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Analysis of the Availability of Information for Aspiring Multinational Companies in South Africa

Mpho Modisane, Gisele Mah, Paul Saah*

School of Management Sciences, Faculty of Economic and Management Sciences, North-West University, Mafikeng, Northwest Province, South Africa. *Email: saahpaul10@gmail.com

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ABSTRACT

Aspiring multinational companies have very few guidelines on how to expand their businesses beyond South Africa, unlike established multinational companies. The plight of aspiring multinational companies finding business opportunities beyond national borders highlights the importance of properly understanding the international business environment. The purpose of this study is to evaluate the availability of information for aspiring multinational companies. The study employs a quantitative method, and the population is 196 managers of aspiring multinational companies in South Africa. The primary data for this study was obtained by administering questionnaires to managers of aspiring multinational companies in South Africa. The findings of the study revealed that companies that have been in operation for <3 years have a challenge accessing the information to successfully penetrate multinational business markets. 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. It is recommended that aspiring multinational corporations in South Africa access information on running multinational businesses, especially the information on the regulatory and economic environment such as international laws, local spending, and the public environment.

Keywords: Multinational Companies, Foreign Countries, Businesses, Market, Global
JEL Classifications: M12, M13, M21

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, whereby additional 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 (Kim and Milner, 2019). According to Kim and Milner (2019), 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 in other countries, and although this brings the excitement of new opportunities, it also presents the likelihood of risks materialising. 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.

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 the country-specific advantages created by their government (Jormanainen and Koveshnikov, 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 not precise enough to be relied on, missing important details, being older than 1 year, or simply unavailable (Mkhabela, 2013).

Aspiring multinational companies in South Africa find it difficult to access business opportunities in foreign business markets (Gilbert and Heinecke, 2014). This problem is witnessed by the existence of challenges faced by the highlighted South African companies; these multinational corporations 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 and Heinecke, 2014).

Most existing frameworks on multinationals in South Africa offer guidance on how a company can be slowly established locally and later enter multinational markets. There are a few guidelines that are not necessarily 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, 2012). 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 and the need for a scholarly inquiry on the challenges faced by and resources available to South African aspiring multinational companies.

Therefore, the purpose of this study is to create a framework to enable 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). Therefore, the study seeks to research what risks South African aspiring multinational companies could face, what information is available to assist them to look for business opportunities in other countries, and ultimately to formulate a guideline for multinational companies to access business opportunities in foreign business markets.

2. LITERATURE REVIEW

The purpose of this section is to examine the theoretical perspectives that underpin the operation of multinational corporations and review of literature for aspiring multinational companies.

2.1. Theoretical Perspective of Multinational Companies

This chapter provides literature review of existing multinational theories. Although many scholars came up with multinational theories of multinationalism, the following were found to be relevant to this study: firm based-advantages theories, host country advantages theories, lastly firm and host country advantages theories.

2.1.1. Firm-based advantage theories

The firm-based advantage theories are 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. Competitive advantage is two-pronged; that is, ownership competitive advantages and non-ownership competitive advantages. Ownership advantages are aspects such as patents and trademarks, while non-ownership competitive advantages are knowledge of products and services, company management structure, and business strategic partners (Andreff and Andreff, 2017). It is always beneficial for a multinational company to have a holistic view and understand the nature of ownership advantages in their entirety. Lundan (2011) indicates that, as a result, firm-based advantages theories have to be understood to reflect civil society and quasi-governmental institutions. Some of the firm based-advantages theories are the resources-based theory, the entrepreneurial approach and the Uppsala model (stages model).

The resources-based theory, as argued by Sourkouhi et al. (2013), states 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 has perfect mobility of resources, otherwise trying to go multinational will be a long process. The key resources that any company that intends to go multinational should possess in homogeneity are human, physical and organisational 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 will 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 such as South Africa.

The entrepreneurial approach, as explained by 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 having the ability to research and explore opportunities in foreign markets. Jordaan (2012) emphasises that managers of an aspiring multinational company are critical to the company's foreign or multinational risk-bearing capacity. This approach is appealing because it emphasises 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 (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.

The Uppsala model (stages model), as outlined by Andreff and Balcet (2013), reveals 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 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. Gao et al. (2022) 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; however, 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.

2.1.2. Host country advantage theory

Unlike the firm advantage-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 advantage theories emphasise that the multinationalisation process is triggered by the attractiveness of the host country. These theories presume that the company can 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 host country advantage theories are the imbalance and springboard approach, the linkage, leverage and learning theory, and the network model.

The imbalance and springboard approaches 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 (Balcet and Bruchieri, 2010). The framework purposed that an aspiring multinational company should look for imbalances or disadvantages in foreign markets such as lack of a certain critical resource; therefore, the company should capitalise on the imbalance as a business opportunity. Deng (2012) states 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, such as lack of supportive technological infrastructure.

The linkage, leverage and learning theory 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, and 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 (Jordaan, 2012). Fan et al. (2019) 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, companies can collect intangible assets and/or follow international customers in search of new markets and competitive advantages. Furthermore, based on interviews in four emerging multinationals in one-of-a-kind industrial sectors, the company leaders showed preliminary proof of the fundamental reasons behind the internationalisation method of emerging multinationals from the viewpoint of linkage, leverage and learning (LLL). The challenge is that aspiring multinationals may not be able to leverage big companies unless their interest is similar or related.

The network model, as explained by Bruschieri (2010), indicates that firms usually look for network opportunities with foreign firms to gain an authentic 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 helps 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 on 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.

2.1.3. Firm and host country advantage-based theories

Jordaan (2012) explains that firm and host country advantage-based theories are more logical, consistent, and comprehensive than the firm advantage-based theories and the host country advantage-based 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 country-based theories: The double networking model, born global theory, the eclectic paradigm model, and the investment-development path.

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. Kim and Milner (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 are critical for consideration by political and academic policymakers, which the theories discussed so far do not encourage.

2.2. Types of Multinationalism for Aspiring Multinational Companies

This section presents the insights that are used to assess the various methods of multinationalism and also explores the existing types of multinationalism for aspiring multinational companies. Markusen (2013) asserts that 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 to 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 globalisation activity, which has increased phenomenally over the last three decades, even surpassing the gross domestic product of various countries.

Multinational companies are defined as business establishments that have value-added holdings outside their home countries (Shah et al., 2012). A company chooses to go multinational during its strategy formulation or strategy review session. Heidenreich (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 et al. (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.

Economic organisations that are attempting to grow from their national origins to operations across borders are aspiring multinational companies, which are corporations that should have a corporate office in their home country, but are looking to have other management head offices elsewhere. Heidenreich (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. 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. Kraemer and Van Tulder (2009) explain that there are both traditional intrinsic and traditional extrinsic motives for an organisation to aspire to go multinational from an international business perspective. Whether a company goes the route of traditional intrinsic, by internationalising 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.

A horizontally integrated multinational is involved 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. Cieślik (2019) avers that 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. With vertically integrated multinational, the 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 or in the fourth country. The main aim of integrating vertically is for the companies to have the advantage of controlling the costs and mitigating 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 (Bergstrand and Egger, 2013). Conglomerate multinationals produce different ranges of products in different countries. By this diversification process, conglomerate multinationals look to spread risks and maximise returns by carefully buying 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 or produce (Hill, 2013). This implies that companies establish a conglomerate because it helps them to diversify according to opportunities in each country and therefore, unlike a single-product company, conglomerates are less vulnerable to losses due to business challenges in one sector or industry. Franchising is an increasingly popular foreign-market entry and expansion strategy for retailers domiciled in slow-growth Western markets. Within the traditional model of franchising, the role of the franchisee is to implement the franchisor's brand values and operational standards. However, there is reason to expect that the rigid approach to franchisee management, based on a comprehensive franchise agreement document and monitoring routines, is not ideally suited for penetrating culturally distinct markets (Gorbunova et al., 2012). 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).

3. METHODOLOGY

This study uses a quantitative data collection and analysis approach. Quantitative studies generally involve the systematic collection of data about a phenomenon, using standardised measures and statistical analyses. The population of the study was 196 managers of aspiring multinational companies in South Africa. A sample size of 152 aspiring multinational companies' managers from 196 managers were enough to generate a confidence level of 99%, which gave a 1.0% margin of error. The sample size of the study was determined using a sampling technique. A sample, according to Gray (2014), is the full selected group of items or objects on which hypotheses are tested or research questions are answered, drawn from the total population. The respondents were chosen using non-probability sampling, namely criterion-based purposive sampling. Creswell and Clark (2011) avers that purposive sampling involves the selection of respondents based on a study's specific objectives and research questions, rather than at random.

For this study, questionnaires were used to collect data; they were distributed to participants using the LinkedIn platform for professionals. The factor and gap analyses were used in this study. A confirmatory factor analysis is defined as a statistical procedure that 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, confirmatory factor analysis can be used to either confirm or disregard the measurement theory (Azma et al., 2019). The gap analysis is used because the researcher is convinced that there is access to an information gap that the analysis helped to expose. The gap theory model is a method that was in the past applied in 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 experienced and that is the best view a researcher can get (Fodness and Murray, 2007).

4. FINDINGS

This section analyses primary data collected from responses in order to answer the research questions. The main aim of the analysis is to evaluate the availability of information for aspiring multinational companies. 196 questionnaires were sent out, 189 were completed and of the completed questionnaires, 166 were usable for the purpose of this research. The demographics were as follows: The age of the participants was between the ages of 31 and 60, and 66.3% were males, while 33.7% were females. 54.8% of the participants aspire to operate in more than five countries, 44.6% of the participants have been operating locally for 5 years and above, 60.8% of the participants had more than 1,000 employees, and 34.9% of the participants used the partnering mode.

In this regard, the Cronbach's alpha coefficient for the 18 items, the factor analysis and gap analysis for this study are presented in the subsequent segments. Cronbach's alpha was run on the 18 quantitative questions, and the results are presented in Table 1 with the results of a measure to assess parallels between items on the same test. This is an evaluation of whether several items that intend to measure the same common construct generate comparable scores.

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 dataset is reliable, and therefore the quantitative analysis can be done using factor and gap analysis.

4.1. Results of Factor Analysis

Factor analysis is used to find which value has the highest level of significance by articulating the observed data as functions of several likely causes. A correlation of 1 and above is considered a positive correlation and a correlation of below 1 is a negative correlation (Hajjar and Alkhanaizi, 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.

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;

Table 1: Cronbach alpha

Reliability statistics		
Cronbach's alpha	Cronbach's alpha based in standardised items	Number of items
0.82	0.038	18

- 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.

The bottom three attributes, on the other hand, were:

- Regulatory environment: Multinational regulations reference materials are free;
- Local spend: Information on foreign company enablement is freely available; and
- International laws: Availability of information on foreign countries' enforcement of foreign laws is freely available and sources of multinational business information.

On the other hand, the high rankings attributed from top to bottom are: 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 respondents were pleased with the information they received on sources of multinational information.

The results 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. The variables in the factor analysis were proven to be standardised, 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.

A confirmatory factor analysis was conducted, after which, 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, which indicates that the analysis has confirmed that these three are a true measure of aspiring multinational companies' success factors.

The confirmatory factor analysis ranking orders of the availability of information and success factors are economic environment being the first, public environment is the second and international laws is third.

4.2. Results of Gap Analysis

The gap analysis conducted indicates the comparison of what is available with the idealised potential. Potential far surpassed the apparent levels of accessibility of information by the scores. Chang (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 satisfaction, the higher the perceived level of available information. The gap analysis indicates that some attributes were regarded as lacking in providing information for aspiring multinational companies, and therefore they must be the critical areas for consideration. Although other areas showed very small challenges with the availability of information, these can still be included in the framework as part of a complete guideline. However, a huge amount of focus is still 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 another critical element, which is 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, and therefore companies have to be aware of the possible challenges associated with penetrating these markets and prepare before entering these markets.

The factor 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 are mostly available across all aspiring multinational companies. This implies that there is a need for a framework to assist aspiring multinational companies. Although the results revealed 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.

Based on the overall findings of this study, it can be said that all the identified indicators have a positive correlation coefficient and significant relationship and therefore influence the activities of aspiring multinational companies in South Africa. Consequently, this study proposes a recommended framework that can enable aspiring multinational companies in South Africa to successfully penetrate multinational markets. Table 2 depicts the proposed framework for aspiring multinational companies in South Africa.

4.3. Proposed Framework for Aspiring Multinational Companies

This study proposed the following in Table 2.

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.

Table 2: Proposed framework for aspiring multinational companies

Indicators	Activities of aspiring multinational companies
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 whether the country offers the right of free transfers to foreign companies
Local spending trend	• 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?)
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.)

Source: Researcher's compilation

5. CONCLUSION

The pressures of globalisation and the desire for increased profitability have continued to motivate South African aspiring multinational corporations to invest across international borders. The extent of availability of information specifically designed to guide South African companies aspiring to become multinational companies has revealed elements of lack, but at the same time pockets of excellence.

The participants indicated that the following sources of multinational business information were available to them as multinational companies: 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:

- Companies need to consider and understand the company's legislative 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 that are influencing the purchasing habits of other businesses and consumers. This also includes other factors outside the company's control, such as the prevailing economic conditions of a country 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 the basics of foreign countries' local markets. This will help to establish which categories of customers are in the specific 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, taxes, and other intricacies that are used to regulate international transactions of multinational enterprises.

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