growth, and survival, whereas the success of a firm is the most significant ability to be sustainable through firm-specific advantages like financial resources, management competencies, brand equity, marketing capabilities, technological advancements and research and development. This is consistent with Ziyide et al. (2008) who carried out a study investigating 'The Factors Affecting the Performances of SMEs within the Manufacturing Sector of Harare, Zimbabwe.' The specific focus was on the utilization of skilled human resources, economic initiatives, economic factors and management skills because these factors influence the performance of small firms. The findings of the study revealed that the lack of the requisite people who are properly trained ends up in the poor performance of employees and management staff. Managerial business skills play a major role within the performance of small businesses, economic factors were found to possess the foremost prominent relationship to business performance, and economic initiatives were found to have a big effect on business performance.

3.3.3 Empirical Studies on Host Country Advantages View

Hassim et al. (2011) investigated the consequences of Entrepreneurial Orientation on Firms' Organizational Innovation and Market Orientation towards Firm Business Performance in

Malaysia. The specialists exploit a pioneering direction, market direction, and creativity in the light of the variables that affect or impact the firms' business execution. Information was gathered through a poll of the SMEs in Malaysia, in step with the Business Directory. There are sixteen thousand nine hundred and twenty (16,920) SMEs in Malaysia, and nine hundred questionnaires were administered through mail to the SMEs firms; only three hundred and ninety-eight responses were received for the study. The hypotheses were that orientation and innovativeness include a beneficial outcome on a firm's business execution, while market direction shows an unfriendly impact on a firm's execution. The external natural elements affect the connection or connectivity between market orientation and business performance. In similar research conducted by Islam et al. (2011) to assess the Effect of Entrepreneur and Firm Characteristics on the Success of SMEs in Bangladesh, the business success of SMEs was influenced by the characteristics of entrepreneurs and the characteristics of the firm. A questionnaire was used to gather data, and the data were analysed by SPSS. The findings of the study demonstrate that attributes of business visionaries are the variables for business broken down through multivariate analysis. The discoveries of the investigation show the enterprising achievement of SMEs, while firm characteristics also are indicated to not be a big factor in the business success of SMEs in Bangladesh. Similar research by Jasra et al. (2011) examined the Determinants of Business Success of Small and Medium Enterprises in Pakistan. Monetary assets, showcasing procedure, innovative assets, government support, data access, business access, and strategy and business visionary abilities are utilized because these factors affect business achievement. Data was collected for the study through a survey questionnaire, and the regression method was used through SPSS software to check the hypotheses variables under study. The results of the study signify that there is a major and positive relationship between business success and its determinants.

Lim (2004) administered a study to research the Impact of Employee's Training Programme on the Performance of Small and Medium Enterprises in Northern Malaysian SMEs, 1997-2005. The findings from the Impact of Employee's Training Programme study revealed that although Employee's Training Programmes have a positive impact on the Performance of Small and Medium Enterprises, the capital structure choice decision, has the most impact on firm performance.

Kampumure (2009) carried out research to analyse the Leasing Competence, Lease Structure and Perceived Performance of Small and Medium Enterprises in Uganda. The researcher made use of leasing competence and lease structure as the variables that influenced the perceived

performance of SMEs. A sample of one hundred and thirty-two SMEs located in the Kampala district was selected. The information used for the study was collected employing a questionnaire filled in by SMEs' managers and it was analysed using the Statistical Package for Social Science (SPSS) version 11 and Excel software; regression was used to test the hypotheses. The study result showed a largely positive relationship between leasing competence and perceived performance. This means that the leasing competence of the lessee manager results in the improved perceived performance of the SMEs. The study also revealed a significant and positive relationship between lease structure and perceived performance, meaning that the more favourable the lease structure, the higher the perceived performance of lessee SMEs.

Chittithawan et al. (2011), in their study to 'Determine the Factors Affecting Business Success of Small and Medium Scale Enterprises (SMEs) in Thailand' found management and know-how, customer and market, SMEs characteristic, the way of doing business and cooperation, product and services, as the factors.

Aziz and Yasin (2010) conducted research to assess 'How will Market Orientation (MO) and External Environment (EE) Influence the Performance among SMEs within the Agro-Food Sector in moderating the link between MO and business performance.' MO involves customer competitor orientation, inter-functional coordination, and information, while EE includes market technology turbulence and competitive intensity which are all the factors that influence business performance. A questionnaire was issued to the managers of the selected Food and Beverage Manufacturers' Directory, which served as the source of data used for the study, and regression analysis was used to test the hypotheses of the study. On the MO, the results indicated that customer-competition orientation and information dissemination were positively related to business performance, while inter-functional coordination is not related significantly to business performance. In the same line, the result of external technology turbulence and competitive intensity does not moderate the relationship between MO and business performance.

Aziz and Yasin (2010) examined the Moderating Effect of Government Policy on Entrepreneurship and Growth Performance of Small and Medium Enterprises (SMEs) in Cambodia. In their study, the researchers use entrepreneurial value, firm financing, management, market practices, and Government policy as the factors that influenced the growth performance of SMEs. The survey method was used to gather two hundred and twenty usable questionnaires from SMEs owner/managers in the city of Phnom Penh in Cambodia, and multiple regression analysis was used to determine the result. The finding of the study indicates a positive

relationship between entrepreneurial value, firm financing, management, market practice, and growth performance of SMEs. The results also confirm that government policy has an essential role as a full moderator in such relationships.

Cieřlik (2017) indicated that more and more in recent times, the determinants of a corporation going multinational are studied empirically for other countries because the majority of companies have been attempting to become multinational corporations. An example is that within the context of Central and East European countries (CEECs), there exists a relatively sizable amount of cross-country studies for the total region.

3.3.4 Empirical Studies on combined Firm and Host Country Advantages Based View

Ebaid (2009) conducted a study to spot the ‘Impact of the Capital Structure Choice on Firm Performance.’ The researcher used various debt structures to provide capital, either shorter-term or longer-term because this has a bearing on the performance outputs of the organization. Multiple correlation and information were collected from participants on the ground regarding the exchange in Egypt during the review period. The empirical evidence from Egypt indicated using three accounting-based measures of economic performance (return on equity, return on assets, and net income margin), and also supported a sample of non-financial Egyptian-listed firms.

In a study to assess firm and host country advantages-based theories, Okpara (2011) investigated the factors constraining the expansion and survival of SMEs in Nigeria and the implications for poverty. The research made use of economics, lack of management, corruption, and infrastructure as variables that affect or influenced the performance of SMEs. A questionnaire was used to collect data from one hundred and ninety-six small business owners and managers located within the cities of Aba, Onitsha, Abuja, and Lagos, in Nigeria. The results of the study were analysed descriptively, and multiple correlation analysis was used through SPSS. The results show that financial constraints, lack of management, corruption, and infrastructure constraints are negatively correlated with small business performance; also, the results of the research work indicated that the foremost constraints that hinder small business growth and survival in Nigeria are mostly lack of economic support, corruption, poor management, lack of experience and training, insufficient profits, poor infrastructure and low demand for product and services.

In a study in order to analyse the factors affecting the Business Success of Small and Medium Enterprises (SMEs) in Bangladesh (Phillip, 2011), the researcher made use of product and services, external environment, management and know-how, resources and finance, the simplest way of doing business and cooperation, and SMEs characteristics, because these are the factors that affect the business success of SMEs. A questionnaire was used to collect data, and it was analysed by SPSS software that offers relevant analysis in terms of reliability, frequency analysis, multivariate analysis, one-way ANOVA and T-test. The results of the study show that the foremost variables that affect the business success of SMEs were management know-how, products and services, the way of doing business, and the external environment; these have a significant relationship with the business success of SMEs. But resources and finance, and SMEs characteristics do not have a major relationship with the business success of SMEs. A study conducted by Machirori (2012) to identify the 'Impact of Networking on Access to Finance and SMEs performance within the Buffalo City Municipality, Eastern Cape Town of South Africa' supported that the performance of SMEs was influenced by the factors or variables that are entrepreneurial characteristics, firm characteristics, networking, and access to debt finance.

Amwele (2013) conducted a study, an empirical investigation into the factors affecting the performance of small-l and medium-sized enterprises within the retail sector in Windhoek, Namibia. From the investigation, businessperson attributes, SME's qualities, the executives and ability, method of working together and activity, items and administrations, clients and market, assets and account, outside climate, business technique, developments and preparing, rivalry, framework and government intercessions were discovered to be the components that influence business execution. A questionnaire was used to gather data from the respondents, and also the data was analysed through statistics, such as the mean for central tendency, and variance for variability. The findings of the study show that entrepreneur characteristics, SMEs characteristics, management and know-how, way of doing business and operation, products and services, customer and market, and business strategy do not seem to be an obstacle to the SMEs' performance, while resources and finance, and the external environment, are obstacles to SMEs' performance. The results of the study further show that development and preparing, framework, and government mediation and strategy adversely affected the performance of SMEs, but the findings show that competition has an adverse impact or influence on the present SMEs' performance.

3.3.4 Chapter Summary

This chapter has provided a summary of the relevant multinational literature, competing for theoretical frameworks and empirical literature on the framework. For an aspiring multinational company, a network, whether single or multiple, is an opportunity for the development of a company and the implementation of its goals. The method of company internationalization and the choice of modes of entry to a foreign market might stem from the following needs: development of data concerning a given market, the method itself, and quantitative and qualitative adjustment to the needs of a given foreign market. In addition, good co-dependencies between network components imply that the method depends on attributes of the business network itself, such as the degree of its internationalization. However, the model will not justify how entities overcome issues connected to the internationalization method arising from relationships among business networks. Consistent with the network model of internationalization, getting into a replacement foreign market needs the development of a network of relations in this market (the establishment, maintenance and extension of relations.)

The studies of the multinational empirical theories revealed the following about the companies and countries: Firstly in a study of the manufacturing sector in Zimbabwe the study proved to be in line with firm based advantages literature whereby more focus is placed on performance is being the ability to contribute to job and wealth creation through firm start-up, growth, and survival, whereas the success of a firm is the most significant ability to be sustainable through firm-specific advantages like financial resources, management competencies, brand equity, marketing capabilities, technological advancements and research and development. Secondly, Nigeria, Egypt, Bangladesh and Windhoek on firm and country advantages-based theories the studies indicated that development and preparing, framework, and government mediation and strategy adversely affected the performance of firms, but the findings show that a firm's weakness against competition has an even more adverse impact or influence on the present firm performance. Lastly, the host country advantages-based theories as demonstrated by Malaysia, Uganda and Cambodia studies revealed that entrepreneurial value, firm financing, management, market practice, and growth performance support from the host country towards the firms yields positive successful results. The government policies and strategies on multinational firm enablement are also of critical importance.

From the network-based point of view, the method of getting into foreign markets itself might even be perceived as a control of the mutual interaction between entities from among the company (internal companies) and external entities from the network (external companies). To a

greater or lesser extent, every company is connected to entities in its surroundings (direct relations) the same direct relations are also connected to other alternative market participants (indirect relations). Being aware of a partner's contacts and relations with alternative entities on foreign markets might prompt a company to deepen the relationship and thus expand its market. It ought to be stressed that the external environment has an important influence on the endeavour.

None of the six frameworks above was found to be fitting the two aspects of this study. Firstly, none of the frameworks is tailor-made for the South African Aspiring Multinational Companies, and although some of them have mentioned risks and challenges, none of them seeks to guide multinationals on how to navigate multinational risks. Since all of the frameworks do have great relevance to the study, all six of them will be used to conduct the study of this research. At the end of the study, gaps in the existing models will be identified, and the conclusions and recommendations will be used to create a framework to be used as a guideline for aspiring multinational companies.

CHAPTER FOUR

RESEARCH DESIGN AND METHODOLOGY

4.1 Introduction

This chapter focuses on procedures the researcher used to gather aspiring multinational companies' enablement data and detailing how the research work was carried out to successfully reach the intended conclusion phase. Also, the chapter gave the details of what steps were undertaken to meet the objectives of the research, which is to assess the extent of availability of information to guide South African companies aspiring to become multinational companies to look for business outside the country. The chapter also outlines the research design, research paradigm, sampling, eliminations of bias, and research limitations.

Research methodology is defined as an orderly way of deciding on how to solve a research problem (Kothari, 2004). The science behind the research was to be done in a specific way. It is also known as the tactic for probing research methodology which moves from the generic thoughts on a particular phenomenon to the confirmed research design, data collection, and finally analysis (Myers, 2009). This process, therefore, requires the researcher to identify and adopt the appropriate research design and instruments (Yin, 2005). Research methodology was used in this study to collect data from both historical and live sources, which were used to unravel the research problem and ultimately draw conclusions.

Rajasekar (2013) defines methodology as a sequence that is followed to disentangle a problematical phenomenon and can also be a discipline through which the much-needed research is carried out in a sequence. The role that is required to be accomplished by researchers in delineating, sketching out and foretelling phenomena in research studies is referred to as methodology.

According to Markusen (2013), there are two overarching schools of thought on why companies aspire to go multinational. For the one school of thought, firms internationalise production and become multinationals to get inputs at a lower cost. Another school of thought purports that multinationals can be regarded as vehicles to overcome distance and lower costs of access to foreign markets. These two alternative reasons have very different empirical implications, therefore the purpose of the choice of methodology to be used is to test the effectiveness of

several competing multinational frameworks discussed in the previous chapters and assess whether these frameworks present gaps when used for aspiring multinational companies.

4.2 Research Philosophy and Approach

This section is a discussion of research philosophy and approach of this study. Research philosophy and approach are important as outlined by the assumptions of ontology, epistemology and axiology. They are critical for a mixed-methods study because they help with creating the philosophical basis of the research. This understanding of the philosophical basis and approach of research is critical in ensuring that research outcomes are appropriately and meaningfully interpreted. With a complex mixed method research, an investigation of the differences and interrelation between the various philosophies and approaches can also generate critical step towards successfully researching on phenomena (Ansari (2016).

4.2.1 Research Philosophy

The basis of the philosophy is that a research participant's knowledge about a phenomenon and the subject of the study is a product of the natural and physical surroundings where they find themselves. The four research philosophies commonly used are pragmatism, positivism, realism and interpretivism, and pragmatism (Maree, 2014). The pragmatism research philosophy is chosen for this study.

Pragmatism sees the world as a variable that existed before. Pragmatist researchers focus on what they would like to achieve with the study, hence they do not look at any one particular system, but rather what will be ideal to solve the problem. This is ideal for mixed methods research, because pragmatism gives the researcher an opportunity to make different assumptions, view various outlooks on the world, and overall freedom of choice of a pluralistic approach to get insights into a problem, (Creswell, 2014). Pragmatism is based on the notion that people's views determine how they behave, or their actions, hence they should be judged according to the results of their actions and not by abstract principles (Ormerod, 2017).

The reason this research philosophy was selected from the rest is because it satisfied the researcher's criteria of finding a philosophy that will allow for diverse assumptions and broader views towards resolving the research problem. The researcher also chose this philosophy because it is recommended for a mixed methods study (Creswell, 2014).

Pragmatism was chosen for this study to respond to the various research questions without being constrained by axiological, ontological and epistemological challenges (McBurney and White 2014). Pragmatism can also be trusted with this mixed methods study because it promotes both methodological and epistemological pluralism, allowing researchers to conduct research more effectively with flexibility to choose methods to answer research questions (Johnson et.al 2007).

4.2.2 Research Approach: Mixed Methods

The various research approaches are quantitative, qualitative and mixed methods. The chosen approach for the this study was the mixed methods approach. Creswell and Plano (2011) explain that a combination of the mixed methods has been proven effective towards creating a trustworthy research study, often giving the researchers a better understanding of research problems than only one approach alone can otherwise achieve. In the mixed approach, interpretations are usually influenced by the researcher's prior experiences, background, immediate environment, literature and history. Zunguze (2017) indicates that the mixed methods approach was born out of the realization that the need and complexity of what is being investigated are such that it cannot be reduced to a simple one approach study it is therefore recommended that such an empirical analysis will then require a combination of both methods. The mixed-methods approach was chosen because according to Zunguze (2017), it is easy to use a combination of techniques used together can better tackle the research questions, as opposed to what one technique can achieve independently.

The other advantages of mixed methods is that one data resource may not be enough for certain studies the mixed methods method provides an opportunity for more data resources, especially where research questions cannot be resolved with a single approach. Mixed methods are ideal when initial results from either method need to be further explained. A second method is required in some cases to enhance a primary method, therefore, enhancing the study conclusions (Creswell 2014).

The link between this study's research questions and the MMR approach is confirmed by Polit (2010) that further analysis of research questions is enabled by MMR approach in instances whereby the primary approach does not offer worthy conclusions. In the case of this study although the quantitative is the key approach the second research question cannot be answered quantitatively therefore the qualitative approach is employed demonstrating the complementary role of both methods. Therefore the research question on the extent of availability of information

to guide South African companies aspiring to become multinational companies looking for business outside the country which is key for the study was satisfactorily answered.

4.3 Research Design

Research design is defined as articulation of the plan to be used in carrying out the research, focusing on the elements which have the possibility to hold back the credibility of the research's end product (Kumar, 2011). The research design also includes all the actions, processes, timing, manner and efforts of analysing and information gathering as an attempt to address the identified problem (Khothari, 2004). The various research designs to choose commonly used are Descriptive, Exploratory and Explanatory design (Yin, 2013). Fetters (2019) indicates that there are five different types of mixed methods: sequential explanatory design, concurrent triangulation design, concurrent embedded design, sequential exploratory design and sequential transformative design.

The sequential explanatory design was chosen for this study because it is trusted to merge the diverse data in a mixed methods research. The study has adopted the sequential explanatory design whereby the quantitative stage is followed by the qualitative stage, this sequence is followed because the qualitative findings will be used to give a clear perspective and generate new knowledge from the findings of the initial stage which is quantitative (Creswell, 2013).

Zunguze (2017) recommends that in situations where empirical analysis using one method is not sufficient, mixed methods will be ideal whereby one method can be used to generate hypotheses and another method to test the hypotheses. In another study one method can be used to answer some research question while the other method tackles the remaining questions. In this study the first two objectives of this study, which are to identify the extent of the availability of information and the success factors of multinational companies cannot be answered very satisfactorily be answered using other methods separately, which dictates that mixed methods will be a better fit.

4.4 Target Population

The population of the study is 196 managers of aspiring multinational companies, the same population was used for both quantitative and qualitative research. Creswell (2014) defines a

research population as a group of people used for purposes of the study with specific matching characteristics. This section outlines the following aspects of the research population: target population, sampling technique, and sample size. Zunguze (2017) explains that in a mixed-method study, the total number of quantitative questionnaires have to be mirrored in terms of the same number on the qualitative side to ensure that the study is an adequate representation. Similarly in this study, a small sample of the population is used.

Careful consideration has to be made to confirm that they are relevant to that particular study. Mensah et al. (2017) indicate that when identifying the target population for a study, it is important to ensure that the population has been separated from the general population to avoid attributes that could stop the study from reaching the research goal. The population in this study consists of 196 managers of aspiring multinational companies who are LinkedIn contacts of researcher, this population was used for both quantitative and qualitative components of the study. The study population includes managers who are in each of the chosen representative cases of the aspiring multinational companies in South Africa. Although some the companies have managed to enter into one or two countries outside South Africa, they might still be aspiring to enter into more countries' markets.

Creswell and Plano (2011) explain that the choice of the population for a mixed-method study is important towards advancing rigour and getting refined answers for research questions especially those that can better be answered through the integration of quantitative and qualitative means. The significance of insisting on the same population to be used for the study is that over and above showing through the study the number of aspiring multinational companies' responses to the research questions the study will be able to explain the counts through the qualitative explanations. Combs and Onwuegbuzie (2010) indicate that when deciding to collect data the type of generalization towards the data has to be decided upfront, the decision can be made between five generalizations: external, internal, analytic, case-to-case transfer and naturalistic generalization. In mixed methods studies analytic generalization is preferred because it is embedded in both quantitative and qualitative theory, where-in the quantitative data is collected and later the research is further augmented by further in-depth data gathering using qualitative means. The greatest benefit of analytical generalization is that by using qualitative data gathering from the same population from which data was gathered on the same subject, the study can generalize or form a better concept of the quantitative information initially gathered much closer to reality.

The quantitative responses provided by the initial target population of managers from aspiring multinational companies are given a further opportunity for evidence of explanation to corroborate the numbers through analytic generalization. Polit (2010) explains that generalization of research findings is necessary to confirm that the research questions have been answered and analytical generalization hence provides a higher form of credibility of the findings of the study in that further enquiry at the point of analysis and interpretation is answered by analysis and descriptions from the qualitative responses. On the other hand, the same qualitative conclusions may sometimes not have sufficient or worthy conclusions to the study which explains the magnitude of the complementary role of both methods on the same target population and same questionnaire.

Apart from the fact that the target population is relevant to this study, they were also chosen because they trust the researcher as one of their own who also works for a multinational company, the fact that they are also the researcher's contacts on LinkedIn, and they are easily accessible to the researcher. The researcher specifically chose the selected managers in these companies for the study because the managers in these companies are a critical part of resolving day-to-day business challenges, and are aware of their multinational dealings, including their aspirations to enter other multinational markets.

4.4.1 Sampling Technique

Sampling is a "process utilised in statistical analysis in which a predetermined number of observations are taken from a larger population" (Saunders, Lewis & Thornhill, 2009). A sample of managers from the population of aspiring multinational companies operating in South Africa was used for this study. As indicated, the same sample of managers in aspiring multinational companies was used for both the quantitative and qualitative study whereby the sample is initially asked quantitative questions after which the second phase of questions (qualitative) are introduced, these qualitative questions are directly related and an accumulation on the previous quantitative questions. When using the same sample for a mixed-method study the researcher should guard against internal invalidity (Zunguze, 2017). As a way of managing this validity challenge, the sample is taken from all experts involved in multinational businesses operating in South Africa. Expert is defined as individuals with known and demonstrable experience and expertise in the subject being researched (Zunguze, 2017). The sampling method used for the quantitative approach was a non-probability sampling, namely criterion-based purposive sampling. Purposive sampling involves the selection of participants based on a study's specific objectives and research questions, rather than at random. The criterion strategy is used to select

participants based on a characteristic or trait that varies within the population, emphasises that the selected participants should demonstrate the requisite knowledge and experience for the study and be able to adequately reflect upon the subject of investigation (Creswell, 2011).

4.4.2 Sample Size

To select the sample to represent the population for this study, the Krejcie and Morgan method for Sample Size Determination, as quoted by Cohen et al. (2000), is used to determine the sample size, with a confidence level of 99%, with a 1.0% margin of error (Cohen et al., 2000). The requirements of the quantitative approach for sample size and for the qualitative approach are the same sample size consisting of a sample taken from a population of managers in aspiring multinational companies used for both the quantitative and qualitative of the study. Cohen et al. (2000) however caution that the confidence level of 99% with a 1.0% margin of error refers to the questionnaires that were returned to the researcher, and not the number of questionnaires distributed. Hence, for this study, a sample of 152 aspiring multinational companies' managers from 196 managers would be enough to generate a confidence level of 99%, which gives the researcher a 1.0% margin of error. The same sample size worked out for quantitative questionnaires is also used for qualitative questionnaires, the justification is that the conclusions of the study will be able to clarify the conclusions of the quantitative sample especially from the same respondents.

Using a Sample Size calculating tool, the size of the sample was determined as follows:

- Confidence Level: 99
- The margin of Error: 1%
- Population Proportion: 50%
- Population: 196
- Sample Size= 152

Determine Sample Size

Confidence Level: ☐ 95% ☒ 99%

Confidence Interval:

Population:

Sample size needed:

Figure 4. 1: Sample Size

Source: www.surveysystem.com

4.5 Data Collection Techniques

Creswell (2014) explains that data collection techniques are proven standard means of gathering information about the study phenomenon; these are questionnaires, surveys, interviews, observations, focus groups, and so on. In this section, the data collection instrument and the design of the collection instrument will be discussed. For this study two data collection techniques were used; to collect quantitative data, questionnaires were distributed to participants using the LinkedIn platform for professionals. The questionnaire was electronically designed to be sent to participants through a short link which gives them access to the questions after tapping the link. After selecting an option for each of the questions on a Likert scale, the participants confirm completion of the questionnaire by clicking the ‘finish’ button, and the responses are then returned to the researcher through an electronic path which can be accessed for analysis at a later stage. The qualitative interview questions were similarly distributed to the researcher’s LinkedIn platform contacts. The difference between the two data collection techniques is that with the quantitative questionnaires, the LinkedIn participant simply selects an option on the Likert scale, whereas, with the interview questions, the LinkedIn participant types a response to the question being asked electronically, almost like they are having a virtual interview with the researcher. The most important aspect of the virtual LinkedIn interview is that the questions are written exactly as they would be asked in a face-to-face setting. Similar to the quantitative

questionnaire, after answering the last question, the participant selects the ‘finish’ button, after which the responses are electronically routed back to the researcher’s data collection system.

4.5.1 Data Collection Instrument

According to McBurney and White (2014), research strategies are wide-ranging methods that help analysts in addressing examination inquiries in a coordinated way. A decent exploration methodology permits the specialist the benefit of solid conclusions, clear examination questions and sound data collection methods. The best examination techniques throughout the entire existence of research have empowered analysts to conquer difficulties presented by financial deficiencies, location and time requirements. Saunders et al. (2009) explain that a decent exploration methodology additionally helps the study by giving a foundation on the reasons a specific data collection technique is being utilized which assists the researcher with eventually supporting their arguments.

The collection instrument is a questionnaire that gathers both the quantitative and qualitative data. The data collection instruments start first with a statement about the focus and aims of the questions being asked; they indicate how the data is used, and confidentiality is clarified, whereby participants are assured that the findings will not name them, and their data will be anonymised. The covering letter also clearly stipulates that only the university, supervisors and the researcher will have access to their data; it also specifies how long the data collection instrument takes to complete.

The advantages of using remotely online administered questionnaires are listed by DeFranzo (2017). The following are the advantages:

- They can be sent to participants using a variety of social media platforms and email.
- They can be administered using various easily accessible hardware such as mobile phones, kiosks, tablets and computer devices.
- They are cost-effective because of the remote functionality (depending on the technology used).
- They are user friendly since they eliminate reduce geographical dependence.

4.5.2 Designing of the data collection instrument.

The data collection instrument themes have been formulated from various existing literature and the gaps identified (recommendations) from other studies. The study made use firstly of the

various elements that came through as critical whilst reviewing the history of the South African multinational companies discussed in chapter one of this study. Secondly, the study used insights and facts on what elements are required for successful multinational operations from the literature review conducted in chapters two and three of this study. The instrument has three sections.

It starts with demographic questions. Hughes et al. (2017) explain that in a study, demographic questions help with the dependent variable (what is causing the persons to have a particular identity). The demographic questions also help with the independent variable (whether a person's identity is causing them to do certain things). The demographic is same for both the quantitative and qualitative data.

The instrument has both closed-ended quantitative questions and open-ended qualitative questions. Singer and Couper (2017) indicate that research can use either use closed-ended or open-ended questions to gather data; in some cases, both can be used. The closed-ended questions are aimed at collecting exact, plain and categorized responses which are analysed by means of a predetermined criterion; on the other hand, open-ended questions allow for participants to give their own desired responses. The use of both closed-ended quantitative questions and open-ended qualitative questions in this study helps improve the findings and conclusions of the study and contribute information that was used to design a framework for aspiring multinational companies in South Africa.

Although according to Mc Burney and White (2014) it is not compulsory to pilot a questionnaire for a study in certain instances; depending on which method is being used, the questionnaire was piloted on a few respondents to validate the questions to be asked. A test questionnaire was conducted to test the depth of the questions and their relevance to the context of the study.

A questionnaire was used as the instrument to collect primary data from aspiring multinational companies in South Africa. Questionnaires are preferred because they help the researcher with a precise screening of the respondents. A computer-administered questionnaire was administered by email and LinkedIn platform. The researcher prefers this approach because it eliminates the challenge of respondents not collecting their mail from the post office or not being available for a telephonic questionnaire, hence they are regarded as a very useful, affordable and modern approach to collecting information (Welman et al., 2010).

4.6 Data analysis

Welman, Kruger and Mitchel (2010) view data analysis as a process of inspecting, cleaning, transforming and modelling data to useful information. This being a mixed-methods study, the researcher opted for electronic coding. Welman et al. (2010) discourage manual coding of data and recommend Computer Assisted/Aided Data Analysis Software, which enables a concise description of the data. Computer-Assisted/Aided Data Analysis Software, as a system for analysis of data that is broader in scope and user friendly, is ideal because for the study to have meaningful findings, the data must be explored and interpreted properly. Blumberg, Cooper and Schindler (2015) explain that several researchers are using computer software to help with the coding of data and, in general, mixed methods researchers have for a long time been using electronic data storage methods to store and organize data.

4.6.1 Quantitative Data Analysis

Electronic storage of data was used to simplify the research information into manageable concepts that can easily be saved throughout the study. Even though one is using mixed methods data, the computer packages cannot analyse data for the researcher (Nel, Radel & Loubser, 2010). Computer-Assisted/Aided Data Analysis Software was used by the researcher to analyse quantitative data collected for this research. The most this study can use from computer-assisted quantitative analysis package is that the data collected were arranged consecutively for ease of use during analysis. The 18 quantitative questions used to collect data were analysed by SPSS software to obtain the relevant analysis in terms of gap analysis and factor analysis. Gap analysis and factor analysis will be discussed next, the relevance to quantitative analysis, is going to assist the study in finding any shortcomings to overcome. Niiniluoto (2018) explains that idealizing can be achieved through the concretization method. The concretization method is referred to as potential truth approximation, whereby if E is true, then D and C are true as well, but the latter two are both weaker forms of the truth, meaning they are less true than E. It can be easier to quantify or identify the gaps and in the long term and is going to assist in making improvements. In line with Zunguze (2017) the ranking of the factors will be done through a rank analysis. The factor with the highest relative importance index will rank highest, and the factor with the lowest relative importance index will rank lowest. The rankings will be totalled based on the overall responses.

4.6.1.1 Cronbach Alpha

Cronbach alpha as a test of reliability implies research results being repeatedly the same, meaning unwavering quality. Welman et al. (2012) describe Cronbach's alpha as a measure of internal consistency or dependability, which is how closely connected the research elements are in a

group. A Cronbach's alpha is expressed as a number between zero and one. A Cronbach's alpha greater than 0.7 is regarded as an acceptable level, as it suggests that there is a high internal consistency (Welman et al., 2012).

4.6.1.2 Factor Analysis

Factor analysis is done using the KMO model, the purpose of this analysis as clarified by Stevens (2002) is that the use of a factor analysis helps to gain knowledge of the variables in the study to assess which of the observed variables have large loadings on a factor and which have a smaller loading of a factor. Those variables that do not have a large loading will be deemed not to provide much insights into the nature of a factor hence they have a lesser loading.

There are three main factor analysis as follows: Confirmatory Factor Analysis, Principle Component Analysis and Exploratory Factor Analysis. For this study a confirmatory factor analysis (CFA) is used. A Confirmatory Factor Analysis is defined as a statistical procedure which is used to test how precisely the measured variables represent the number of constructs. Confirmatory factor analysis was chosen for this study because after the number of factors required in the data have been specified CFA can be used to either confirm or disregard the measurement theory. (Azma et.al, 2019). The steps used for the confirmatory factor analysis in this study are as follows:

- Specification of a CFA Model

Using the equation $x = \Lambda x \xi + \delta$ whereby x represents the number of observed items, ξ represents the number of latent variables, Λx represents the factor loadings or coefficients merging the latent and observed items, and δ represents measurement errors associated with each observed variable.

- Identify the CFA Model

To determine the limitations of a CFA model, the model is identified whereby the number of unknown parameters must be less than or equal to the number of unique variances and covariances among the observed variables.

- Estimate a CFA Model

Using the comparative fit index estimate the CFA model to show the correlations among observed variables in the model, whereby higher correlations among the variables produce higher comparative fit index values.

- **Interpretation of CFA Model Results**

The last step of the factor analysis is the interpretation of CFA results which comes from combining all that is learned from the assessment of model fit: the actual magnitudes of statistically significant factor loadings. The results of the factor analysis will be outlined in chapter 5.

With a factor analysis generally, the expected importance and perceived satisfaction of a certain attribute are revealed by the scores from the data collected. A negative score indicates a shortage between expected importance and perceived satisfaction Ching (2014). The negative score indicates a need for interventions to boost certain attributes in service improvement, hence in this study, the elements contribute to the framework to be created. When using factor analysis suitability of factors is critical, dual signs are pointing to possible factor-suitability. In factor analysis there is a variable that does not impact any factor at all; and those that influence one or more factors. The reason why a factor analysis is conducted for the research study is to ascertain which dimensions in the data collected are closely linked so that the data can be lumped up together into simplified fewer dimensions.

The suitability of a factor is affected by the level of the measure whereby some factors are very low in comparison to others making them unsuitable to be merged with other variables. The determination of a high Kaiser Meyer Olkin (KMO) depends on the level at which the indicators impact the dimensions as influenced by the zero and first-order partial correlations which shows good factor suitability. To achieve a good interpretation of the correlation structure of the indicator variables it is necessary to make a realistic evaluation of the KMO first as a researcher (Nkansah, 2018).

4.6.1.3 Rank Analysis

Rank analysis is a method of arranging data that has not homogeneous enough to meet the study assumptions into ranking order. This method assists the study by making sure that the residue data that was otherwise not normally distributed is made homogeneous in a ranking order (Zunguze, 2017).

4.6.1.4 Gap Analysis

The gap analysis is used because the researcher is convinced that there's access to an information gap which the analysis helped to expose. The gap theory model is a method that was in the past applied for marketing research studies, the model places focus on the measurement of what one is hoping for versus what they get in reality and at times the gap analysis is even used to measure the participant's perception of how things should be like versus what they are experiencing. The gap theory model is based on the understanding that participants views documented during responses to questionnaires are based on a circumstantial void being experience and that is the best view a researcher can get. (Fodness and Murray 2007).

The following are the steps towards the gap analysis: Step one is Identification of the aspects to be analyzed against the required standard. Step two is defining the anticipated state. Step three is assessing the current status of the gap. Step four is comparing the exercise of the current status with the anticipated state. Step five is explaining the gaps found. Step six quantifying the variance and step seven is designing recommendations and creating of proposal to narrow the gaps (Saunders, 1998).

4.6.2 Qualitative Data Analysis

The data from ten interview questionnaires were analysed manually to assess the observations, hence this narrows the study accordingly. This is especially important at the stage when the conclusions have to be merged with the quantitative data.

The researcher added supporting data from the qualitative questions to amplify the findings, arrive at a conclusion of the research findings, recommendations and finally create a framework that was used by aspiring multinational companies. The qualitative responses was analysed using the thematic approach.

4.6.2.1 Thematic approach

The thematic analysis as explained by Norris et.al.(2017) as a rigorous qualitative research method that organizes, describes, analyse and unravel themes that can be employed towards a wider range of research questions. This rigorous analysis can be trusted to be capable of producing dependable and insightful representation out of the qualitative research.

Although thematic analysis has been described, as an attempt to unravel the phenomenon which in turn creates a compelling insightful view of the answer to the research question which the researcher must be conscious of and reveal in the research findings, there's often disagreement

on the process for thematic analysis. The following step six have been described by Norris et.al. as a way of mitigating the simplicity in the thematic analysis:

Step 1: Familiarization with the data

Because qualitative data comes in different forms such as recorded observations, focus groups, texts, documents, multimedia, public domain sources, policy manuals, and photographs the researcher needs to familiarise themselves with how the data is being presented. A thematic analysis in other studies contains common themes, journaling, entries of contributor observation and stories textual data may also include field notes from contributor observations (Crabtree & Miller, 1999).

In cases such as this research whereby information was gathered using interactive methods, the researcher will already have data gathered previously from the subjects and possibly some preliminary rational interests or views which according to Braun & Clarke (2006) regardless of whether the researcher collected the data themselves or not, they have to submerge themselves into the data to gain the necessary breadth and depth enough to enable a seasoned analysis in the end. For this study, the researcher has the managers of the different companies as such as linkedin contacts whereby apart from their acquaintances with the managers, their company profiles are clearly articulated to the extent that the researcher can initiate a solid preliminary analysis.

Step 2: Generation of Primary Codes

This phase according to Norris et.al. (2017) can only start once the researcher has completed the first step of familiarization and being immersed in the data. The stage of generation of initial codes is a back and forth action of cross-checking the data in step one and theorizing it. This necessary double-checking conducted in step 2 allows the researcher to categorise the data into groups according to their similarities and then allocating a label to each category which is called a code. There are various methods of coding data such as numbers, phrases, themes and so on, for this research themes will be used. The reason why themes were chosen is that themes are short phrases that stand out and are easy to remember which will make the back and forth motion of extracting themes from the qualitative data easy to carry out. Braun & Clarke (2006) warn that it is important that when a thematic analysis is conducted that the principles of extracting data are applied consistently across all data. The themes should not be thumb-sucked but however, be derived from an important portion of the data or the literature reviewed for the study which encapsulates the qualitative wealth of the research phenomenon. To ensure that this principle is

met the researcher will take the time to code the data as many times as possible and decode when necessary followed by another recoding until the data is allocated to a correct theme. The data will also further be simplified by not creating complex systems but rather two levels, the first being specific themes and the second level being the subthemes whereby the differences between cases will be shown.

Step 3: Combing for Themes

This phase as explained by Braun & Clarke (2006) will start with sorting and organizing all the data that was collected, coded and collated in the previous two steps. In this phase, it is crucial to remember the principle about thematic analysis that the idea of creating the themes is to combine the fragments of data provided by various participants into a set of aligned and constructive topics which can ultimately come to a credible conclusion to the qualitative study (Braun & Clarke, 2006). To achieve this in the study the researcher will make sure that each “specific theme” theme captures a specific critical element related to the research question, similarly the second level “distinctive themes” will have a thread back to the specific theme which automatically connects back to the research question.

In thematic analysis, a researcher has a choice according to Braun & Clarke (2006) of either using mind maps, code manuals, tables, and so on to outline the analysis as long as the method offers the same flexibility and consistency across all the data being analyzed. For this study tables will be used to demonstrate the two tiers of themes, the tables have been chosen because they will provide enough detail to allow for the researcher to demonstrate that all the data generated has been afforded a fair chance of coding, allocation to themes and analysis. The researcher has decided not to use predefined themes but to rather gather themes along with the coding activity, the reason is that although predefined themes are tried and tested, they often disallow an opportunity for the creativity of developing new themes. This will also ensure that the outcome of the analysis is a true reflection of the data from which the thematic analysis has been drawn.

Step 4: Revising Themes

Norris et.al. (2017) indicated that revising the themes is critical to successfully identify themes that are different or far apart therefore would prevent the researcher from getting a fair conclusion to the research question. It is also in this phase that those themes that do not have sufficient information to back them up will be identified. The fourth phase of the thematic analysis is

important because it helps the researcher confirm whether the data in the themes is precise enough to form an opinion about phenomena. To mitigate the possibility of having diverse themes or data shortages in the themes for this study, at stage four the researcher will be open to un-coding and recoding data to a point of satisfaction that there are no gaps. If a theme does not have sufficient data to support it, it will be recoded and collapsed into a matching theme. Whereby there's a problem of too diverse themes the data will be recoded to ensure coherence, where there's duplication of themes the duplicates will be deleted.

Step 5: Defining and Naming Themes

Norris et.al. (2017) indicate that in this phase the researcher should write a thorough analysis for each specific theme, the analysis writeup should coincide with a parallel account of how the theme fits into the bigger picture to be exactly how it addresses the research question. Some studies present well-written themes which are miles apart from the research questions which is usually the case with predetermined themes. For this study the researcher will avoid this dilemma of a research question misfit theme by submitting the final written step 5 analysis to a subject matter expert for a peer debrief, the peer de-brief will be able to deduct if the overall thematic analysis has a clear thread to the research question.

Step 6: Producing the Report

The reporting phase of the thematic analysis is according to Braun & Clarke (2006) a final version of what the researcher set out to accomplish in relation to responding to the research questions. The report segment will be an outline of all the previous five steps and how they finally managed to successfully satisfy the requirement to arrange the raw data into aligned, interrelated themes and analysis which explains what the responses to the research question were methodically. The biggest challenge for most researchers at this stage is the themes being doubted as being a misrepresentation. To manage this challenge for this study, the researcher will provide a table of the questions asked and raw responses for ease of reference and confirmation of facts. The themes of actual information were also not too far apart because the themes would have been constructed from both the study literature and raw data. A narrative will then be included in step 6 of the report to explain the findings. De Loo (2013) indicates that a narrative is a story about certain events that have taken place, therefore a narrative is a story that tells a sequence of events that are significant for the narrator's audience. The content of a narrative exists independent of its telling. When stories have a plot, coherence, themes, and sub-themes can be created out of the stories giving rise to a conclusion about the phenomenon:

This approach helps the researcher establish what is most important to the participants, especially because, the initial quantitative questions do not offer an opportunity for respondents to say which sources of information they prefer.

The thematic approach benefits the study by offering data to build a case for a framework for aspiring multinational companies. The framework will be used as a toolkit for aspiring multinational companies to make sure they have ticked all the boxes before attempting to trade multination the two were brought together at the interpretation phase. The analytical framework employed to analyze both the quantitative and qualitative data is an exploratory bidirectional framework for convergent design integration. This is a bio-direction framework whereby initially the quantitative data is analyzed then qualitative data is next analyzed, whereafter the final interpretation looks at the qualitative data analysis in relation to the initial quantitative data analysis.

4.6.3 Integration of quantitative and qualitative

The presentation of study findings is two-sided. Firstly, the section will outline the literature review findings, and secondly, findings coming from the responses of participants to the questions. The questions contained six dimensions regarding the regulatory environment, economic environment, public environment, international laws, foreign companies' assistance, and local spending, which were then divided into 28 attributes.

The five (5) attributes that ranked highest in order of availability by the participants were: Sources of Multinational Business Information: awareness of any sources of information in South Africa on supporting technology infrastructure for multinational businesses, International Laws, Economic Environment, Public Environment, Local Spend, and Regulatory Environment. The results revealed that the participants were lacking information about the foreign countries' local information about Public Environment, Local Spend, and International Laws. The results also illustrated that the participants were happy with the information they received on Sources of Multinational Business Information in South Africa, Regulatory Environment, and Economic Environment. The findings also indicate that it is equally important for aspiring multinational companies to link, learn and leverage from other companies that are bigger and established within multinational markets. From the analysis conducted, it was also discovered that the participants are not following multinational frameworks in their plans to do business multinationally.

4.7 Reliability and Validity

The idea of reliability is that it is vital that if the research findings are solid, they should be found again if comparable examination strategies and survey instruments are utilized to repeat a similar report. Reliability implies the degree to which research factors accomplish the target that they were planned to do (Welman et al., 2012).

The idea of validity deals with what the research instrument is intended to measure, not how well the research instrument illustrates the concept under study. Reliability shows the idea of research results being repeated. To test for reliability, Cronbach's alpha was used. Welman et al. (2012) describe Cronbach's alpha as a measure of internal consistency or dependability, which is how closely connected the research elements are in a group. A Cronbach's alpha is expressed as a number between zero and one. A Cronbach's alpha greater than 0.7 is regarded as an acceptable level as it suggests that there is a high internal consistency (Welman et al., 2012). For this study, a Cronbach's alpha was run for the 18 quantitative questions and the results are presented in this research in Figure 18: Cronbach's Alpha.

- **Inclusion Criteria**

The research used individuals selected on the condition that their experiences and perception can be reasonably proven to be relevant to the study. The study focuses on those managers who are working in the sample that is selected from the 100 aspiring multinational companies.

- **Exclusion Criteria**

The research excludes any participants who are working in South African companies which are not aspiring multinational companies; in such cases, the participants were not relevant to the study.

4.8 Ethical consideration

Ethics is characterized as a bunch of qualities that characterize how individuals ought to carry on or act. (Nel, Radel & Loubser, 2010). Mackie (2011) demonstrates that ethics alludes to the way that individuals are required to do things the correct way. Blumberg, Cooper, and Schindler (2015) clarify that when the researchers choose the method of selecting members for the research, care must be taken to ensure that the members are happy to partake in the investigation and are aware of the motivation behind the investigation. The safety of members should be secured at any expense. Therefore, the researcher should assure the following:

4.8.1 Permission and informed consent

As previously indicated, participants were requested for consent to participate in the study. In cases where the participants indicated that they are unable to respond to the questions, their decision was respected. The researcher did not force the respondents to participate in the study if they did not wish to participate.

4.8.2 Anonymity

The identity of participants was protected at all costs. The information is locked away from anyone not authorized to access it. Any information about the participant which can be used by someone else to identify the participant is kept secret.

4.8.3 Confidentiality

The views of individual participants are not in any way be traceable to them. Any information which may breach the confidentiality of participants will be identified.

4.9 Limitations of the research

Wargo (2015) defines limitations of the research as those aspects of the study that the researcher does not have control of and may affect the outcomes of the research. Although by its nature the subject of multinational business is a subsection of international business and relates to other countries, the focus of this study is on South African companies going multinational, hence the study only looks at South African aspiring multinational companies. As previously mentioned, the South African Centre for Policy Studies and African Centre for Development and Strategies Studies, as mandated by Parliament found that there is a need for a scholarly study on the risks faced and resources available to aspiring multinational companies (Mkhabela, 2013), hence the study is limited to one geographical area regardless of the broad nature of the multinational subject.

The researcher chose only a few companies from diverse industries as subjects of the study, although these are only a few of many aspiring multinational companies. This was due to the limited time available for the research to be completed. The aspiring multinational companies who use recommendations from this research as a guideline will therefore have to conduct further work within their companies to be able to align the recommendations with their specific companies. There is a limitation of the availability of information regarding the companies, as they may not be keen on sharing their trade secrets. Due to the reasons mentioned above, the questions are careful about safeguarding critical company information to accommodate all the

questions envisaged. Although the questions were posed to the participants there's no way of determining which are the names of companies where participants gave specific responses.

Owing to the reason that the research was not conducted on the full population but on a sample of managers from a selection of companies, the researcher cannot claim that the findings represent the views of every aspiring multinational company, because each company has its own unique success story. Mkhabela (2013) explains that although there are limitations to researching aspiring multinational companies by looking at a few companies, this does not in any way remove the significance of undertaking such a study; after all, the study was not aimed at being exhaustive.

4.10 Chapter Summary

This chapter has discussed the research methodology and the manner in which the critical goals of the research will be reached. It was clarified in this chapter that a quantitative questionnaire (survey) was used as the instrument to collect primary data, and interview questions were distributed to the same participants belonging to aspiring multinational companies. Both the advantages and disadvantages of using mixed methods were discussed, and for the purpose of this study, the advantages far outweighed the disadvantages. In the next chapter, the results from the survey and questionnaire are assessed and a report on empirical results is compiled. The summary of the main findings and potential areas for future research avenues will also be located in the concluding chapters.

CHAPTER FIVE

DISCUSSIONS AND INTERPRETATION OF QUANTITATIVE AND QUALITATIVE FINDINGS

5.1 Introduction

The main aim of this chapter is to analyze primary data collected from responses in order to answer the research questions which include finding the extent of availability of information to guide South African companies aspiring to become multinational companies looking for business outside the country. This will assist in achieving the research objectives, thus helping untangle the phenomenon of aspiring multinational companies. The analysis of the data will be done in three phases; the first step, the quantitative data was analyzed, secondly, the qualitative data will be analyzed separately, then the two analyses will be combined to extract the findings of the study. Then the main aim of the analysis is to analyze the availability of information for aspiring multinational companies. This will also help find if any of the existing frameworks are applicable in the context of the sampled companies with regards to the availability of information for aspiring multinational companies.

The chapter will also discuss both the quantitative and qualitative results obtained. Under the qualitative results section, the factor analysis and the gap analysis will be discussed. It will be followed by the thematic analysis to discussed the qualitative section and lastly the summary of the chapter. The quantitative and qualitative findings as discussed in this chapter will form the basis for the conclusions that will be made on the phenomenon being researched and the subsequent framework that will be unveiled in the last chapter.

5.2 Demographics

Table 5. 1: Response Rate for both quantitative and qualitative findings.

Population	N = All Managers
Distributed Questionnaires	196
Completed questionnaires	n =189
Usable responses	166

Unusable responses	23
Usable response rate	109% (in relation to the 152-sample size)

As illustrated in Table 2, 196 questionnaires were sent out, 189 were completed and of the completed questionnaires, 166 were usable for the purpose of this research. This represented more than 99% of the confidence level usable response rate in relation to the final sample size of 152. The following section will provide the demographic profile of the respondents. The following demographic aspects will be discussed: age, gender, number of years in business, number of employees, number of countries the company is operating in, and multinational market strategy being adopted by the company. The main aim of this section is to illustrate the representativeness of the sample. The demographics were as follows:

Age

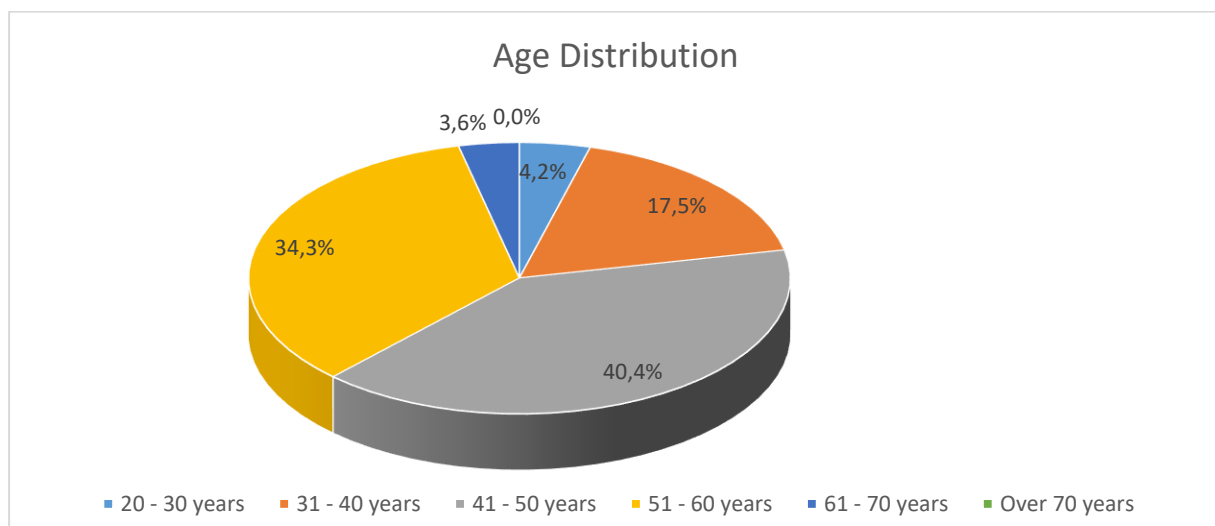


Figure 5. 1: Age

The figure illustrates that the age of the participants was across the age groups, from twenty (20) years to over seventy (70) years. Although there is a higher concentration of participants between ages thirty-one (31) to sixty (60), there is still a fair representation of the economically active population.

Gender

The second demographic question that was asked concerned the gender of the participants. The figure below illustrates the gender of the participants.

The participants were asked the following question:

- Are you male or female?

The demographic profile of the participants shows that 66.3% were males, while 33.7% were females, lower than the male participants. Despite males being more than females, this still shows that the sample was a fair representation of the population, because both genders were represented.

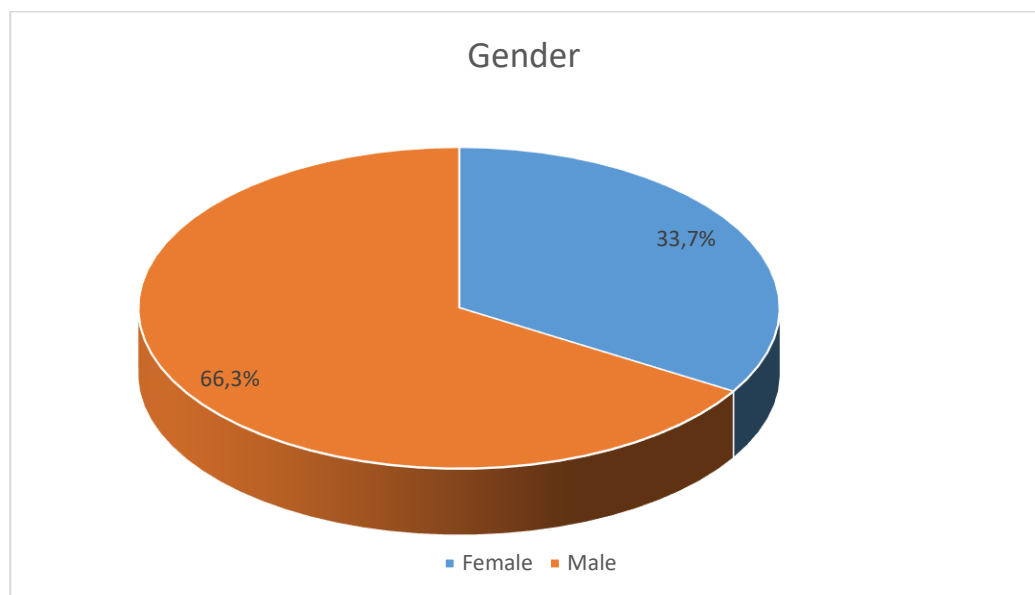


Figure 5. 2: Gender

Countries the business is aspiring to operate in

The third demographic question that was asked concerned the countries where the company is operating.

The question was asked to get an idea of what the participant if indeed the company was aspiring to operate multinationally. The graph below illustrates the number of countries the company is aspiring to operate in.

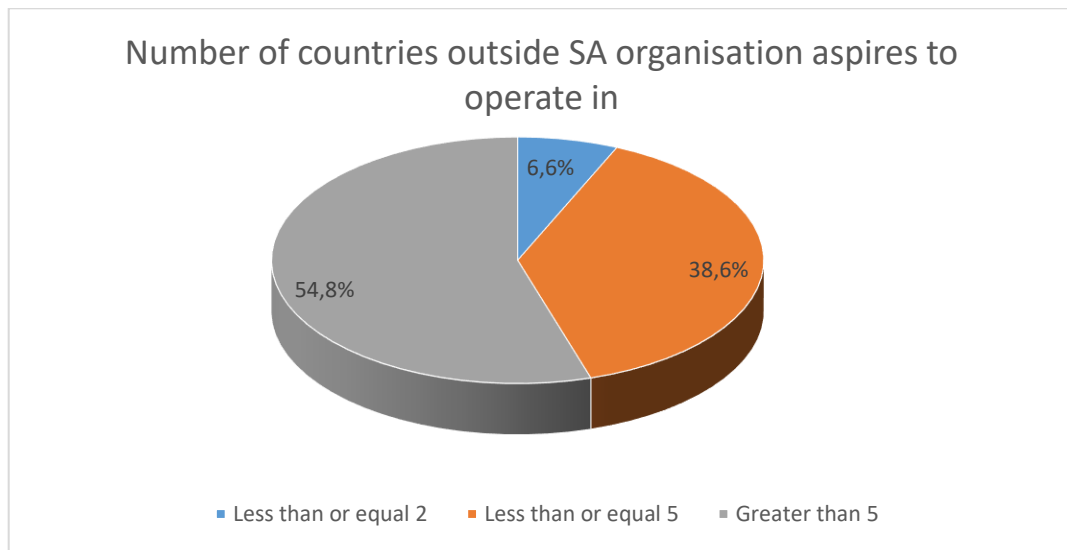


Figure 5. 3: Number of countries aspiring to operate from.

The demographic profile of the participants described above illustrated that 54.8% of the participants aspire to operate in more than 5 countries, whereas 38.6% aspire to operate in less than 5 and more than 2 countries. Only 6.6% of the participants aspire to operate in 2 countries or fewer.

The number of years operating locally.

The participants were asked the following question: How many years has your organization been operating locally?

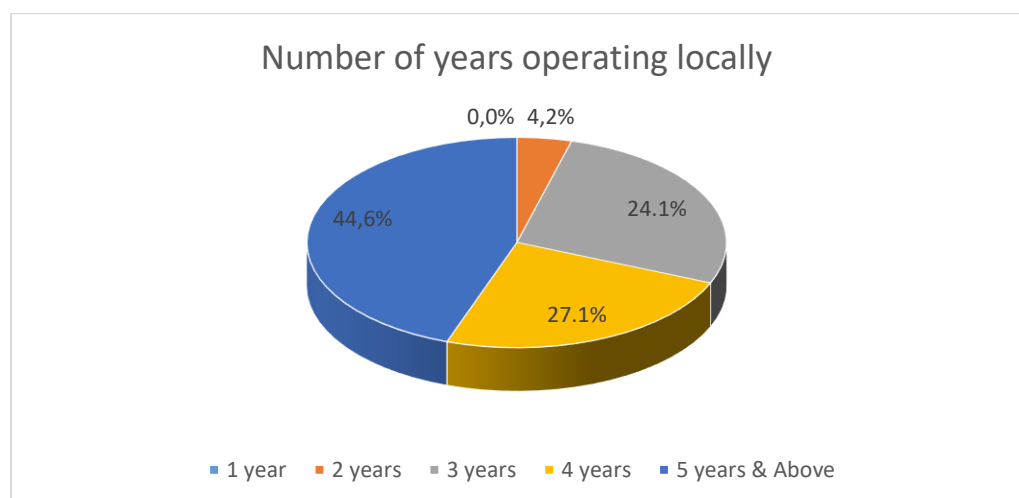


Figure 5. 4: Number of years operating locally.

The demographic profile of the participants described above illustrated that 44.6% of the participants have been operating locally for 5 years and above, whilst 27.1% of the participants have been operating for 4 years and 24.1% of the participants have been operating for 3 years. 4.2% of the participants have been operating locally for 2 years and none of the participants has been operating for only 1 year. This was a fair representation of the population, as participants varied from each other on the years of local operations. It was also noted that none of the participants are within the 1st year of operation.

Number of employees

The fourth demographic question that was asked sought to understand the number of employees in the company. The question was asked to make sure that different sizes of companies are represented. The figure below illustrates the number of employees employed at the companies.

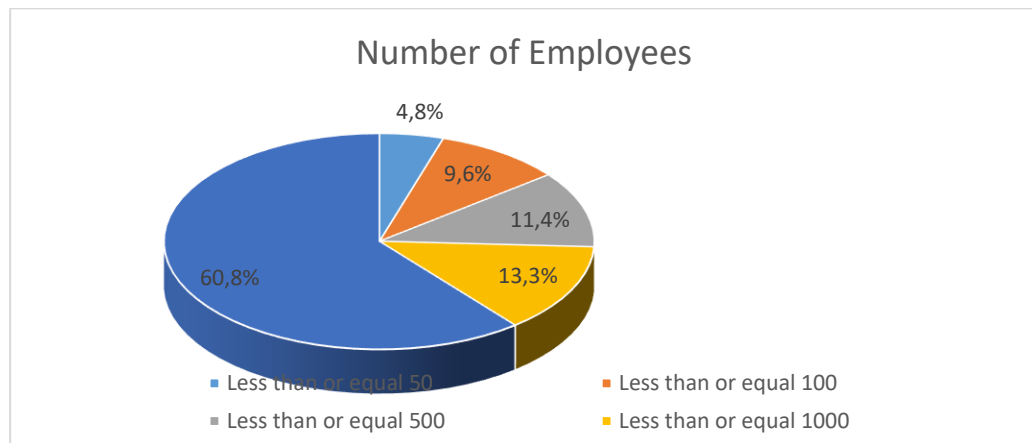


Figure 5. 5: Number of employees

The participants were asked the following question:

Indicate how many employees are employed by your company.

The demographic profile of the participants described above illustrated that 60.8 % of the participants had more than 1000 employees, whilst 13.3% had 1000 or fewer employees. 11.4% of participants had fewer than or equal to 500 employees, 9.6% participants had approximately 100 employees and 4.8% of the participants had less than 50 employees.

Multinational Market Strategy

The participants were asked the following question:

What is your multinational market strategy?

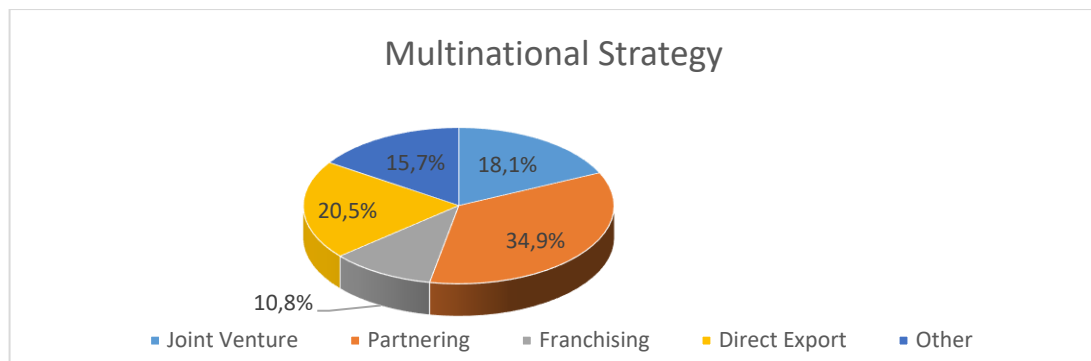


Figure 5. 6: Multinational Market Strategy

The last demographic question that was asked sought to understand the strategy being used by the company to enter the multinational business world. The graph below illustrates the multinational market strategy used by the participants' companies.

The demographic profile of the participants described above illustrated that; 34.9% of the participants used the partnering mode, whilst 20.5% of the participants are using direct exporting, 18.1% of the participants were using other modes of entering the multinational business sphere, 15.7% of the participants are using joint venture and lastly 10.8% are franchising.

5.3 Quantitative Findings

This section will discuss quantitative findings, that is, the factor analysis and gap analysis. The discussion will further be covering the results of cronbach alpha, factor analysis, and gap analysis conducted on data gathered on aspiring multinational companies.

5.3.1 Results of Cronbach Alpha

For this study, a Cronbach's alpha was run on the 18 quantitative questions, and the results are presented in the following figure with the results of a measure to assess parallels between items on the same test, an evaluation of whether several items that intend to measure the same common construct generate comparable scores.



Item-Total Statistics					
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
A1	48.54	92.213	.235	.445	.833
A2	48.23	92.965	.140	.356	.840
A3	49.11	81.794	.563	.460	.815
B4	48.55	100.346	-.166	.345	.854
B5	48.28	95.971	.031	.456	.844
B6	49.29	80.716	.708	.553	.806
C7	48.99	81.224	.698	.686	.807
C8	48.84	82.210	.594	.758	.813
C9	48.88	81.767	.578	.751	.814
C10	48.83	81.159	.581	.747	.814
D11	49.63	89.351	.550	.386	.820
D12	49.45	90.504	.493	.411	.822
D13	49.31	87.438	.565	.481	.818
D14	49.44	87.181	.593	.437	.816
D15	49.26	89.393	.496	.341	.821
E16	49.44	90.527	.467	.321	.823
E17	49.34	87.015	.560	.468	.817
E18	49.67	95.130	.146	.123	.835

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.832	.838	18

Figure 5. 7: Cronbach Alpha

The Cronbach's alpha coefficient for the 18 items is 0.838 which means that the research items have a high internal consistency. It means that the data set is reliable, hence we can proceed to the quantitative analysis using factor and gap analysis.

5.3.2 Results of Factor Analysis

Factor analysis is used whereby the researcher is trying to find which value has the highest level of significance by articulating the observed data as functions of several likely causes. Reliability test checks how all factors on the test correlate to the rest of the factors, this is done to factors intended to measure unique attributes of an identical concept. The factor analysis is covering the results of the internal consistency and convergent validity test. Its method functions as a single element strike only one feature of a concept and if many unique factors are used to gain insights about a specific construct, the data set is considered to be more reliable. Cronbach's alpha is an example of such a measure of internal consistency. Convergent validity is a test commonly used

by people in behavioral sciences, whereby the point to which measures of constructs that should be related, are undeniably correlated. A correlation of 1 and above is considered a positive correlation and a correlation of below 1 is a negative correlation (Hajjar, 2018). The survey questions contained dimensions regarding the following attributes of multinational business enablement: Regulatory Environment, Economic Environment, Public Environment, International Laws, Local Spend, and Sources of Multinational Business Information, which were then divided into 18 elements. The elements are available multinational regulatory universe, availability of multinational business reference materials, availability of free multinational regulations reference materials, availability of information on the stability of macroeconomic environments, availability of workshops on engaging in international trade, availability of free macroeconomic environments reference materials, availability of information on whether foreign countries treat foreign companies according to international laws, availability of information on the protection of foreign companies against arbitrary expropriation, indication of which countries are actively removing obstacles to international trade, availability of information on the right of free transfers related to foreign companies, and whether information on foreign countries' enforcement of foreign laws is freely available.

Top five attributes

Five attributes that ranked highest in order of availability by the participants were:

- Economic Environment: Available information on the stability of macroeconomic environments,
- Public Environment: Availability of information on foreign countries' public sector,
- International Laws: Information available on whether foreign countries treat foreign companies according to international laws,
- Local Spend: Information on foreign countries' public spend, and
- Sources of Multinational Business Information: awareness of any sources of information in South Africa on supporting technology infrastructure for multinational businesses.

The results illustrated that the participants were more concerned with Regulatory Environment, Local Spend, International Laws, and Sources of Multinational Business Information.

Bottom five attributes

On the other hand, the five lowest-ranked attributes were:

- Regulatory Environment: Multinational regulations reference materials are free,
- Local Spend: Information on foreign company enablement is freely available,

- International Laws: Availability of information on foreign countries' enforcement of foreign laws is freely available and
- Sources of Multinational Business Information: To what extent would you say you are following multinational frameworks in your plans to do business multinationally?

The attributes that were rated highest by the participants were in descending order: Sources of Multinational Business Information: Awareness of any sources of information in South Africa on supporting technology infrastructure for multinational businesses, International Laws, Economic Environment, Public Environment, Local Spend, and Regulatory Environment. The results revealed that the participants were lacking information about the foreign countries' local information about Public Environment, Local Spend, and Regulatory Environment. The results also illustrated that the participants were happy with the information they received on Sources of Multinational Business Information in South Africa, International Laws, and the Economic Environment.

A further demographic analysis was conducted to assess which companies had indicated unavailability of information on the attributes mentioned above. The demographics of these companies are as follows: companies with less than three years operating multinationally, companies of a size of fewer than 100 employees, and companies with a multinational strategy of direct exporting. Of the three demographics, it was discovered that companies with direct exporting were consistently indicating challenges with accessing foreign countries' information on the public environment, local spend, and regulatory environment. This, therefore, calls for a guideline document to be made available with a specific focus on aspiring multinational companies involved in direct export. As part of the factor analysis the study used the following to further dissect the data gathered: Confirmatory Factor Analysis, Rank Analysis, and Convergence Validity Test which will use the following factor analysis table as a basis:

Table 5. 2: Factor Analysis

	Items	Mean	Std Deviation	Minimum	Maximum	Observations
1	Available multinational regulatory universe	3.40	0,664	1	5	166
2	Multinational business reference materials available	3.72	0,597	1	5	166

3	Multinational regulations reference materials are free	2.84	0,557	1	5	166
4	Available information on the stability of macroeconomic environments	3.39	0,442	1	5	166
5	Availability of workshops on engaging in international trade	3.67	0,640	1	5	166
6	Macroeconomic environments reference materials are free	2.66	0,617	1	5	166
7	Availability of information on foreign countries' public sector	2.96	0,742	1	5	166
8	Information on courts and law enforcement system	3.11	0,803	1	5	166
9	Information on non-discrimination between foreign and domestic enterprises	3.07	0,800	1	5	166
10	Availability of information on foreign countries' private sector is freely available	3.11	0,804	1	5	166
11	The information available on whether foreign countries treat foreign companies according to international laws	2.32	0,457	1	5	166
12	The information available on the protection of foreign	2.49	0,626	1	5	166

	companies against arbitrary expropriation					
13	Indication of which countries are actively removing obstacles to international trade	2.64	0,610	1	5	166
14	The information available on the right of free transfers related to foreign companies	2.51	0,500	1	5	166
15	Availability of information on foreign countries' enforcement of foreign laws is freely available	2.69	0,394	1	5	166
16	Information on foreign countries public spend	2.51	0,472	1	5	166
17	Information, whether the foreign country's public spend, is adequate and relevant to attract foreign business	2.60	0,615	1	5	166
18	Information on foreign company enablement is freely available	2.27	0,875	1	5	166

The variables in the factor analysis were proven to be standardized, as all the variables had a variance of 1 or less, and the total variance is equal to 18, which is the total number of variables.

Eigenvalues

The eigenvalues reveal that the 18 components as per the factor analysis were the same as the number of quantitative questions, however, only three factors have been retained. The three retained factors to the left of 4 in the scree plot below with the highest eigen-values.

Total Variance Explained							
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings ^a
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total
1	6,183	34,351	34,351	6,183	34,351	34,351	5,450
2	2,747	15,259	49,610	2,747	15,259	49,610	2,504
3	1,221	6,784	56,394	1,221	6,784	56,394	4,549
4	1,062	5,902	62,296	1,062	5,902	62,296	1,521
5	0,921	5,115	67,410				
6	0,780	4,335	71,746				
7	0,707	3,927	75,673				
8	0,602	3,344	79,017				
9	0,568	3,153	82,170				
10	0,531	2,948	85,118				
11	0,516	2,868	87,986				
12	0,465	2,584	90,570				
13	0,382	2,124	92,694				
14	0,363	2,016	94,710				
15	0,338	1,878	96,587				
16	0,271	1,503	98,090				
17	0,176	0,980	99,070				
18	0,167	0,930	100,000				

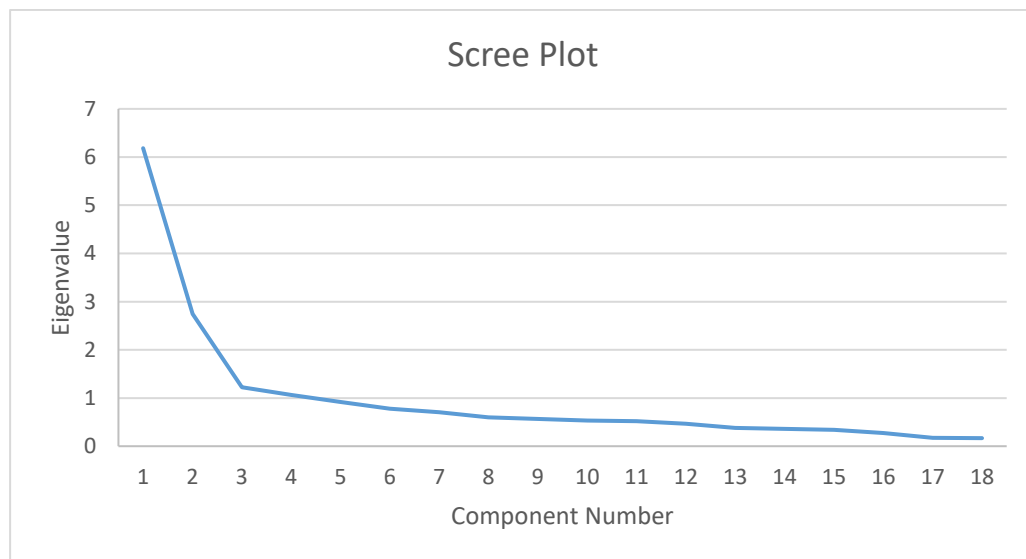


Figure 5. 8: Eigenvalues

Confirmatory Factor Analysis

A confirmatory factor analysis was conducted, after conducting the confirmatory factor analysis, three items remained for measuring the extent of availability of information and success factors for enabling aspiring multinational companies. The three factors are economic environment, public environment and international laws, this indicates that the analysis has confirmed that these three are a true measure of aspiring multinational companies success factors.

The following diagram from Azma et.al. (2019) indicates the results of the confirmatory factor analysis in ranking order:

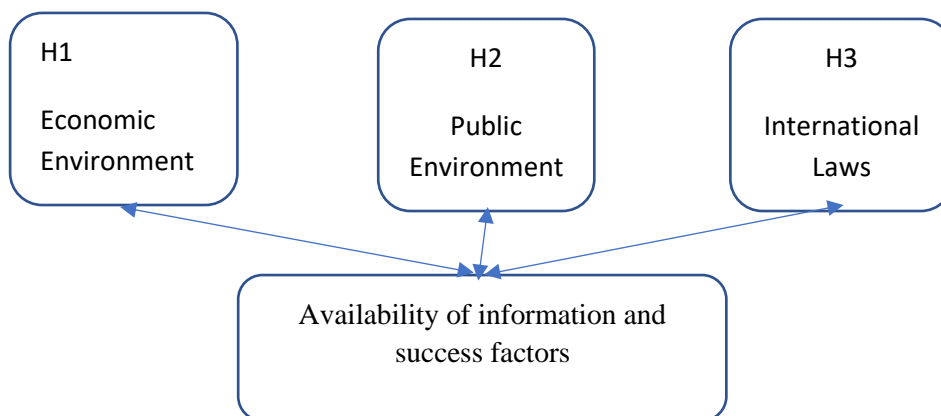


Figure 5. 9: Confirmatory Factor Analysis

Source: Azma et.al (2019)

5.3.3 Results of Rank Analysis

A rank analysis was conducted, the top three highly ranked factors are information on foreign company enablement is freely available, availability of information on foreign countries' private sector is freely available, and information on courts and law enforcement systems. The bottom least ranked factors are information available on the right of free transfers related to foreign companies, information available on whether foreign countries treat foreign companies according to international laws, and information on foreign countries' public spend.

Significance Indices of the Rank Analysis indicating Critical Success Factors, the relative importance index (RII) of each of the aspiring multinational companies attributes was calculated based on the overall questionnaire responses. The Critical Success Factors (CSFs) were then ranked according to their RIIs. Figure 5.9 below presents the RIIs and ranking of the top five and bottom five CSFs by looking at the responses from 1to5 (R1-R5) on the likert scale for the success of aspiring multinational companies. This is depicted in the table below:

Table 5.3: Significance Indices and Rank Analysis of Critical Success Factors

Code	CFS	R1	R2	R3	R4	R5	Mean	RII	Rank
E18	Information on foreign company enablement is freely available	0.6%	1.8%	16.7%	45.8	25.1%	2.27	0,875	1
C10	Availability of information on foreign countries' private sector is freely available	1.1%	16.5%	15.1%	27.1%	40.2%	3.11	0,804	2
C8	Information on courts and law enforcement system	5.1%	9.0%	10.8%	31.3%	33.3%	3.11	0,803	3
C9	Information on non-discrimination between foreign and domestic enterprises	7.0%	12.5%	14.9%	34.9%	30.7%	3.07	0,800	4
C7	Availability of information on foreign countries' public sector	13.3%	13.9%	10.2%	8.45%	54.2%	2.96	0,742	5
D14	The information available on the right of free transfers related to	16.3%	30.1%	45.2%	2.4%	6.0%	2.51	0,500	14

	foreign companies								
D11	The information available on whether foreign countries treat foreign companies according to international laws	27.1%	26.5%	27.1%	10.2%	21.1%	2.32	0,457	15
E16	Information on foreign countries public spend	3.0%	38.0%	43.4%	13.3%	2.4%	2.51	0,472	16
B4	Available information on the stability of macroeconomic environments	13.4%	44.6%	28.3%	4.6%	9.0%	3.39	0,442	17
D15	Availability of information on foreign countries' enforcement of foreign laws is freely available	14.5%	53.0%	23.5%	1.8%	7.2%	2.69	0,394	18

Source: Zunguze (2017)

The rank analysis in table 5.4 below indicates the top three highly ranked factors and the bottom least ranked factors.

Table 5.4: Rank Analysis

Code	Critical Success Factor (CSF)	Mean	RII	Rank
E18	Information on foreign company enablement is freely available	2.27	0,875	1
C10	Availability of information on foreign countries' private sector is freely available	3.11	0,804	2
C8	Information on courts and law enforcement system	3.11	0,803	3
C9	Information on non-discrimination between foreign and domestic enterprises	3.07	0,800	4
C7	Availability of information on foreign countries' public sector	2.96	0,742	5
D14	The information available on the right of free transfers related to foreign companies	2.51	0,500	14
D11	The information available on whether foreign countries treat foreign companies according to international laws	2.32	0,457	15
E16	Information on foreign countries public spend	2.51	0,472	16
B4	Available information on the stability of macroeconomic environments	3.39	0,442	17
D15	Availability of information on foreign countries' enforcement of foreign laws is freely available	2.69	0,394	18

Source: Zunguze (2017)

Convergent Validity Test

The convergent validity test reveals that the study was measuring the same construct this was observed by the test having seven points of convergence. The results indicated that the items loaded greater on their correlated factors than on other factors, this indicates a positive convergent validity which means that the research items have a high level of validity.

Pattern Matrix ^a				
	Component			
	1	2	3	4
A1	0,132	0,818	-0,005	0,013
A2	0,010	0,750	0,030	0,188
A3	0,768	0,124	0,025	-0,022
B4	-0,144	0,592	0,184	-0,109
B5	-0,235	0,708	-0,180	-0,139
B6	0,533	0,261	-0,299	0,080
C7	0,775	-0,016	-0,140	0,034
C8	0,857	-0,177	-0,011	-0,032
C9	0,914	-0,105	0,062	-0,086
C10	0,847	-0,195	0,022	0,067
D11	0,244	0,043	-0,493	0,089
D12	-0,129	-0,015	-0,856	-0,057
D13	0,006	0,048	-0,735	0,127
D14	0,331	0,164	-0,475	-0,117
D15	0,339	0,113	-0,210	0,301
E16	0,058	-0,086	-0,676	-0,123
E17	-0,012	-0,051	-0,754	0,148
E18	-0,096	-0,025	0,024	0,953
Extraction Method: Principal Component Analysis. Rotation Method: Oblimin with Kaiser Normalization. a. Rotation converged in 7 iterations.				

Factors	1	2	3	4
1	1,000	-0,121	-0,483	0,189
2	-0,121	1,000	-0,145	0,033
3	-0,483	-0,145	1,000	-0,191
4	0,189	0,033	-0,191	1,000

Figure 5. 9: Convergence

5.3.4 Results of Gap Analysis

The gap analysis conducted has indicated the comparison of what is available with the idealized potential. For this study, the quantitative survey questions have a 1 to 5 rating scale as follows:

1. Strongly Agree, 2. Somewhat agree, 3. Neither Agree nor Disagree, 4. Somewhat Agree, and 5. Strongly Agree. Using Niiniluoto's argument, potential, in this case, will be represented by '5' in this case, representing 'strongly agree'. However, '4', representing truth in this instance alongside '5', qualifies to be a potential score, so '4' is still the truth, whereas any score from '2' and below represents lower and lower potential. In this case, '3' is the weaker form of truth, and therefore acceptable as a sign of the attribute showing potential. Any rating indicating that the

information is below level '3' potential, that is 'somewhat disagree' then the attribute is deemed to be below potential level. The attributes of a gap score of '2' and below indicates a rating below the potential level, the table below indicates the scores of the attributes.

Table 5. 3: Gap analysis for the enablement of aspiring multinational companies

Status	Attribute	The maximum level of information	Information Availability	Gap
Regulatory Environment			0.606	0.394
1	Available multinational regulatory universe	1,000	0,664	0,336
2	Multinational business reference materials available	1,000	0,597	0,403
3	Multinational regulations reference materials are free	1,000	0,557	0,443
Economic Environment			0.566	0.434
4	Available information on stability of macroeconomic environments	1,000	0,442	0,558
5	Availability of workshops on engaging in international trade	1,000	0.640	0.36
6	Macroeconomic environments reference materials are free	1,000	0.617	0.383
Public Environment			0.787	0.213
7	Availability of information on foreign countries' public sector	1,000	0.742	0.258
8	Information on courts and law enforcement system	1,000	0.803	0.197
9	Information on non-discrimination between foreign and domestic enterprises	1,000	0.800	0.2

Status	Attribute	The maximum level of information	Information Availability	Gap
10	Availability of information on foreign countries' private sector is freely available	1,000	0.804	0.196
International Laws			0.517	0.483
11	The information available on whether foreign countries treat foreign companies according to international laws	1,000	0.457	0.543
12	Information available on protection of foreign companies against arbitrary expropriation	1,000	0.626	0.374
13	Indication of which countries are actively removing obstacles to international trade	1,000	0.610	0.39
14	The information available on the right of free transfers related to foreign companies	1,000	0.500	0.5
15	Availability of information on foreign countries' enforcement of foreign laws is freely available	1,000	0.394	0.606
Local Spend			1.038	0.6915
16	Information on foreign countries public spend	1,000	0,472	0.528
17	Information whether the foreign country's public spend is adequate and relevant to attract foreign business	1,000	0,615	0.385

Status	Attribute	The maximum level of information	Information Availability	Gap
18	Information on foreign company enablement is freely available	1,000	0,875	0.125

Communalities		
	Initial	Extraction
A1	1,000	0,664
A2	1,000	0,597
A3	1,000	0,557
B4	1,000	0,442
B5	1,000	0,640
B6	1,000	0,617
C7	1,000	0,742
C8	1,000	0,803
C9	1,000	0,800
C10	1,000	0,804
D11	1,000	0,457
D12	1,000	0,626
D13	1,000	0,610
D14	1,000	0,500
D15	1,000	0,394
E16	1,000	0,472
E17	1,000	0,615
E18	1,000	0,875

By observing the table above, potential far surpassed the apparent levels of accessibility of information by the scores. Chingching (2014) states that it is common for potential or expectation to exceed satisfaction, and this highlights that there is always a need for improvement. The more the potential is close to expectations of information, the higher the perceived level of available information. The gap scores on Sources of Multinational Business Information (Potential – Satisfaction) are as follows:

- Local Spend obtained a negative gap score of (-0.654). This is the highest gap found in the study from the questions on information on foreign countries' public spending, information on whether the foreign country's public spending is adequate and relevant to attract foreign business, and whether information on foreign company enablement is freely available. This makes information on foreign local spend the least available for aspiring multinational companies.
- For International Laws, the responses to questions on the availability of information on international laws resulted in a negative gap score of (-0.483). The respondents were asked whether they are aware of the availability of information on foreign countries subscribing to international laws, protection of foreign companies against arbitrary expropriation, countries actively removing obstacles to international trade, right of free transfers related to foreign companies, and enforcement of international laws. This makes

international laws the attribute with the second least available information for aspiring multinational companies.

- Public Environment responses obtained a negative gap score of (-0.213). The participants were asked whether they have access to information on foreign countries' public sector, courts, and law enforcement system, non-discrimination between foreign and domestic enterprises, and whether information on the foreign private sector is freely available. Although overall responses resulted in a negative gap score, using the formula of 'Potential – Satisfaction', the overall score for the attribute is below 3, which means there is potential. This indicates that the availability of information is too close to the lower threshold of satisfaction from participants, meaning that more information availability is required.
- Economic Environment received a negative gap score of -0.434. The participants were asked whether there is the availability of information on the stability of macroeconomic environments, availability of workshops on engaging in international trade and whether macroeconomic environments reference materials are free. The attribute potential score indicates that in comparison to the local spend and international laws attributes discussed earlier in this section, the participants have a similar challenge of access to information on the economic environment.
- Regulatory Environment received the lowest negative gap score of -0.394. The questions asked for this attribute were to test the availability of the multinational regulatory universe, multinational business reference materials, and whether multinational regulations reference materials are free. It is still important to include this attribute in the framework for aspiring multinational businesses because both attributes still show an opportunity to improve their potential.

As highlighted in the gap analysis some attributes were regarded as lacking in providing information for aspiring multinational companies, thus they must be the critical areas for consideration. Although other areas showed very small challenges with the availability of information can be included in the framework also as part of the complete framework. However, a huge amount of focus is required by the companies, particularly on the aspects with the lowest information availability. Aspiring multinational companies need to know that information on Local Spend is not readily available as demonstrated in this study, and company managers need to also take extra time to check the alignment of foreign markets with International Laws to

successfully mitigate the risk of arbitrary expropriation. Equally, aspiring multinational companies need to be aware that the Regulatory information of foreign countries is not easy to find, therefore companies have to be aware of the possible challenges associated with penetrating these markets and prepare before entering these markets.

The Descriptive Statistics table below indicates the structures of the data collected and a synopsis of the sample and measures used in the study.

Table 5. 4: Descriptive Statistics

Variable Description	N	Range	Minimum	Maximum	Mean	Std. Deviation
Available multinational regulatory universe	166	3	1	4	3.40	1.021
Multinational business reference materials available	166	4	1	5	3.72	1.245
Multinational regulations reference materials are free	166	4	1	5	2.84	1.390
Available information on stability of macroeconomic environments	166	4	1	5	3.39	1.122
Availability of workshops on engaging in international trade	166	4	1	5	3.67	1.109
Macroeconomic environments	166	4	1	5	2.66	1.230

reference materials are free						
Availability of information on foreign countries' public sector	166	4	1	5	2.96	1.208
Information on courts and law enforcement system	166	4	1	5	3.11	1.298
Information on non-discrimination between foreign and domestic enterprises	166	4	1	5	3.07	1.362
Availability of information on foreign countries' private sector is freely available	166	4	1	5	3.11	1.407
The information available on whether foreign countries treat foreign companies according to international laws	166	4	1	5	2.32	.763
Information available on protection of foreign companies against arbitrary expropriation	166	4	1	5	2.49	.728

Indication of which countries are actively removing obstacles to international trade	166	4	1	5	2.64	.909
The information available on the right of free transfers related to foreign companies	166	4	1	5	2.51	.893
Availability of information on foreign countries' enforcement of foreign laws is freely available	166	4	1	5	2.69	.830
Information on foreign countries public spend	166	4	1	5	2.51	.761
Information whether the foreign country's public spend is adequate and relevant to attract foreign business	166	4	1	5	2.60	.953
Information on foreign company enablement is freely available	166	4	1	5	2.27	.758
Valid N (listwise)	166					

The scores were calculated based on a 5-point scale (1 = Strongly Disagree, 2 = Somewhat Disagree, 3 = Neither Agree nor Disagree, 4 = Somewhat Agree, and 5 = Strongly Agree).

- **Available multinational regulatory universe.**

The responses on the available multinational regulatory universe indicated that 71.7% do not have information on regulations on doing business multinationally, 26.9% indicated that they have access to information on regulations and 5.4% said they neither agree nor disagree. This calls for an intervention to help companies ensure that they are aware of the regulatory requirements surrounding doing business multinationally. The implications of 71% of participants who did not have access to the regulatory universe in this study are that it will expose the companies to monetary fines and in the worst-case scenarios, sanctions may be imposed, impacting on the ability of the company to do business in that country.

- **Multinational business reference materials availability.**

In response to the question of whether multinational business reference materials are available to them, 74.3% of the respondents indicated that they disagree that the material is available at their disposal. Only 20.4% were confident that they have reference materials to help them make decisions on their multinational business dealings. A further 6.6% opted to remain neutral. The challenge posed by the unavailability of reference materials to the 74.3% of the participants is that aspiring multinational company managers will have difficulty making decisions from an uninformed base.

- **Multinational regulations reference materials are free.**

The responses to the question of whether multinational regulations reference materials are free showed that 50% of the respondents agreed that the material is free, and 8.4% do not have an opinion on whether or not it is free. A further 41.6% of respondents believe that the material is not free. Baka & Figgou (2012) explain that in responding to questions, respondents choose the option of somewhat disagree because they either have mixed feelings about whether they agree or disagree with the statement; this particularly happens when participants' negative real-life emotions are invoked by the mention of the subject but at the same time the participant feels helpless to the extent that they do not wish to entertain the matter further. The fact that 28.9% of participants have had their negative emotions invoked by whether these reference materials are free indicated that participants may have tried to get free materials without success. This indicates

how important it was for this study to have the quantitative method as a secondary form of unraveling this phenomenon.

- **Available information on the stability of macroeconomic environments.**

When asked whether information on the stability of macroeconomic environments is available, 59.6% of participants indicated that the information is not available, whereas 26.5% said they have the information at their disposal. 13.9% remained neutral. The unavailability of information on whether the environments are stable will disadvantage companies because they need valid information to make decisions. The concern of only 26.5% of the participants being sure of the stability of macro-economic environments is that the entire economy of the foreign country spending, gross domestic, product, inflation, etc. rests on the concept of macro-economics, and lack of knowledge thereof could be detrimental. Amwele (2012) explains that an important element of entrepreneur's characteristics, is the ability, among other elements to understand the macro-economic environment.

- **Availability of workshops on engaging in international trade.**

71.1% of companies indicated that there are no workshops on engaging in international trade, whilst only 21.7% of the participants said they have access to workshops, and 7.2% remained neutral. According to Walters (2017), business workshops increase the attendee's knowledge and skills thereby reducing wastage, lowering company costs, and help the organization improve the quality of their staff. The implications of the 71.1% that do not have access to workshops are that the tacit knowledge usually shared by experts at workshops that are not shared in books and journals may not be realized, to the loss for the company.

- **Macroeconomic environments reference materials are free.**

64.4% of participants indicated that macroeconomic environments reference materials are freely available, while 27.2% said they disagree and 8.4% opted to remain neutral. Although 64.4% of participants have access to macroeconomic reference materials, there needs to be a drive for companies to have access to these materials. For increased visibility, these can be made available at local community business enablement centers and facilities for common business use.

- **Availability of information on foreign countries' public sector.**

Availability of information on foreign countries' public sector has been confirmed by 45.1% of participants, whereas 12.7% remained neutral. 42.1% of participants disagreed that foreign public sector information is not available. The disadvantage with limited information of any country's public sector is that although entities in that sector such as public enterprises are government-controlled, the opportunities to provide goods and services in this sector are strictly controlled, often with pro-local policies. Before an aspiring multinational company attempts to enter the sector, local treasury regulations need to be thoroughly understood.

- **Information on courts and law enforcement system.**

48.8% of participants indicated that information on courts and law enforcement systems of foreign countries is not available, 9% remained neutral whereas 42.1% agree that information is available. As the famous saying goes, ignorance of the law should never be used as an excuse. Before entering any market, one has to know what constitutes an offense in business dealings. The good thing about the legal fraternity is that there are repositories of case law and law books available; one just needs guidance on how to have access to these.

- **Information on non-discrimination between foreign and domestic enterprises.**

47.5% of participants said there is information on non-discrimination between foreign and domestic enterprises, 43.4% agreed that they have access to information and only 9% of participants chose to remain neutral. The implications of companies not having information on whether or not they will be discriminated against will deter them from taking big decisions for big returns.

- **Availability of information on foreign countries' private sector is freely available.**

47.6% of respondents indicated lack of availability of information on foreign countries' private sector, 10.2% remained neutral and 42.2% agreed that they do receive information on foreign countries' private sector. Klasen (2015) explains that credit agencies also need to play a critical role in assisting aspiring multinational companies with capital; however, although there's a growing number of business transactions involving the private sector there is still a need for a policy framework aimed at enabling private sector. The private sector should be viewed as an

opportunity to create employment which, with enabling legislation and removal of business growth impediments, both the public and private sectors stand to gain.

- **The information available on whether foreign countries treat foreign companies according to international laws.**

7.2% of participants indicated that they cannot tell whether foreign countries treat foreign companies according to international laws, 26.5% remained neutral; however, 66.4% said the information is available. The above graph indicates that companies are aware that they can safely do business elsewhere in the world because uniform international laws apply. This element is a big selling point that any foreign country should possess, and a huge attraction for aspiring multinational companies.

- **The information available on the protection of foreign companies against arbitrary expropriation.**

9% of participants said they disagree that information on the protection of foreign companies against arbitrary expropriation is available; however, 56.6% agree that the information is available, and at the same time, 34.3% remained neutral. This indicates that participants have the confidence that their companies are safe from a foreign government expropriating their businesses for the benefit of everyone in that country. Business managers are well-trained to mitigate the challenges posed by competition and lack of resources. However, risks posed by external factors beyond the company's control can block foreign business and opportunities for locals.

- **Indication of which countries are actively removing obstacles to international trade.**

51.2% of participants indicated that they get information on which countries are actively removing obstacles to international trade, 18.7% disagreed and 30.1% remained neutral. This indicates that there is comfort on the part of 51% of the participants that, when necessary, obstacles for them to trade multinationally will be removed by the host country. Removal of obstacles to the remaining companies is critical to creating an enabling environment for companies to trade on a fair platform.

- **The information available on the right of free transfers related to foreign companies.**

60.2% of participants said information on the right of free transfers related to foreign companies is available, 23.5% remained neutral and 16.3% of participants said they disagree. The aspiring multinational companies are comfortable with transfers and discretionary allowances. Information on foreign business transactions such as which amounts companies can allow transfer overseas without applying for foreign tax clearance certificates is important for companies to have; in that way business managers can plan ahead and save on transfer taxes.

- **Information on foreign countries' enforcement of foreign laws is freely available.**

38% of participants are neutral about the information on foreign countries' enforcement of foreign laws is freely available, 15.7% disagreed and 46.4% agreed. The challenge with the mid-point response to a study question is that it can never be accepted as a 'yes' answer but rather as an indication of lack of understanding, or misunderstanding; in this case, the response to this question is regarded as an indication that there is a need for clarity to be provided.

- **The information available on the right of free transfers related to foreign companies.**

56.6% of participants indicated that they have access to information on the right of free transfers related to foreign companies, 10% disagreed and 34.3% remained neutral. Having access to funds while conducting business externally will be a much-needed business enabler for aspiring multinational companies, as the funds could be used for various foreign country transactions, including procuring goods and services critical for day-to-day business operations.

- **Information on the foreign country's public spending is adequate and relevant to attract foreign business.**

On the question of whether information on the foreign country's public spending is adequate and relevant to attract foreign business 56% of the responses agreed, 26.5% were neutral and 17.4% disagreed. If the public sector is the target market for the aspiring multinational company, a thorough understanding is needed of which entities the foreign country's public spend goes to. Although one can be right about the goods and services required by the public sector, policies may impede the government from contracting with a foreign company. Hence one needs to know what the policies dictate.

- **Information on the enablement of foreign companies is freely available.**

On the question of whether information on the enablement of foreign companies is freely available, the responses indicated that 69% of respondents agreed that there is information on enablement of foreign companies, 2.4% indicated that there is no information on enablement of foreign companies and the remaining 36.7% were neutral. Although a larger percentage of the participants are satisfied with the enablement of foreign companies, the neutral responses being approximately half raises a concern that there is doubt on whether there is sufficient enablement. It is vital that over and above having foreign businesses' enablement, there should equally be deliberate actions of making the efforts public knowledge through different countries' foreign business affairs departments.

The five (5) attributes that ranked highest in order of availability by the participants were: Sources of Multinational Business Information: awareness of any sources of information in South Africa on supporting technology infrastructure for multinational businesses, International Laws, Economic Environment, Public Environment, Local Spend, and Regulatory Environment. The results revealed that the participants were lacking information about the foreign countries' local information about Public Environment, Local Spend, and International Laws. The results also illustrated that the participants were happy with the information they received on Sources of Multinational Business Information in South Africa, Regulatory Environment, and Economic Environment. The findings also indicate that it is equally important for aspiring multinational companies to link, learn and leverage from other companies that are bigger and established within multinational markets. From this study conducted, it was also discovered that the participants are not following multinational frameworks in their plans to do business multinationally.

5.4 Qualitative Findings

This section will discuss the analysis of qualitative analysis of the data gathered on the success factors for enabling aspiring multinational companies to enter the multinational business sphere. The analysis used for the qualitative data is a thematic analysis, this process involves coding, uncoding and recoding of data to extract common themes. The themes are combed in order to capture specific elements related to the research question, this is done make sure that each theme has a thread back to the study results. The themes extracted from the thematic analysis are:

Funding Information Sources, Business Success Intelligence, Multinational Information Updates, Markets Access and Participants, Access Enablement and Framework Properties.

5.4.1 Thematic analysis

The themes are defined and named as listed below, the step 5 analysis below was sent to a subject matter expert for a peer debrief, the peer de-brief has given assurance that the overall thematic analysis has a clear thread to the research question.

Theme	Sub-themes	Motivation for fit into the research (the question being answered is “What should be in a framework for aspiring multinational framework”)
<ul style="list-style-type: none"> Funding Information Sources (FIS) 	<ul style="list-style-type: none"> ✓ Investment banks ✓ Member Country Banks ✓ Foreign Investment Decisions 	<ul style="list-style-type: none"> ➤ This theme is relevant because the literature has outlined the importance of the banking sector and the participants also indicated the same.
<ul style="list-style-type: none"> Business Success Intelligence (BI) 	<ul style="list-style-type: none"> ✓ Multinational Business Research ✓ Economic Benchmarks ✓ Business Decisions ✓ Presence in more than one country ✓ Having impactful development ✓ Sustainable growth ✓ Being independent ✓ No reliance on partners 	<ul style="list-style-type: none"> ➤ The theme’s relevance is that it addresses the matter of what aspects of a framework for aspiring multinational companies.

<ul style="list-style-type: none"> • Multinational Information Updates (MIU) 	<ul style="list-style-type: none"> ✓ S&P Global Economic Analysis and Trends ✓ Various industry-related publications ✓ EIB, World Bank, ✓ S&P Global, ✓ Local Foreign Investor Centre, ✓ Consulting Firms, ✓ Foreign Countries, Contacts, ✓ Self Help Books, ✓ News Platforms ✓ Books ✓ Partner Companies, ✓ News Platforms, ✓ Franchisors. 	<ul style="list-style-type: none"> ➤ This theme responds to the part of the research that seeks a response on what needs to be in a framework targeting aspiring multinational companies.
<ul style="list-style-type: none"> • Markets Access and Participants(MA&)) 	<ul style="list-style-type: none"> ✓ Local Foreign Investor Centres ✓ Foreign Contacts ✓ Partnership Opportunities ✓ Consulting Firms ✓ Partner Companies ✓ Foreign Governments 	<ul style="list-style-type: none"> ➤ The relevance of this theme is that it addresses the question of the public environment and the local environment of multinational companies.
<ul style="list-style-type: none"> • Access Enablement (AC) 	<ul style="list-style-type: none"> ✓ Access to relevant data ✓ Unavailable market information ✓ Outdated regulatory information 	<ul style="list-style-type: none"> ➤ This theme responds to the question of what the framework for aspiring multinational companies should have.

	<ul style="list-style-type: none"> ✓ Reliance on foreign sources of information ✓ Insufficient information from foreign sources ✓ Partner with foreign companies to gain access ✓ Information coming at a cost ✓ Changing laws ✓ Information comes late after decisions are made ✓ Permits not easily accessible ✓ Having to resort to franchising 	
<ul style="list-style-type: none"> • Framework Properties (FP) 	<ul style="list-style-type: none"> ✓ Methods to go multinational ✓ Contain economic data ✓ Contain demographical data ✓ Show industry analysis ✓ Show trends ✓ Political Climate ✓ Enable economic stability 	<ul style="list-style-type: none"> ➤ The theme and sub-themes contributes content towards the development of a framework

	<ul style="list-style-type: none"> ✓ Ease of market entry (specific to category). ✓ Be country-specific, 	
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Phase 6: The Report

Theme	Definition
<ul style="list-style-type: none"> • Funding Information Sources 	The banking sector is important because the laws in relation to multinational business transactions, licensing procedures, tariffs and taxes, and other intricacies which are used to regulate international transactions of multinational enterprises need to be known.
<ul style="list-style-type: none"> • Business Success Intelligence 	Business intelligence means companies need financial, human, information technology and other business resources to enable them to be efficient and stand-alone multinational companies. The supporting technology infrastructure for aspiring multinational businesses is critical to initiate and ongoing multinational operations to enable the listed subthemes.
<ul style="list-style-type: none"> • Multinational Information Updates 	A framework aimed at aspiring multinational companies needs to share knowledge that there are various aspects of public environment spending that companies need to satisfy before doing business with foreign public departments. The sources listed in the subthemes are examples of those entities and experts the company would interface with.
<ul style="list-style-type: none"> • Markets Access and Participants 	Literature and thematic analysis indicate the importance of business partnerships i.e., leveraging and linking with other companies and the response in this study

	indicates that aspiring multinational companies could benefit from these partnerships.
<ul style="list-style-type: none"> • Access Enablement 	A framework needs to emphasize knowledge of laws as key to aspiring multinational companies because the alignment of legislation differences between countries is known to bring a decisive factor for the direction of an aspiring multinational company. Knowledge of foreign laws will enable regulatory bargaining between foreign governments and aspiring companies.
<ul style="list-style-type: none"> • Framework Properties 	The rhetoric about the importance of following a framework when attempting to go multinational has been proven correct by the responses from participants whereby newer companies are not using any frameworks.

5.5 Integration of quantitative and qualitative results

The quantitative results indicate the following for aspiring multinational companies: from the factor, rank and gap analysis some critical attributes were regarded as lacking from assessing information available for aspiring multinational companies, these are economic environment, public environment and international laws. The factor, rank and gap analysis also indicated that information on foreign company enablement, information on foreign countries' private sector, and information on courts and law enforcement systems is mostly available across all aspiring multinational companies. Similarly the thematic analysis indicated that the same elements that have been revealed by the quantitative method are equally sharing the same level of criticality when qualitative data is analysed. What is more important is that the thematic analysis also provided recommendations from participants about what needs to be specifically contained in the framework to resolve the problems. This therefore indicates that the qualitative results are able to augment and support the quantitative results and the claims of this study that there is a need for a framework to assist aspiring multinational companies. Although both sets of results revealed that that newer aspiring multinational companies in the export industry are the most dissatisfied with the minimal information available on aspiring multinational companies, the

study has successfully managed to show the elements that are critical for the success of aspiring multinational companies which can therefore be captured in a framework.

5.6 Chapter Summary

This chapter discussed and interpreted the study findings, starting off with discussing the reliability test to demonstrate that the research items of the aspiring multinational companies study have internal consistency. The data collection process and how the process contributed to the realization of findings was also discussed in this chapter. In this chapter, the representativity of the various demographic groups was also shown by indicating the age, gender, size of the organization, number of years in business, number of countries the companies are aspiring to operate in, and the multinational strategy being used. The demographic analysis helped the researcher apportion the various challenges faced by the companies and the similarities between companies of the same demographic profile.

The chapter gave an analysis of the responses of the various respondents to the questions on the availability of information on the regulatory universe, economic environment, public environment, international laws, local spending, and aspiring multinational company enablement. The responses of participants from aspiring multinational companies were analysed and also gave an interpretation of the responses. Understanding how participants view the availability of multinational business information is critical to this study as a step towards unravelling the challenges of aspiring multinational companies. The responses from the participants will assist in the last section of this study towards building a framework for aspiring multinational companies. The factor analysis (supported by the results of the internal consistency and convergent validity analysis), gap analysis and thematic analysis have collectively assessed the availability of information to aspiring multinational companies and revealed that companies that have been in operation for less than three years, have fewer than 100 employees, and are engaged in direct exporting, expressed that they have a challenge accessing the information on successfully penetrating multinational business markets. The supporting data from the thematic analysis further revealed that these challenges experienced by the companies emanate from the fact that they do not have any guideline to assist with ticking the boxes on what needs to be in place and from where they can get the information. The thematic analysis used to analyse the responses and data on this question has also proven to be credible because the arguments are coherent with the literature on the phenomenon.

In the next chapter, conclusions on what was observed in the analysis phase of this research will be narrowed down. In answering the second research question ‘What are the success factors for enabling aspiring multinational companies to enter the multinational business sphere?’ the research has revealed that the aspiring multinational company must understand the following in a foreign country: public environment, local spend, international laws, regulatory environment, and economic environment. From the conclusions made, recommendations will be made on assisting aspiring multinational companies’ management by proposing how one can provide reliable information.

CHAPTER SIX

CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This chapter presents a summary of the thesis. The chapter will demonstrate that all the three research objectives have been addressed.

- To assess the extent of availability of information specifically designed to guide South African companies aspiring to become multinational companies looking for business outside the country.
- To examine the success factors for enabling aspiring multinational companies to enter the multinational business sphere; and
- To recommend a framework to assist towards successful penetration of South African aspiring multinational companies into the global business market.

This chapter will also outline the major conclusions of the study. These will include a summary of the research and a re-stating of why the study was undertaken in the first place. By re-stating the study reasons, the research problem will be revisited as an attempt to satisfy the researcher and any future user of the dissertation that indeed the problem has been unravelled. This study was carried out to have a basic idea about what is needed by aspiring multinational companies to enter foreign markets. The intention was to subsequently formulate a framework out of the information gathered. The study consists of seven chapters, and the summary of each chapter is as follows:

Chapter One: Introduction. Chapter one was focused on the overview of the study, the problem statement of the study, the historical backdrop of the research, the objectives being pursued, research questions, aim of the research and the research importance.

Chapter Two: Literature Review. The chapter gave a further description of the literature review on the types of Multinational Companies and the main concepts of the study. Over and above assisting with finding existing information on the study topic, the literature review aimed at addressing the research questions.

Chapter Three: Literature Review. The chapter was a continuation of the literature review, it focused on describing multinational theories, literature review and the main concepts of the study. The literature review helped with finding historic facts on the Multinational Theories' research theme.

Chapter Four: Research Design and Methodology. Chapter four looked at the actions that were taken to assess and evaluate data from the companies selected for the study.

Chapter Five: Data Analysis. This chapter used the data collected to clarify the outcomes of the study. This chapter discussed the findings from the quantitative data extracted through a factor and gap analysis. The chapter further discussed the qualitative data analysed through a thematic analysis. The thematic analysis was merged with the quantitative analysis results during the discussion of findings to further explain why the participants from the selected multinational companies responded as they did in the Likert scale questionnaire.

Chapter Six: Conclusions, Recommendations and Framework. Chapter seven discussed the findings and summarised the interpretation done in chapter six. The researcher gave recommendations on what guidelines are needed by aspiring multinational companies and also recommended a framework to be used by South African aspiring multinational companies.

6.2 Conclusion

In line with the aims and objectives of the research, the following conclusions of the study can be made.

6.2.1 To assess the extent of availability of information specifically designed to guide South African companies aspiring to become multinational companies looking for business outside the country.

The participants indicated that the following were available to them as multinational companies: sources of Multinational Business Information: sources of information in South Africa on supporting technology infrastructure for multinational businesses, International Laws, Economic Environment, Public Environment, Local Spend and Regulatory Environment. The participants indicated that they were lacking information about the foreign countries' local information about the Public Environment, Local Spend and Regulatory Environment.

When exploring components contributing towards the establishment of a multinational company, the study has revealed the following as key towards establishing a multinational company over

and above basic knowledge of business requirements: Sources of Multinational Business Information, International Laws, Economic Environment, Public Environment, Local Spend and Regulatory Environment.

6.2.2 To examine the success factors for enabling aspiring multinational companies to enter the multinational business sphere.

When looking at the success factors of the selected multinational companies, it was interesting to note that the companies did not always start with successful multinational operations. Airports Company South Africa (ACSA), Travelstart, Mediclinic Southern Africa, Dimension Data and Afrihost were the African companies selected for the study to examine success factors to enter the multinational business sphere, and they revealed the following.

- Airports Company South Africa made a decision in 2011 to diversify by providing technical airport services and airport business advisory to multinational airport markets but penetrating the foreign business market was not as easy as expected. The company experienced a slow growth into outside markets to the extent that a further decision was made to restructure the foreign business side and include a whole new department whose purpose would be to focus on conducting market analysis in various countries and forge relationships with outside markets.
- Mediclinic also faced challenges within the medical care business. Mediclinic had difficulty in meeting projected profits because the cost of running facilities elsewhere in the world was higher due to competitive exchange rates.
- Dimension Data was struggling to make their targets for the thirteen years since their United States multinational acquisition before getting a breakthrough. This study will help aspiring multinational companies avoid waiting for more than ten years to get a breakthrough into profitable multinational business operations.

Not every company has huge amounts of money to conduct lengthy market research before entering foreign markets. This clearly indicates how difficult it is for companies in South Africa to penetrate into multinational markets, hence the purpose of this study is to develop a framework to assist towards successful penetration into multinational markets from South Africa.

- Afrihost experienced a major network outage and received a suspended fine for a foreign complaint against the company. Afrihost tried to appeal the suspended fine in 2016, at

the company's loss, and then received a further fine for distasteful advertising; this shows the complexity of foreign operations.

6.2.3 To recommend a framework to assist towards successful penetration of South African aspiring multinational companies into the global business market.

The study has revealed that the following components are critical to the successful penetration of aspiring multinational companies into foreign markets.

- Companies need to consider the multinational Regulatory Universe, to understand the company's environment on which legal and political forces act to change regulations that affect the company's business efforts.
- The aspiring multinational companies have to comprehend the multinational economic environment, by exploring the external economic factors which are influencing the purchasing habits of other businesses and consumers. This also includes other factors outside the company's control, such as businesses that are likely to have an impact on the effectiveness of a company towards achieving its goal.
- Companies need to gain insights into multinational local spend to understand basic information about foreign countries' local markets. This will help to establish which categories of customers are in the foreign country, and which products and services they spend their money on.
- Companies need to be aware of the various aspects of multinational public environment spending, which one has to know before doing business with foreign public departments. These include the trends in government permissions especially the treasury department.
- Companies need to understand the law in relation to multinational business transactions, licensing procedures, tariffs and taxes, and other intricacies which are used to regulate international transactions of multinational enterprises.

6.3 Proposed Framework for Aspiring Multinational Companies

In a study to research whether it is necessary to use frameworks to enter the multinational business sphere, Narula (2012) indicates that informal means of doing business could never be a

business advantage but rather a transparent and business formal institutional framework will do the trick, hence this study proposes the use of a framework.

Aspiring Multinational Companies Process.

The proposed Aspiring Multinational Companies Framework forms an integral part of all multinational business focuses. This is a high-level guideline of what direct exporting companies need to consider when deciding to go multinational. Regardless of the company's motive for going multinational, whether the Traditional Intrinsic Motive, which is the pursuit of business by aspiring multinational companies for the reasons of resource seeking, efficiency-seeking and strategic asset seeking, or the Traditional Extrinsic, which is either government bargaining power or the natural evolution of various sources changing over time, an aspiring multinational company will benefit from following a framework. For the recommended Framework for Aspiring Multinational Companies, five (5) activities are outlined below and described in more detail in the next section:

- Economic Environment
- International Laws
- Local Spend
- Public Environment; and
- Regulatory Environment

6.3.1 Economic Environment

Economic environment refers to all the external economic factors outside the company's control that are influencing the purchasing habits of other business and consumers and business. These in turn have an impact on the effectiveness of a company towards achieving its goal. These external economic factors can be small or large in magnitude (micro- or macro-).

- Macro-Economic factors: Employment/unemployment, Income, Inflation, Interest rates, Tax rates, Currency exchange rate, Saving rates, Consumer confidence levels and Recessions.

Aspiring multinational organisations also have to ensure the following are in place:

- Micro-Economic factors: The size of the available market, Demand for the company's products or services, Competition, Availability and quality of suppliers, and the reliability of the company's distribution chain (that is, how it gets products to customers).

While companies often cannot control their economic environment, they can evaluate economic conditions before choosing to enter a particular market or industry or pursue other strategies.

6.3.2 International Laws

Aspiring multinational companies must understand international laws because although there are laws that apply across many countries, these laws often vary between jurisdictions.

International law is typically related to trade or commerce that takes place between two (2) nations or two (2) companies that operate in separate countries. The laws of different jurisdictions will come into play in each multinational transaction; an analysis of such laws for each jurisdiction must be observed and understood by the engaging parties prior to the affirmation of the business deal.

International business law has its basis of existence in international laws and trade agreements regulating multinational business transactions. If two countries enter into an international law trade agreement, it is critical that each partner satisfies what has been specified by the other country as law. The bilateral international business relations will be inclusive of intellectual property and licences needed by the aspiring multinational companies from these countries to successfully initiate their operations.

A good example is a case whereby an aspiring multinational company creates a ground-breaking system which they might need to replicate in the other country for which they might need licences; hence the bilateral international business law is very important.

6.3.3 Local Spend.

Aspiring multinational companies needs information of local spending which is the money that individuals spend within their current location. It can be spent on a range of different things. The advantage of knowing what individuals are spending on their local businesses is that it boosts the local economy which the aspiring multinational companies will benefit from.

6.3.4 Public Spend.




Aspiring multinational companies require information on public environment, also referred to as government or public expenditure is a term used when reference is made to the money that the government spends. The public sector pensions and welfare by the state forms part of this form of spending, which is also critical for aspiring multinational companies to have information

about. Having this information will help aspiring multinational companies know what the government spends towards to which the companies can align with.

It is also important for the management of an aspiring multinational company to know and acknowledge what kind of permissions the Government departments need from the Treasury before undertaking expenditure or committing to spending. All legislation that affects public spending must have the support of the Treasury before it is introduced. Policy decisions with financial implications must be cleared with the Treasury before they gain approval by the Cabinet. If the company needs to do business in the public environment of that country, a clear understanding of what has been cleared by the foreign country's Treasury must be obtained first before concluding the entry strategy.

6.3.5 Regulatory Environment

Aspiring multinational companies need information on the regulatory environment which is the company's environment in whereby laws and politics act to change regulations that affect the business efforts. Changes in the regulatory environment can either threaten or present good business prospects to a company. Due to the fast-changing regulatory landscape, companies need a thorough understanding of the prevailing regulatory universe. The process below outlines which activities aspiring multinational companies involved in foreign exports should undertake to get the required information to successfully penetrate the multinational markets. Below table depicts the proposed framework for aspiring multinational companies:

Feature	
<p>Note 1: a list of contacts to obtain the information mentioned in the process below will be provided at the end of the process.</p> <p>Note 2: business 101 aspects, which any company should be aware of, do not form part of this process, the process below merely outlines the required actions in relation to the purpose which this study findings have highlighted (exporting aspiring multinational companies).</p> <p>Note 3: the framework is ideal for companies in direct exporting, ideally within the first three years of operations.</p>	
Regulations	
❖	Obtain information on foreign countries' regulations
❖	Obtain multinational business reference materials specific to the envisaged country
Economic Environment	
	
❖	Conduct research on the trends of envisaged country's macroeconomic environments (check stability)
❖	Attend workshops on engaging in international trade (virtual workshops also recommended)
Public Environment	
	
❖	Learn about the selected company's public environment, especially what their government's Treasury department has approved for a spending
❖	Research about the public spending (whether the policy allows the government to give business to foreign companies, and if yes, what conditions are in place e.g., list of scarce skills in the country.)
❖	Research about the selected country's courts and law enforcement system, especially for foreign businesses
❖	Ascertain the country's commitment to non-discrimination of foreign companies in relation to local companies
International Laws	
	
❖	Conduct research on foreign countries' adoption of or alignment with international trade and business laws



❖ Find information on the foreign country's customs
❖ Read up on the country's regulations in relation to international treaties and assess possible obstacles to international trade
❖ Check if the country offers the right of free transfers to foreign companies
Local Spend 
❖ Conduct research on the foreign country's local spend trends, what factors have an impact on the spending trends and are these factors consistent and sustainable (if not, what is the possibility of a seasonal business?)
❖ Assess whether the foreign country's public spending is adequate and relevant to attract foreign business (is it the best location to increase your revenue?)
❖ Assess whether the local spend is in physical or online businesses, or even both (is there a need to set up operations locally or can the business be virtual?)
Sources of Multinational Business Information 
❖ Find the foreign country's business information hubs
❖ Conduct research about the local currency exchange programmes (are there any programmes in place and whether they are favourable to your company's local currency.)
For multinational exports, business research purposes go to: Foreign Trade and Exports: thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/ Foreign Economic Representations in various countries: http://www.thedtic.gov.za/foreign-economic-representatives/ Trade Negotiations: thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/market-access/trade-negotiations/ The International Trade Administration of South Africa: www.ITAC.org.za http://www.thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/business-facilitation-and-aftercare/ World Trade Organization: www.wto.org thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/export-marketing-and-investment-assistance-emia/ Trade Agreements: http://www.thedtic.gov.za/sectors-and-services-2/1-4-2-trade-and-export/market-access/trade-agreements/

Table 7: Aspiring Multinational Companies Framework

Note: *After following the above process the company management has to sit and craft a strategy informed by the information documented from the process. A strategy must be built around what the multinational company can offer to avoid strategy flaws such as under-estimations whereby the company makes big financial decisions based on a mere estimation of foreign investment. To successfully implement the aspiring multinational strategy outlined in the process above, there has to be perfect alignment with the strategy to be subsequently adopted.*

6.4 Recommendations

The following recommendations are therefore put forward based on the research findings, for aspiring multinational companies:

- **Multinational Regulatory Universe:** the companies need to understand the company's environment in which legal and political forces act to change regulations that affect the company's business efforts. This includes understanding which business regulations are applicable to foreign businesses, the rules governing the occupying or buying of business premises, and also the rules on foreign business funding. A good understanding of these regulations will help the company make a proper assessment of whether certain markets will be profitable, and in turn, be attractive to investors.
- **Multinational Economic Environment:** the companies need to explore external economic factors outside the company's control that are influencing the purchasing habits of other businesses and consumers, which are likely to have an impact on the effectiveness of a company achieving its goal. There is a need for companies to know the various economic activities in various countries and how their business decisions and offerings can be influenced as a result. A good understanding of the multinational economic environment and the global needs for goods and services will help the companies choose relevant factors of production and the ideal business model to successfully penetrate the multinational business sphere.
- **Multinational Local Spend:** the companies need to gain insights into what basic information about local spend to look for, to establish which categories of customers are in the foreign country and what products and services they should spend their money on. Although there are global trends on what governments, businesses and individuals spend on, the trends are not necessarily uniform across the markets. The viability of some trends to a business depend on seasons, levels of living standards, climate conditions and the ability of buyers to source the products and services locally at affordable prices.

- **Multinational Public Spend:** the companies need to know that there are various aspects of public environment spending which one has to know before doing business with foreign public departments. The decision on whether a particular government will procure goods or services from a foreign company is usually made based on the Treasury guidelines. Foreign businesses are not always given direct access to become a service provider, because the governments are equally forced by the local Treasury to stimulate local business markets. In such cases, only scarce products and services could be procured from outsiders, which requires companies to know about these products and services before engaging in multinational trade.
- **Multinational International Laws:** the companies need to understand the law in relation to international commercial transactions, licensing procedures, tariffs and taxes, and other intricacies which are used to regulate international transactions of multinational enterprises. Countries have laws governing what foreign businesses are allowed to import into their markets; there are also specific permissions pertaining to the amounts of money a business can transfer to the foreign country as part of business capital which is subject to limits and tax laws. Companies need a thorough understanding of what the foreign governments allow, which could have an impact on their ability to successfully pursue their business interests.

The above components need to be factored into the aspiring multinational company with an understanding of which of these are missing to decide what needs to be prioritised.

6.5 Areas for further study

Attempts have to be made continuously to demystify multinational business and make it increasingly easier for new companies to look for business in other countries. Further research can be conducted on the same topic at a different level of detail to enhance the understanding of what needs to be taken into consideration when planning to conduct business multinationally, and, most importantly, on how the key attributes assessed in this study can be applied in specific industries because they are very significant for aspiring multinational companies in terms of growth and sustainability. A similar study can be done with more aspiring multinational companies than were used in this study as follows:

- A study on how to close the gap that exists between direct exporting aspiring multinational companies in business for four years and above, and companies operating for three years and less.
- Research can be conducted on the factors impacting newly formed aspiring multinational companies (below one year) immediately jumping off into foreign markets at inception.
- A further study can be done on the competitive advantage differences between direct exporting and partnering for aspiring multinational companies.

6.6 Chapter Summary

The study on aspiring multinational companies was worthy of the efforts because it has revealed that, although participants have other attributes such as

- Economic Environment: Available information on the stability of macroeconomic environments
- Public environment: Availability of information on foreign countries' public environment
- International Laws: Information available on whether foreign countries treat foreign companies according to international laws.
- Local Spend: Information on foreign countries public spending and
- Sources of Multinational Business Information: Awareness of any sources of information in South Africa on supporting technology infrastructure for multinational businesses,

There are still other attributes that play a complementary role such as

- Regulatory Environment: Multinational regulations reference materials are free.
- Local Spend: Information on foreign company enablement is freely available.
- International Laws: Availability of information on foreign countries' enforcement of foreign laws is freely available.
- International Laws: Availability of information on foreign countries' enforcement of foreign laws is freely available and
- Sources of Multinational Business Information: To what extent would you say you are following multinational frameworks in your plans to do business multinationally which are lacking?

The framework designed as a result of the findings of this research will have the benefit of adding a guideline to the aspiring multinational community of companies. It can therefore be concluded

that the framework was a necessary tool and best suited to assist the population represented by the sample of this study.

Chapter seven intended to explain the findings of both the literature review (a theoretical analysis, which was contained in chapters two and three of the study) and the findings of the primary study (research results which were covered in chapter four of the study). The chapter described the conclusion of the study and the recommendations of the study which were drawn from the literature review and the analysis. The findings of the study, the conclusion and recommendations were discussed in line with the research objectives and research questions. This helped in achieving the aim of the study, which was to subsequently create a framework to assist aspiring multinational companies. Lastly, chapter seven has managed to provide areas for further study for this research topic.

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APPENDIXES

Appendix A: Draft Covering Letter

Dear Participant,

Dear Participant, I invite you to participate in a research study entitled “A framework for enabling aspiring multinational corporations in South Africa”. I am currently a student at North-West University enrolled for PhD studies. The purpose of the study I have undertaken is to assess the extent of availability of information to guide South African companies aspiring to become multinational companies looking for business outside the country.

I can assure you that the research will not cause you any harm and also that you can let me know at any time if you can no longer proceed with completing the questions.

I will ensure that your views and answers to the questions asked will not in any way be associated with you because the intention is merely to help unravel the topic. The questions will take roughly 20 minutes to answer.

Thank you for taking the time to assist me in this regard.

Yours Sincerely,

Mpho Anna Modisane

Mphomodisane2010@gmail.com

0827998074

Appendix B: Draft Data Collection Instrument

(Source: Organization for Economic Cooperation and Development, 2014)

QUESTIONS FOR ASPIRING MULTINATIONAL COMPANIES IN SOUTH AFRICA.

Research Topic: A framework for enabling aspiring multinational corporations in South Africa.

SECTION 1: DEMOGRAPHY

Please tick the relevant box:

(1) How old are you?					
20 – 30 year <input type="checkbox"/>	31 – 40 year <input type="checkbox"/>	41-50 year <input type="checkbox"/>	51 – 60 years <input type="checkbox"/>	61 – 70 years <input type="checkbox"/>	Over 70 years <input type="checkbox"/>

(2) Are you male or female?	
Female <input type="checkbox"/>	Male <input type="checkbox"/>

(3) How many countries outside South Africa does your organization aspire to operate in?		
=< 2 <input type="checkbox"/>	=<5 <input type="checkbox"/>	>5 <input type="checkbox"/>

(4) Indicate how many years your organization has been operating locally?				
1 year <input type="checkbox"/>	2 years <input type="checkbox"/>	3 years <input type="checkbox"/>	4 years <input type="checkbox"/>	5 years & above <input type="checkbox"/>

(5) What is the size of your organization (number of employees)?				
= < 50 <input type="checkbox"/>	=<100 <input type="checkbox"/>	= <500 <input type="checkbox"/>	=<1000 <input type="checkbox"/>	>1000 <input type="checkbox"/>

(6) What is your organizations multinational market strategy?				
Joint Ventu <input type="checkbox"/>	Partnering <input type="checkbox"/>	Franchising <input type="checkbox"/>	Direct <input type="checkbox"/>	Other <input type="checkbox"/>
			Exporting	

SECTION 2: MULTINATIONAL BUSINESS INFORMATION AVAILABILITY

The purpose of the questions below is to ascertain whether your organization is afforded the necessary information as a multinational company based in South Africa. Please indicate the current level of available information to guide companies conducting multinational business. Select one of the following responses next to each question in the survey: 5-Strongly Disagree, 4-Somewhat Disagree, 3-Neither Agree nor Disagree, 2-Somewhat Agree, 1-Strongly Agree.

Regulatory Environment (Currently Available Info)

No		Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
1.	Available multinational regulatory universe					
2.	Multinational business reference materials available					
3.	Multinational regulations reference materials are free					

Economic Environment (Currently Available Info)

No		Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
4.	Available information on the stability of macroeconomic environments					
5.	Availability of workshops on					

	engaging in international trade					
6.	Macroeconomic environments reference materials are free					

Public Environment (Currently Available Info)

No		Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
7.	Availability of information on foreign countries' public sector					
8.	Information on courts and law enforcement system					
9.	Information on non-discrimination between foreign and domestic enterprises					
10.	Availability of information on foreign countries' private sector is freely available					

International Laws (Currently Available Info)

No		Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
11.	The information available on whether foreign countries treat foreign companies according to international laws					

No		Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
12.	The information available on the protection of foreign companies against arbitrary expropriation					
13.	Indication of which countries are actively removing obstacles to international trade					
14.	The information available on the right of free transfers related to foreign companies					
15.	Availability of information on foreign countries' enforcement of foreign laws is freely available					

Local Spend (Currently Available Info)

No		Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
16.	Information on foreign countries public spending					
17.	Information, whether the foreign country's public spend, is adequate and relevant to attract foreign business					
18.	Information on foreign company enablement is freely available					

SECTION 3: ASPIRING MULTINATIONAL COMPANY ENABLEMENT

The purpose of the following statements is to gain insights into how you experience aspiring multinational business enablement. Read each statement carefully and answer the questions as elaborately as possible:

1. Which sources of information do you have at your disposal to receive guidelines on how to start a business as an aspiring multinational business?

2. Are you aware of any frameworks which aspiring multinational companies can use to follow when doing business in other countries? Please elaborate.

3. To what extent would you say you are following multinational frameworks in your plans to do business multinationally?

4. What, if anything, do you find challenging in terms of getting information on doing business multinationally?

5. Can you always find information on doing business multinationally when you require it? If not, what are the problems that affect information access?

6. What updates, if any, do you get on current and near-future demand and supply of foreign markets?

7. Are you aware of any sources of information in South Africa on supporting technology infrastructure for multinational businesses? Please elaborate.

8. To what extent would you say information on opportunities of linking, leveraging and learning from foreign big companies would help aspiring multinational companies succeed?

9. What, if anything, should be in a framework that is designed to help aspiring multinational companies succeed?

10. What is your understanding of an organization succeeding in going multinational?

Appendix C: List of Target Population

Name of company	Number of managers
Airports Management South Africa (10 business units)	92
Institute of Risk Management Membership	24
<p>The remaining 80 managers are from the following companies, one manager per company:</p> <p>African Exploration Mining and Finance Corporation, Air Traffic and Navigation Services, Accuity, A-sure Insurance, Airchefs, Bonginkosi Gama Holdings, Diplomat Recruitment, CBI Electric, Dimension Data, Engen, Erikson South Africa, GIBB Engineering, Glencore, Godisamang Business Solutions, GRC Tech, Hapag Lloyd Africa, Hoonar Tekwurks, IT Web, Mirabilis Engineering Underwriting Managers, Ocean X, Paramount Advanced Technologies, Professional Risk and Asset Management, Plato Institute, Provantage Media Group, Thorn Tree Group, Tsela Aeronautical, The Change Consulting Group, Smart Garments, Voltus Wave, Cashbuild, PPS, Alliance Media, NISRAL, Adcorp Group, SAIQI, DNB, Damelin, ZETZ Communications, ZAZOO Limited, Shangoni, Bohlokwa Holdings, MegaResistors Corporation, IDI Technology Solutions, ASB Bank, Adept Advisory, Pinpoint One, Varonis, Intellect Advantage, Exal Enterprises, ISTECH, Jumo World, First Quantum Minerals, YesGrowth, Distell, Sea Harvest Group, Teddy Black Consultancy, NEEW, Global Aviation, Bone SA, One Stream Software, Nawah Energy, Brand Quantum, Belaire Aviation, CH Aviation, Siemens Energy, The Difference Makers, Aspire Aviation, AMW Holidays, Auto Trader SA, Private Property, Automobile Association SA, XYZ Aviation, SAIEE, SA Tourism, The Accounting Village, Barloworld Ltd, Risk ZA, Universal Trade SA, BAARSA</p>	