Gordon Institute of Business Science
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De-internationalisation of South African emerging firms: Influence of inadequate knowledge

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ABSTRACT

De-internationalisation, defined as the reduction of international business operations in part or in full, has been theoretically acknowledged for more than a decade as a critical component of the complexities of firm internationalisation. The study explores how a firm's failure to adequately understand and adapt to the risk environment could result in the firm's de-internationalisation. Furthermore, the study explores the influence of market research and proximity on the accumulation of knowledge. Qualitative research was undertaken using semi-structured face-to-face interviews with senior managers of emerging multinational firms in South Africa.

The study found that the Internationalisation of a business requires access to and growth in knowledge, with performance dependent on both changes in the risk environment and managerial adaptability. Knowledge required essentially may include varying market dynamics and customer needs, competition, and cultural differences. A lack of these could influence the decision to de-internationalise foreign business operations. Even though there is no such thing as complete knowledge, market research and proximity have been found to influence the accumulation of knowledge. However, the extent to which proximity influences knowledge accumulation is still debatable.

Keywords

Internationalisation, De-internationalisation, South African emerging firms, knowledge, market research, proximity

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Philosophy in International Business at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to conduct this research.

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28 November 2022

ACRONYMS AND MEANING

DMNE	Developed market multinational enterprise
EMNE	Emerging market multinational enterprise
FDI	Foreign direct investment
MNE	Multinational enterprise
SME	small and medium-sized enterprises

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1 Chapter one: Introduction

1.1 Background

Increased protectionism, de-globalisation forces, and global pandemics have all contributed to the rise of de-internationalisation in the globalisation era. De-internationalisation, defined as the reduction of international business operations in part or in full, has been theoretically acknowledged for more than a decade as a critical component of the complexities of firm internationalisation. (Kafouros et al., 2022; Tang et al., 2021; Witt, 2019). It can be defined as decisions to downsize foreign operations, withdraw from certain markets, or reduce operations (Benito and Welch 1997). Tang et al. (2021) define de-internationalization as "the pull-out of a foreign business operation and worldwide exit; discontinuation or offshoring of a foreign business operation." Tang et al. (2021) further argue that all of these aspects have the same conceptual basis (a lower degree of globalisation), but there are significant differences in motivations, behaviours, and outcomes. De-internationalisation takes several forms (e.g., different degrees, scopes, and methodologies), resulting in dynamic causes, variable consequences, and countless contingencies.

Tang et al. (2021) argue that de-internationalisation cannot be ignored in an effort to look at a holistic process in the international business of the multinational firm. An international business venture can either succeed or fail. According to Vahlne and Johanson (2017), the multinational firm's internationalisation process can be thought of as an advancement or expansion; however, according to Tang et al. (2021), de-internationalisation is seen as the opposite, which is a diminution or a step backward as a result of unsuccessful internationalisation. In the realm of business, a deeper investigation of the de-internationalisation phenomenon is crucial because it could help companies develop sustainable international business strategies (Ozkan, 2020; Crick et al., 2020).

Various scholars in international business (Kafouros et al., 2022; Tang et al., 2021) have made assertions on the necessity to research deeper into the de-internationalisation phenomenon. According to Kafouros et al. (2022), in their study that explores previous theories explaining why business behaviour demonstrates cycles of de-internationalisation and re-internationalisation in business, the scholars assert that internationalisation is hard and never monotonous. Businesses often limit or abandon overseas markets. The causes and drivers of these pathways have received little attention, despite studies acknowledging them. Tang et al. (2021) note two primary techniques that businesses use to address the decline in the quality of international markets: de-internationalisation and the cessation of new internationalisation activities. Tang et al. (2021), further assert that de-internationalisation, however, has significant, practical ramifications for businesses that either make direct investments abroad or export to other nations if they depend on these international activities to generate value. According to Kafouros et al. (2022) and Tang et al. (2021), de-internationalization has theoretical and practical implications, but the discipline of international business (IB) does not fully comprehend it, owing to factors such as a lack of knowledge.

Numerous de-internationalisation concerns have been studied through a variety of prisms, including management, marketing, and economics, with the result illuminating a number of themes and subthemes. Individual studies may only offer an overview of the complexities of de-internationalisation by focusing on specific aspects rather than the full range of concerns. (Tang et al., 2021).

De-internationalisation has many aspects, but this study has only focused on risk environment knowledge adequacy, with considerations of obstacles encountered by South African emerging multinationals as they attempt to build sustainable international businesses. The internationalisation of a business requires access to and growth in knowledge, with performance dependent on both changes in the environment and managerial adaptability. (Vahlne, 2020). In this case, it should be noted that multinational corporations operating in emerging markets are of particular importance because of the sophisticated techniques they employ as they develop their international presence. (Cuervo-Cazurra et al., 2007; Tang et al., 2021). Emerging markets are becoming more significant in the global economy as the trend toward globalisation accelerates. Tan and Sousa (2018) note that South Africa is one of the major emerging market economies in Africa.

Understanding the de-internationalisation phenomenon, even if it is viewed negatively or as a failure, can be critical to holistically addressing a company's internationalisation strategy. De-internationalisation, according to Tang et al. (2021) and Ozkan (2020), should be a key component of any business's internationalisation strategy. Over the years, a lot of attention has been placed on internationalisation but not so much on de-internationalisation (Tang et al., 2021). To bridge the void between internationalisation as a theory and de-internationalisation as a concept, the study employs the Uppsala model. (Castellões & Dib, 2019). According to Fasanya et al. (2022), the Uppsala model accounts for the internationalisation initiatives of those with less foreign expertise, making it a good fit for our study. The Uppsala model can be viewed as a staged process of experiential learning, with the investment in international business being proportional to this. Understanding the firm's internationalisation path is being used to demonstrate that failure on this front could lead to de-internationalisation.(Vahlne and Johanson (2017).

1.2 Research problem

1.2.1 Relevance of the research (from a business perspective)

The process by which global economies have fused into a vast network of connected global economic systems (globalisation), has led to a major growth in international trade and business. (Sharma et al., 2020). The study therefore focuses alternatively on the reverse of internationalisation, namely de-internationalisation. This phenomenon has only recently gained more attention due to global foreign direct investment (FDI) consistently declining since 2016. According to UNCTAD (2022), 2021 global FDI fell from $1.97 trillion in 2016 to $1.54 trillion in 2019, with 2021 seeing a recovery close to that of 2019 at $1.6 trillion after the COVID pandemic. The implications of the decline in global FDI can force some multinational corporations to re-evaluate their global activities, preferred markets, entrance mechanisms, and cooperation partnerships, focusing instead on risk management and minimising the influence of global supply chain interruptions on their operations and strategic advantages. (Kafouros et al., 2022; Tang et al., 2021).

The issue of de-internationalisation is more than just a theoretical one (Benito and Welch, 1997). Three fundamental actions in the internationalisation cycle are the entry, expansion, and exit of firms. These three activities are interrelated because they exist in a long-run equilibrium. Despite the importance of research on entry and expansion behaviour, managers can learn more about barriers to success from research on exit behaviour. Learning from failed endeavours may be more beneficial than learning from successes since managers will become more aware of the obstacles to success as a result of difficult lessons, which may enhance the likelihood of succeeding in the future (Tan and Sousa, 2018). De-internationalisation decisions, while they can be a learning curve for some businesses or responses to shifting economic conditions, such as sluggish profits and subpar performance that are generally reasonable (Tan and Sousa, 2018), can elicit strong reactions from affected parties, such as governments and labour unions, especially if they result in the closure of operations in a specific nation. (Trąpczyński, 2018). According to Witt (2019), there is a concerning process of weakening interdependence among nations, and this may influence an exit from the international markets.

1.2.2 Grounding of the research (from a theoretical perspective)

The phenomenon of foreign direct investment (FDI) by emerging market multinational enterprises raises several intriguing theoretical questions, including the nature of their knowledge and capabilities, their foreign location choices, their entry modes, and the rate at which they expand internationally. (Hernandez and Guillen, 2018). This study then derives the de-internationalisation phenomenon from a failed internationalisation process. Literature demonstrates numerous characteristics of de-internationalisation that commonly point to decreased internationalisation, as well as differences in reasons, behaviours, and consequences. (Tang et al., 2021). According to Tang et al. 2021, an investigation into foreign divestment sparked de-internationalisation research, which has grown into a broad concept encompassing a variety of relevant actions. Throughout the years, some scholars (Crick et al., 2020; Coudounaris et al., 2020; Kafouros et al., 2022; Kuiken et al., 2020; Lurkov & Benito, 2020; Ozkan, 2020) have included a wide range of philosophies in the literature on the reasons for de-internationalisation, which has assisted the dynamics of de-internationalisation study but also made it more complicated than it initially appeared. The general consensus, according to these scholars, is that it is critical to the risk environment's dynamics.

De-internationalisation, similarly, as defined by Kafouros et al. (2022), was initially defined by Benito and Welch (1997), as any elective or mandatory move that minimises a firm's existing international business participation or vulnerability. Benito and Welch (1997) also distinguished de-internationalisation as a full or partial reverse movement from cross-border activities. According to Tang et al. 2021, since these definitions, there has been little literature on the phenomenon of de- internationalisation, possibly due to the sensitivity it carries about business failure. As a result, the de-internationalisation phenomenon is regarded as the opposite of internationalisation or as an admission of failure. Tang et al. (2021) then articulate de-internationalisation as a firm's response to host country and home country changes, as well as its initiative-taking internationalisation trend.

According to Cuervo-Cazurra et al. (2018), internationalisation can be difficult partially because businesses are dealing with new clients and varying regulatory environments, which necessitate additional knowledge acquisition and investment. It is crucial to ascertain whether the company's managers have the necessary expertise to manage a complex, diversified, or new business (Cuervo-Cazzura, 2007) operating in a foreign market. The internationalisation failure rate may increase because of expanding into new, uncharted markets. (Tarczewski, 2016). The Uppsala model by Vahlne and Johanson (2017) states that knowledge is important since commitment decisions are based on several types of market knowledge. In order to make decisions, one first has to be aware of the opportunities or issues at hand. The second step is to use knowledge of market factors and the performance of various operations in various regions to decide on the best business strategy.

1.2.3 A case for the South African emerging firms

Fasanya et al. (2022) articulate that the growth of African businesses into other markets in the region has been a recent trend. Historically, intra-regional movements have been characterised by firms from Nigeria and South Africa, the two leading economies in Africa. However, an increasing number of firms from other African states are now expanding worldwide as well. (Fasanya et al., 2022). This opens a lot of possibilities for research into African firms' behaviour and strategy (Fasanya et al., 2022), especially on what causes their internationalisation strategies to fail, resulting in de-internationalisation (Tang et al., 2021). South Africa being one of the largest economic powerhouses in Africa

(Boso et al., 2019), this study has an interesting focal point for research on the de-internationalisation of its emerging firms.

According to The World Bank (2020), Figure 1 depicts South Africa's FDI outflows from 1970 to 2020. In the previous 50 years, South Africa reached a maximum of 2.02 in 2014 and a minimum of -2.60 in 2001. (The World Bank, 2020).

Figure 1: South Africa FDI Outflows 1970 - 2020

Source: The World bank (2020).

The flow of capital is referred to as foreign direct investment. Equity, reinvestment, and other forms of capital are included. A resident of one economy who has significant influence over a foreign enterprise is said to have made a direct investment. In order to qualify as a direct investment, you must possess at least 10% of the voting common stock. The data set in Figure 1 divides net outflows of investment from the reporting economy by GDP. According to the statistics below from the World Bank (2022), South Africa's net FDI outflows (as a percentage of GDP) in 2020 were -0.6%. South Africa's net FDI outflows have swung greatly over the past few years, but they have generally tended to increase between 1971 and 2020, hitting a low of -0.6% (The World Bank, 2020).

The case for South Africa is particularly interesting due to the various firms emerging from the country showing different success rates in the international market, with various modes of entry from various industries. According to the Africa report (2020), numerous high-profile failures in Western economies have brought to light the better chances that many South African global corporations can find in expanding in Africa. Further to this, according to the Africa report (2020), whether in the real estate, retail, finance, or telecommunications industries, a number of large South African firms achieve success in Africa and struggle elsewhere. In 2018, in accordance with the Africa report (2020), thirty-two of the seventy-five African companies driving the interconnection of the African continent were South African. As much as there is more potential for success in Africa than in the western economies, some South African emerging firms have also seen failure in Africa. Boso et al. (2019) articulate that poor interpersonal trust exists in many African nations.

1.3 Research questions

From an emerging multinational enterprise perspective, this research explores how inadequate knowledge of the risk environment, in particular, may be harmful to a company's internationalisation success and hence can influence de-internationalisation decisions, voluntarily or forcefully, partially or in full. To better understand the risk environment and how knowledge inadequacy can lead to de-internationalisation, the study explores the essential knowledge required in international business and how barriers to access, sharing, and development of the firm’s knowledge capabilities internally and externally can be detrimental to the international survival of the business. The study also explores how market research and proximity influence the ease of knowledge accumulation. This exploration study therefore seeks to answer the following questions:

1. How does inadequate knowledge influence the de-internationalisation of the emerging market multinational firm?
2. How does market research aiding a risk assessment of the foreign market influence the accumulation of knowledge?

3. How does proximity to the risk environment influence the accumulation of knowledge?

1.4 Research aims

This research aims to explore the various knowledge areas in international business that, if not properly understood or adequate, could have diverse effects on a firm’s ability to successfully internationalise, eventually leading to de-internationalisation. The study's goal is to explore knowledge as a firm's capability from the perspectives of availability, sharing, and accumulation. The study thus seeks to contribute by providing a deeper understanding of how a company’s failure to adequately understand and adapt to the risk environment could result in its de-internationalisation. The study focuses on emerging firms in South Africa, which is one of the African continent's economic powerhouses. Furthermore, the study seeks to explore the influence of various aspects of the risk environment on knowledge accumulation and sharing, such as proximity, culture, and market dynamics.

1.5 Research contributions

This research pursues an exploration of the salient influence that a lack of knowledge can have on a firm's voluntary or involuntary de-internationalisation from other markets. There are two main reasons for selecting this research topic. The first goal is to expand on existing literature, thereby improving current understanding of the unfolding phenomenon of de-internationalisation in general and of firms emerging from South Africa in particular. This is because, despite recent attempts to address this phenomenon, the literature in this domain remains remarkably sparse and in need of further development (Tang et al., 2021; Kafouros et al., 2022).

Along with the theoretical value added by the thesis, the significance of this investigation is enhanced by the fact that it may guide emerging African market businesses in developing their international business strategy to be better prepared for the likely scenario of de-internationalisation. The study also intends to equip and strengthen domestic firms' global orientation. This is critical for emerging economies because going multinational and sustaining an international presence could tangibly improve domestic firms' competencies.

1.6 Research scope

As shown in Table 1, several scholars (Crick et al., 2020; Coudounaris et al., 2020; Kafouros et al., 2022; Kuiken et al., 2020; Lurkov & Benito, 2020; Ozkan, 2020; Trąpczyński, 2016; Tan & Sousa, 2018; Tang et al., 2021) have identified some common and some unique causes for de-internationalisation.

Table 1: Causes of de-internationalisation

Scholars	**Causes of de-internationalisation per scholar/s findings**
Crick et al. (2020)	Internationalising too quickly; lack of preparation; inadequate resources and capabilities.
Coudounaris et al. (2020)	Knowledge and experience, foreign market environmental changes, corporate innovation, financial standing, microeconomic and macroeconomic aspects of the global market, and external factors, internal organisational aspects, and investment strategy selected.
Kafouros et al. (2022)	Changes in market and business focus, strengths and benefits, knowledge from experience, international market outcomes, regional and product diversity, internationalisation strategy, and environmental forces including increased market share, customer needs, cultural difference, and economic turmoil.
Kuiken et al. (2020)	Changes in behavioural and resource commitments.
Lurkov and Benito (2020)	Knowledge of new business prospects, restructuring of value chain operations and resources throughout business regions hence the sunk cost of running an international business or subsidiary.

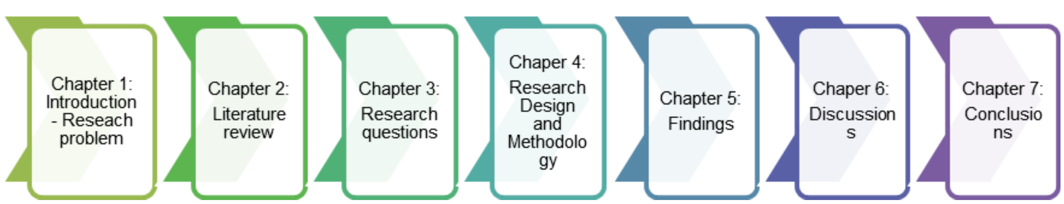
Ozkan (2020)	Strategy and risk environment mismatch.
Trąpczyński (2016)	Reallocation of resources, market diversification hence exits from less profitable markets. High expansion rate hence bad market decisions. Expansion to new unfamiliar markets.
Tan and Sousa (2018)	Economic expansion in human capital, Political unpredictability, the quest for better prospects for organisational resources, civil unrest, mechanism of entry, global business experience, company identity and personality, global coverage, portfolio magnitude, and culture differences, the ethical standards of the top leadership teams, as well as the size of the subsidiary.
Tang et al. (2021)	Internal forces (home country) and external complexities (risk environment) and the conditions and differences between them.

Although the literature on international business reveals a variety of reasons for de-internationalisation as per above Table 1, most of these causes stem from inadequate knowledge, hence our focus on the influence of inadequate knowledge of the risk environment.

1.7 Research report outline

The roadmap for this research is displayed in Figure 2. After defining the research problem in Chapter 1, Chapter 2 will conduct a literature review on the de-internationalisation phenomenon. From the formulation of the research question in Chapter 3 to Chapter 4, which describes the exploratory research methodology used in this study. Chapter 5 discusses the data collection findings, which are then compared to key literary insights in Chapter 6. The study's conclusion is presented in Chapter 7.

Figure 2: Research roadmap



2 Chapter Two: Literature review

2.1 Introduction

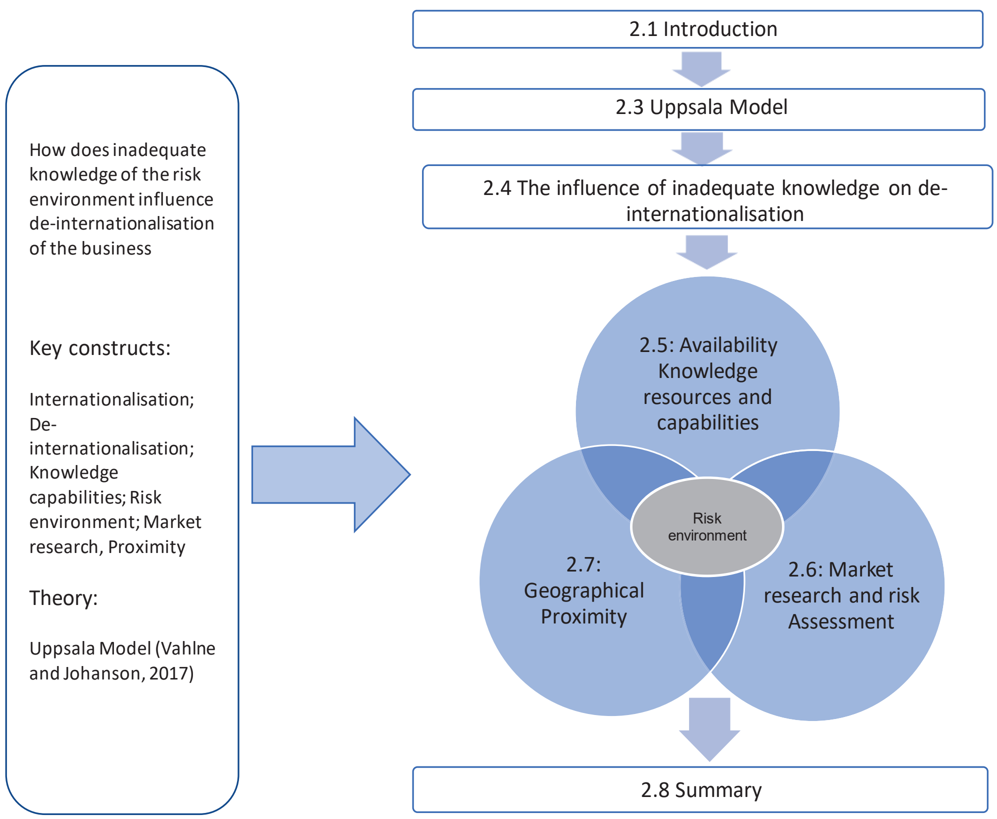
De-internationalisation as a consequence of failed internationalisation is key to understanding and formulating a holistic business strategy for multinational firms (Kafouros, 2022; Tang et al., 2021; Ozkan, 2020). In the studies done by these scholars (Kafouros, 2022; Tang et al., 2021; Ozkan, 2020), it is evident that there has been a lot of reverse or backward movement in the internationalisation of firms due to several reasons, such as the prevalent pandemics, for example, COVID, global changes such as trade policies, economic and organisational changes and its environment, the capabilities and resources of the firm, the strategy employed, etc. Ozkan (2020) alludes to the main reason for exit being a mismatch between the business strategy and the risk environment.

According to research done by Tan and Sousa (2018), there are a number of variables that can affect a company's decision to leave a foreign market, including economic expansion in human capital, political uncertainty, seeking better opportunities for the firm, civil unrest, method of entry, experience in the international market, company brand identity, geographic presence, investment magnitude, cultural difference, the ethical standards of the top leadership teams, as well as the size and performance of the subsidiary. All of these relate to knowledge that businesses should be familiar with. Cuervo-Cazurra et al. (2018), in a similar view, articulate that dealing with new clients and changing regulatory environments necessitates the acquisition of additional knowledge of the risk environment. Vissak et al. (2020) recommend that during internationalisation, managers must actively connect to various stakeholders in their foreign operations and gain additional knowledge as decision-making rationales. However, interestingly, Vissak et al. (2020) also note that managers of international firms should also embrace uncertainty as it does happen in the normal course of business.

2.2 Literature review roadmap

As a first step in the literature review, we will employ an examination of the Uppsala model in order to better comprehend the process of internationalisation. The study then examines the de-internationalisation decision and its antecedents, which presumably result from unsuccessful or unsustainable internationalisation. We acknowledge that there are many antecedents in the de-internationalisation process (Tang et al., 2021; Kafouros et al., 2022), but when we look at the emerging firms in South Africa, many of the difficulties have been attributed to a lack of understanding of the risk environment's dynamics, which if known beforehand could potentially aid in the development of a more successful internationalisation strategy. The literature review's route map is shown in Figure 3 below:

Figure 3: Literature review roadmap



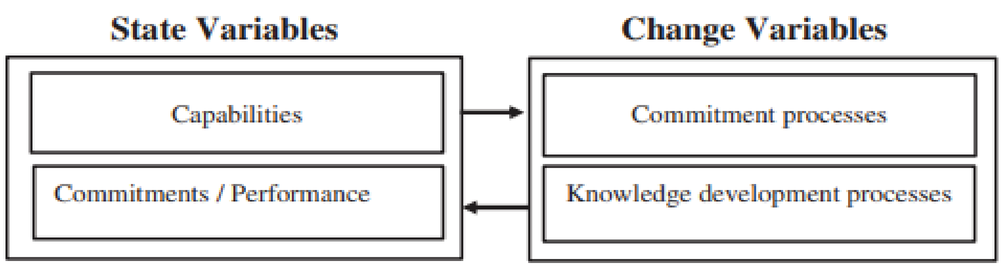
Source: Authors' own compilation

2.3 De-internationalisation as a concept derived from the Internationalisation theory

Because it is assumed to be the opposite of the internationalisation, the concept of de-internationalisation will be examined using the Internationalisation theory provided by the Uppsala model (Figure 4). This model by Vahlne and Johanson (2017), first published in

1977, has since been reviewed and updated to help describe multinational firms' internationalisation engagement and management (Vahlne, 2020). The model defines internationalisation as an increase in participation in foreign operations and describes the process of internationalisation using a stage-based method of the gradual process theory. (Vahlne & Johanson, 2017). We believe that de-internationalisation is a result of failed internationalisation, we will use this model to investigate the de-internationalisation of emerging market multinational enterprises from South Africa. Tang et al. (2021) argue that traditional IB theories have been largely focused on firms' progressive steps toward internationalisation; however, understanding the contrary in depth is required to improve a firm's holistic business strategy.

Figure 4: Uppsala Model



Source: Vahlne and Johanson (2017)

The model in Figure 4 depicts the revised Uppsala model (Vahlne, 2020). The Uppsala model (Vahlne & Johanson, 2017) employs four concepts divided into two groups: state aspects and change aspects. This demonstrates the changes in a company's internationalisation resulting from irregular decision processes connected to committing resources or not and improvements in ongoing knowledge building systems, including acquisition, development, and trust development. (Vahlne & Johanson, 2017). The Uppsala model defines two capabilities for the state aspect: the operational capability and the dynamic capability. In order for the company to continue being adaptive to a changing environment, the former fulfils the role of offering customers, while the latter enhances the former.(Vahlne, 2020). Experiential learning and opportunity recognition are crucial components of the dynamic capabilities, which are the result of diverse organisational capabilities. (Vahlne & Johanson, 2017). Similarly articulated by Dominguez and Mayrhofer (2017), the

Upsala model asserts that, to determine whether a capability represents an advantage or not, its value must be contrasted with that of competitors. (Vahlne, 2020).

According to Vahlne and Johanson (2017), international expertise and experience are critical in conquering overseas markets and progressing along the internationalisation path. The model also demonstrates that knowledge propels stage-based internationalisation. The more knowledge and experience a company has, the better it can succeed in the internationalisation process. The Uppsala model (Vahlne & Johanson, 2017) states that knowledge can be obtained from both internal and external sources, including personal experience. Further to this, Vahlne and Johanson (2017) believe that this can be accomplished through the experiences of partners' investors, consumers, other businesses, and new employees. Tang et al. (2021), similar to the Uppsala model, define de-internationalisation as a negative change or reduction in resources and capabilities.

The Uppsala model (Vahlne & Johanson, 2017) suggests that a company first develop itself in its home country, after which start expanding its commitment and resources in the target country, advancing to the next stage once adequate knowledge and understanding of target market conditions have been attained. This is because it is assumed that a lack of knowledge and expertise of foreign market conditions hinders internationalisation. According to Vahlne and Johanson (2017), and similarly asserted by Cuervo-Cazurra (2012), The greater the psychic distance and apparent uncertainty (differences in business culture and practices, education, industrial development and languages), the less a firm understands.

The Uppsala model (Vahlne & Johanson, 2017) also assumes that psychic distance affects the exchange of information across foreign markets, suggesting that businesses should first establish themselves in psychically similar markets before branching out into diverse ones. According to Cuervo-Cazzura, (2012), firms do this because managers of these firms can apply their knowledge more easily there, and later choose those who are further away as they accumulate more knowledge through learning and experiences. However, Fasanya et al. (2022) argue that, while newer internationalising enterprises may choose to focus on their foreign markets near them to reduce their foreignness liability, there is no clear relationship between distance and foreignness liability. Similar to findings of Fasanya et al. (2022), Boso et al. (2019) contend that the African continent's unique nature has compelled its emerging multinational enterprises to pursue unconventional paths to internationalisation.

Cuervo-Cazurra, Luo, et al. (2018) argue that, although the Uppsala model addresses the issue of distance from home, it has limited articulation of home country advantages. Cuervo-Cazurra, Luo et al. (2018) state in their findings that multinationals' home countries influence their international business and investment decisions. The Uppsala is a commonly used model in international business, but the overall dictum is that the key drivers of internationalisation by firms from emerging markets differ fundamentally from existing theories, including the disposition of their competitive edge and the crucial push and pull forces that fuel the process. (Fasanya et al., 2022).

In contrast to the Uppsala model, Boso et al. (2019) claim that Africa has fifty-two countries with diverse laws and regulations, culture, infrastructure, poverty rates, and political unrest. In the end, multinational corporations from Africa face unique challenges that require them to take unique approaches to reach global markets. Traditional theory still holds as an explanation for emerging market multinational enterprises' (EMNEs') foreign direct investment because they have significant firm-specific advantages. However, these advantages differ from those enjoyed by multinational corporations (MNCs) operating in developed markets, including a comprehension of emerging market customers, labour-intensive production techniques, knowledge and skills in operating in challenging institutional framework, and low-priced, fundamental, and durable products. (Casson & Wadeson, 2018).

As noted earlier, emerging markets are recognised for having lower production costs owing to, among other aspects, low labour expenses, which, when coupled with the unequal costs of internationalisation, favour the emerging market business. (Carsson et al. 2018).This restricts our analysis of the causes of de-internationalisation because this research is driven by the firms' internationalisation strategy, which is based on the Uppsala model developed by Vahlne and Johanson (2017).

2.4 The influence of inadequate knowledge on de-internationalisation

Knowledge resources and capabilities are particularly important in the internationalisation and de-internationalisation decision making of the firm, according to Kafouros et al. (2022) and Crick et al. (2020). Many environmental elements related with the African continent have a significant impact on the internationalisation efforts of African businesses. (Boso et al., 2019). As a result, as articulated by Johansson and Olhager (2018), a firm's target market decision is an important strategic consideration in order to remain competitive in the chosen market. Firms need to continuously review their target market environment and make decisions on reshoring or back shoring accordingly (Johansson and Olhager, 2018).

Kafouros et al. (2022) argue that de-internationalisation is either voluntary or forced. voluntary, which could include reshuffling of business portfolios due to various market changes or business focus. According to Tang et al. (2021), forced migration can be caused by political and/or economic forces such as government nationalisation, changes in global trade policies, or other institutional factors in the host country. Kafouros et al. (2022) argue further that firm advantages and capabilities, experiential knowledge, foreign market results, geographical and product diversity, and internationalisation strategy may all impact a multinational enterprise's choice to de-internationalise. Boso et al. (2019) argue that most challenges in Africa are due to institutional voids. This shows that knowledge acquisition is important for the emerging multinational firms.

2.5 Knowledge and capabilities

Cuervo-Cazurra, Ciravegna et al. (2018) assert that firms build knowledge capabilities as their employees and managers learn through experience. These capabilities enhance their performance by making them resilient to unforeseeable circumstances such as natural disasters and drastic market volatility. These events can result in the de-internationalisation of the business if it fails to overcome the barriers emanating therefrom. Reverse knowledge transfer can be a crucial tool for knowledge sharing across the business. According to Kong et al. (2018), in the context of emerging market multinationals, it is vital to understand the possible involvement of expatriates in reverse knowledge transfer using knowledge-seeking strategies overseas.

Leposky et al. (2017) claim that there is a long-standing correlation between a multinational firm's capacity to share strategic information across its activities and its success in a global marketplace. This eventually calls for localisation and market adjustment. Local subsidiaries have access to local knowledge bases where they can acquire crucial data for their companies and pass it on to the parent company. Leposky et al. (2017) adds that prior research has also shown a substantial correlation between knowledge management and business performance. However, reverse transfer of knowledge has proved to be a challenging procedure due to the implicit nature of certain information. According to Vahlne (2020), similarly articulated by Liu and Meyer (2020), reverse knowledge transmission can be beneficial for the business; however, it requires team-based international cooperation as well as the skill and tenacity of specific persons and teams at crucial organisational interfaces.

2.5.1 Leveraging from subsidiary knowledge of international market

From a subsidiary point of view, multinational firms are increasingly divesting from markets that are declining due to environmental changes (Coudounaris et al., 2020). Knowledge of the environment any business is trading in is especially important. A multinational company's (MNE) success in the international market has traditionally been correlated with its capacity to integrate strategic knowledge throughout all of its operations or subsidiaries. Firms that have local subsidiaries in the target market are in a better position to access regional knowledge bases, obtain important business information from them, and convey it upstream to their corporate headquarters. (Silveira et al., 2017). Businesses can leverage their subsidiaries to keep abreast of the dynamics in the environment. This point on knowledge transfer benefits from a subsidiary point of view is further discussed in this paper under localisation strategies (2.5.3) as businesses take advantage of their subsidiaries in the local market to gain knowledge about the local market they operate in.

2.5.2 Experiential knowledge

It is believed that the single most essential component influencing a company's internationalisation is knowledge, particularly experiential knowledge. When a business works in a foreign market, experiential knowledge, such as understanding international operations, is often obtained and collected over time (Vahlne & Johanson, 2017). According to Vahlne and Johanson (2017), knowledge of the risk environment is paramount in the internationalisation strategy, giving the company a foundation when it enters the risk environment. When a company then starts trading the risk environment, it is crucial for the business' sustainability that knowledge is continuously amassed, shared, and transferred between different regions and to the head office in order to keep abreast of global economic, social, and political changes. This benefits the company as a whole.

According to Sanchez-Vidal et al. (2019), knowledge is regarded as one of the most valuable commodities and most crucial factors affecting a company's performance. It is important to assess whether the company's managers possess the skills necessary to run a complex, diversified, or new firm (Cuervo-Cazzura, 2007). In addition to the predicted direct effects of learning, interactions among various knowledge and learning modalities influence the rate of Internationalisation.(Dominguez & Mayrhofer, 2017). Multinational enterprises (MNEs) may benefit from acquiring and transferring knowledge across boundaries. In spite of this potential benefit materialising, the information produced in any of their locations around the globe should be moved to their other divisions to benefit the global business.

2.5.3 Value chain and export market exit

According to Vahlne and Johanson (2017), the majority of the time, businesses enter unfamiliar territory through exports before setting up an international retail subsidiary or manufacturing plant in the target market. Boso et al. (2019) articulated that the employee’s capabilities and skills, improved human resource policies, business knowledge, international alignment, and network relationships were all found to be influential when it came to exporting goods to the international market; however, according to Tang et al. (2021) and Chouquette (2019), a negative change in the company value chain can result in de-exporting as a strategic decision of the business.

Chouquette (2019) contends that international experience affects the probability of de-internationalisation. Further to this, in Chouquette's (2019) study that examined two perspectives on the repercussions of increasing market knowledge, the author hypothesised that, from a learning viewpoint using import vs. export experience , market experience from import activities should minimise export market exit, whereas it should raise export market exit from a sunk cost rationale. Knowledge comes from experience. (Chouquette, 2019; Vahlne & Johanson, 2017). Businesses might learn from their prior errors and triumphs in the global market in order to prevent inadvertent de-internationalisation. (Chouquette, 2019). Further to this, the benefits of experiential learning and vicarious learning on export intensity are influenced by the strategic intents of businesses, although these effects may not be present in older enterprises when it comes to prior foreign knowledge. (Dominguez & Mayrhofer, 2017).

2.5.4 Localisation strategies and relationships

According to Monteiro and Birkinshaw (2017), external knowledge sourcing is becoming a more crucial competence for businesses to have in order to compete successfully in a world that is fast changing. Although there are major institutional, technological, and geographic barriers to overcome, accessing external information is far from simple, and the skills needed for external search are rarely the same as those for internal transfer. To get cutting-edge ideas, overseas subsidiaries must be locally rooted; to convey those ideas, they must be incorporated into the corporate network, but it is challenging to achieve both at once. According to Leposky et al. (2017), companies have the chance to engage with the local communities in order to leverage their knowledge base for global innovations by establishing subsidiaries to reach these markets. This enables firms to leverage the potential of reverse knowledge transfer, which creates a knowledge base for their global business networks.

Dodourova et al. (2021) assert that, on top of leveraging subsidiaries, MNEs can create local partners in the various trade regions whom they view as strategic value generators. These partners and subsidiaries have unique competencies that are beneficial for producing and exchanging specialised new knowledge inside the knowledge network of the MNEs. In the same view, Santoro et al. (2021) also articulated the importance of external relationships, noting that it is recommended that businesses strengthen their relationships with outside partners in order to speed up the creation and marketing of new goods and services, thereby lowering time to market and predicting technology trends.

Pegram et al. (2020) assert that various multinational corporations are required to participate in the transformative policies of various international economies that promote local and international employment. These advantages are tailored to the interests of the three key stakeholders: the government, the local communities, and the business sector, each of which must balance its own goals to ensure economic viability. There are various hurdles to localising job positions, as asserted by Pegram et al. (2020), including a lack of experience and education in the local market for labour, a lack of cultural awareness of the parent firm among locals, and multinational corporations' preference for recruiting expats. As much as this can be costly for multinational firms, various firms have seen the benefits of doing so from a knowledge-gain perspective.

According to Johanson (2020), as an addition to experiential learning as articulated by Vahlne and Johanson (2017), they can acquire additional knowledge by employing localised professionals in the host market. Localised professionals can be those who traveled independently to the foreign country and spent a significant amount of time working there. When entering a foreign market, businesses frequently seek out local, talented, and experienced candidates to hire. This is especially true when local expertise is essential and/or when the international market differs from the domestic market. This potentially provides the business with knowledge gained through prior experience in emerging markets characterised by uncertainty, added Johanson (2020). Similarly articulated by Vahlne and Johanson (2009), as cited by Yamin and Kurt (2018), experiential learning can benefit businesses entering a foreign market. A lack of knowledge of foreign institutions can be linked to the liability of foreignness, whereas a lack of understanding of foreign businesses is more likely to point to the liability of outsidership. Through a process of learning that is mostly experiential, both of these liabilities can be overcome. (Li & Fleury, 2020)

2.5.5 Size and age of the firm

According to Santoro et al. (2021), small and medium-size enterprises (SMEs) that intend to internationalise often lack the expertise and resources to manage the full innovation process; hence, they must be open to information from other sources in order to internationalise. Santoro et al. (2021) discovered that, despite the fact that historical knowledge facilitates a firm's purchase, absorption, and use of external technology for new endeavours, it does not provide a competitive advantage on the worldwide market. Furthermore, they discovered no correlation between sourcing knowledge and the age of the firm in their study; thus, they conclude that the age of a firm does not necessarily provide an advantage in the ease of acquiring knowledge on the international market. This is in contrast with the Uppsala model (Vahlne & Johanson, 2017) internationalisation process that permits for gradual growth in the international market.

Interestingly, Cieslik et al. (2010), in their analysis similar to Santoro et al. (2021), found that SMEs can boost their customer base by establishing international operations early, which makes it easier to adopt a fast-growth strategy. Exports may contribute to economies of scale and better worker productivity; income diversification may help moderate business cycle effects; and overseas exposure may help acquire new knowledge, which supports innovation and growth. These SMEs that internationalise early create more expertise than those who do so later, because born-global firms may adjust local operations for the global market. Being new gives these firms an advantage. However, diluting finite capital, commodities, and human resources over multiple sites may risk new SMEs' survival. However, Cieslik et al. (2010) argued that early internationalisation may threaten SMEs' short-term viability but boost long-term growth. The earlier a SME begins exporting, the worse its survival prospects are.

2.5.6 Local vs Target market

Kafouros et al. (2022) argue that sometimes exiting foreign markets represents a resolve for the business to focus only on their home country for certain firms, while for others, it reflects a reprioritisation of significant markets. A company's global operations may be sold off as it becomes more centralised in its local network. (Iurkov & Benito, 2020).

Positive shifts in company centrality at home, according to Lurkov and Benito (2020), may make it simpler to learn about new ventures, but they may also cause a restructuring of value chain activities and resources across regions. By doing this, the opportunity costs of managing a global company or subsidiary may eventually cause de-internationalisation in favour of local market focus.

According to Tan and Sousa (2018), companies may leave a foreign market if they discover that their foreign subsidiaries are underachieving. Similarly, a variety of factors, including the firm's innovativeness, financial capabilities, macro- and microeconomic attributes in the foreign market, factors in the risk environment, amount of knowledge and experience, internal organisational factors, and the investment strategy chosen, can all lead to subsidiary exits. (Coudounaris et al., 2020).

2.5.7 Shareholder value

According to Tang et al. (2021), various internal dynamics and capabilities can have an effect on international business. Corporate governance and ownership also play a role in determining de-internationalisation. Holding firms are foreign investors in the host country. Their capacities and resources, tactics and conduct, governance, and other traits may help or hinder the firms' internationalisation, consequently affecting the likelihood of de-internationalisation. However, Tang et al. (2021) noted that the literature is still divided on the consequences of some factors emanating from decisions made by these foreign investors. Lupton et al. (2022) emphasise this constraint as well as the fact that institutional settings in the home and host nations influence FDI choices, which include where investments are viable, as well as outcomes such as performance and survival of the venture. The management of overseas subsidiaries is more difficult due to formal institutional differences (such as legal and regulatory frameworks) as well as informal institutional (such as cultural) variations; however, institutional similarities make it easier for MNEs' knowledge and practices to spread between headquarters and subsidiary contexts, necessitating strategic adaptation.

2.6 Market research and risk assessment

Regardless of region, sector, business expertise, or national origin, firms continue to retreat from international markets. (Ozkan, 2020). Several factors, including company characteristics, the capabilities of the organisation, the foreign market and its risks, strategy, and competitive priorities, are among the most common causes for firms to leave markets early. Most market exits are driven by a mismatch between business strategy and the risk environment. (Tang et al., 2021; Coudounaris et al., 2020; Ozkan, 2020). Based on research done by Ozkan (2020), which included sixty-two foreign market exits, common patterns delineated for market withdrawals showed that exits occur when managers fail to consider the foreign market risk environment when formulating and implementing strategies.

According to Kafouros et al. (2022) and Tan and Sousa (2018), environmental pressures such as market growth, product demand, cultural difference, economic turmoil, and the overall portfolio of markets in which the MNE operates might cause de-internationalization. A lack of this information, accumulation, or access may threaten the company's continued existence. (Vahlne & Johansson, 2017).

Risk assessment provides businesses with the knowledge necessary for decision-making. Depending on whether one kind of commitment predominates, decision-makers might maintain behavioural commitment or forsake a course of action; accordingly, as a business de-internationalizes, its resource commitments drop. This might require a change in corporate strategy. (Kuiken, 2020). Despite the continuous need to recognize and deal with uncertainty in international business, Sharma et al. (2020) assert that there is no comprehensive framework that considers the various types of uncertainty, their antecedents and consequences, the various coping techniques adopted by managers, and the outcomes of these strategies. Further, Sharma et al. (2020) suggest that this makes it difficult for managers of international enterprises to appreciate the many types of uncertainty that exist in their sectors and devise appropriate responses to them, especially in circumstances such as the recent COVID-19 epidemic.

2.6.1 Political and economic risk

According to Tang et al. (2021), host-country surroundings, home-country circumstances, and host-home differences all contribute to de-internationalization. First, the institutional and economic conditions of a host country influence the de-internationalization of enterprises. International corporations are deterred from entering and leaving a host country by policy ambiguity and political risk. Also, the ecology of the host nation might alter. Unfavourable environmental change is consequently a de-internationalisation precursor. Foreign enterprises may leave a host country due to economic and political disagreements. A government change may produce institutional instability in the host nation, forcing multinationals to quit. (Tang et al., 2021). Gorynia (2019) likewise asserts that today's economic environment is incredibly complex. Given the uncertainty as well as the unpredictability of entering international markets and conducting business there, risk pose a major problem when conducting business beyond national borders.

According to Eduardsen and Marinova (2020), international businesses must manage unexpected and particular risks, such as those related to politics, foreign currencies, and culture. Eduardsen and Marinova (2020) also assert that knowledge of the risk components (Tang et al., 2021) is crucial for the company to understand the risk environment it plans to enter and hence develop an appropriate strategy for it. In their research on political risk, Al Khattab et al. (2008) discovered that the greater the number of countries a firm operates in, the more likely it is to face significant risks and implement political risk assessment. The Africa report (2022) from an African perspective points out that a disregard for Africa’s economic potential has led South African companies into markets for which they were ill-prepared. However, South African firms have faced difficulties elsewhere in Africa as well.

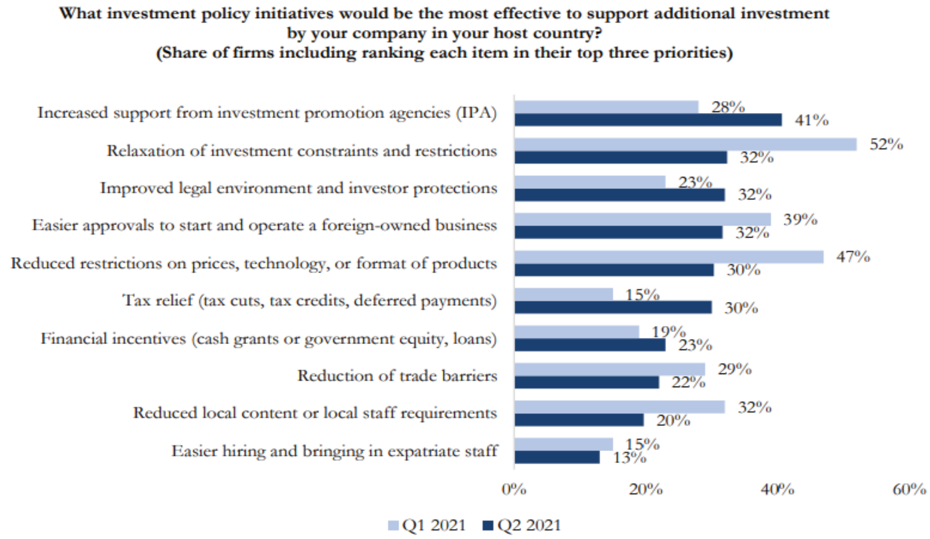
Similarly articulated by Boso et al. (2019), in particular for Africa, the authors asserted that even though Africa's economies have advanced significantly in recent years, many of them still suffer from institutional gaps and market flaws that increase uncertainty as well as firms' transaction costs. According to Al Khattab et al. (2008), the world's political unpredictability has increased the importance of assessing potential risks in international trade. Al Khattab et al. (2008) assert that since successful businesses are those that are responsive to change in an international setting, multinational enterprises must thus evaluate the risks of operating in such an environment. Similarly, Blake and Moschieri (2017) suggest that governments may alter the legislative environment, resulting in a decline in a company's assets, operations, or returns. A negative change in the firm-specific policy environment prompts companies to re-evaluate their vulnerability to policy risk and their ability to manage their regulatory environment, hence raising the possibility of de-internationalisation.

2.6.1.1 Policy initiatives that reduces the risk of de-internationalisation

The World Bank (2021) completed a survey online between July 19 and August 13, 2021, with a sample that consisted of Three hundred MNE affiliates (companies with full or partial foreign ownership) spread throughout thirty-six developing nations. According to the World Bank Group taxonomy, the sample was equally distributed throughout the manufacturing and service sectors in each of the six developing regions. The survey evaluated what changes to the host country's investment policies would be most helpful to encourage the foreign company to make greater investments there. Below are the results in Figure 5. The data obtained from this survey is similar to the findings from the 11 participants. The regulatory environment seems to be the biggest hindrance to internationalisation; hence, knowledge of these policies is required.

According to the poll shown in Figure 5, there should be an increase in support from investment agencies, the legal environment should be strengthened, and permissions for foreign-owned businesses should be simplified. (The World bank, 2021). These are policies to encourage investment, and their absence could be detrimental to foreign investments. Overall, according to the World Bank, governments must increase their countries' investment competitiveness due to the COVID pandemic's negative effects on MNEs and global output. From the World Bank survey, it is evident that governments should install and maintain a stable and predictable investment policy environment that avoids adopting protectionist policies. This shows some of the important international business elements that companies need to be wary of when investing internationally.

Figure 5: Policy initiatives that encourage investment in host country



Source: The World Bank (2021)

2.6.2 Cultural barriers and adaptability

According to Tang et al. (2021), distance and cultural differences between the host and home nations may hinder adaptation to host-country circumstances, leading to de-internationalisation. Similarly, Bianchi and Ostale (2006), although focused on retail, indicate that MNEs face constraints and cultural differences that can make it more difficult for them to effectively transfer their competitive advantages to other markets. They must then create an adaptable plan to transfer their sources of competitive advantage into these new environments. In general, it should be understood that due to varying environmental conditions, international businesses must adapt their goods and services to the host market. Because of this, businesses cannot grow internationally without changing their business strategies to meet the needs of consumers from various cultural backgrounds. Bianchi and Ostale (2006) further assert that companies should understand that when they expand internationally, they must operate in a new institutional setting that is distinct from their home institutional setting. As a result, they must gain the legitimacy and support of the relevant social actors in the new business environment, where they are now subject to a new set of rules and cultures.

2.6.3 Competition

The most important source of competitive advantage, according to Kong et al. (2018), is knowledge, which may be produced and integrated across the MNE's subsidiaries. MNEs depend on multiple geographical sources of knowledge by using host location-specific advantages and benefiting from them via reverse knowledge transfer from foreign subsidiaries to the home nation and parent business. Similarly, Hagiu and Wright (2020) suggest that individuals are often ignorant of the degree to which a lack of data might diminish competitiveness. Knowledge-based learning may generate favourable cycles that improve as more data are collected. This is significant because, in some situations, data-driven learning might allow the development of effective defences against rivals.

Boso et al. (2019) similarly shared this view, however, from an African business perspective and sharing the challenges thereof, that there are institutional gaps in the African region such as less developed intermediary markets, constrained availability to capital markets, subpar infrastructure, and a lax regulatory structure that can have negative and positive effects for the business. These market flaws pose a significant difficulty or obstacle to conducting business for firms that cannot manage the ambiguity and uncertainties that define such markets. Instead, being able to manage weak institutions and deal with frequent changes in the environment could give these businesses a long-term competitive edge. Fan et al. (2017) articulate that at the current stage of their development, emerging multinational enterprises (EMNEs) might not have strong dynamic capabilities that support global competitiveness, but such conditions will encourage them to participate in learning activities that will improve their core competences and foster long-term global competitiveness. In this regard, both developed multinational enterprises (DMNEs) and emerging multinational enterprises (EMNEs) are under pressure from the market to improve their core skills, although for distinct reasons (such as maintaining or gaining competitive advantages) and using various methods (global synergizing or localised learning).

The existence of DMNEs in emerging markets may become a challenge for EMNEs' survival through fostering competition. DMNEs seem to have more knowledge than EMNEs. The potential rivalry between EMNEs and DMNEs, as well as its consequences on EMNEs' internationalisation initiatives, is not fully accounted for by the Uppsala model. Each type of organisation has capability gaps that need to be filled for it to succeed in the global economy of the future. (Ramamurti & Williamson, 2019). Despite the fact that DMNEs seem to have more established advantages over EMNEs in terms of technology and branding, Ramamurti and Williamson (2019) further contend that the standards for success in the global market are changing and that each business model should have capability gaps that must be filled if it is to succeed.

According to the conclusions of experts in the African study (2022), South Africa's sophisticated firms can fight off local competitors in Africa with more ease than in developed markets. Interestingly, Ozkan (2020) and Ozkan et al. (2022) examined DMNE and EMNE market share figures. It has been stated that EMNEs outperform because they establish non-traditional ownership advantages based on lessons learnt in their home markets and then use those advantages to expand into developed markets. Furthermore, analysis demonstrated that the performance of DMNEs in developing countries declined with time, but EMNEs seemed to perform better as their market shares increased in developed markets during the same time period.

2.6.4 Rapid internationalisation

Crick et al. (2020) discovered that most firms de-internationalise as a result of internationalising too quickly. Similarly, a high expansion rate might reduce attention to specific markets, exposing entrants to bad market decisions. (Trąpczyński, 2016). On the contrary, as argued by Boso et al. (2019), Less reliant on the pre-set stages taken by multinational corporations from developed nations, African firms are deliberately utilising more innovative methods to internationalise swiftly. De-internationalisation can be caused by rapid internationalisation due to a lack of preparation to serve the international market. Expanding internationally too quickly may prevent a company from having enough time to learn about the risk environment, which can prevent a firm from adequately understanding the risk environment. If businesses struggle to thrive in the foreign market, this may eventually necessitate a decision to withdraw from the market, albeit temporarily, in order to re-evaluate their internationalisation strategy and reduce potential losses (Crick et al., 2020).

2.7 Geographical proximity

Regardless of the internationalisation mode used or timing, firms typically choose or are compelled to choose between reducing the scope and depth of their global footprint in specific countries or quitting those markets altogether due to market dynamics. (Kafouros et al., 2022; Ozkan, 2020; and Crick et al., 2020). According to Vahlne and Johanson (2017), firms typically begin their expansion in a market that is close in terms of proximity and culture. There, they are more familiar with the host nation's market and culture. Later, when the company gains more expertise and greater resources, it gradually expands into more distant markets. According to Vahlne and Johanson (2017), this distance is due to cultural differences, linguistic problems, politics, geography, and the difficulty of receiving knowledge from the market.

Johanson and Vahlne (1977) assert that there are a variety of ways in which nations differ from one another, such as in terms of language, education, economic policies, cultural norms, and levels of industrialisation. In the Uppsala model (Vahlne & Johanson, 2017) assert that firms typically begin their explorations into international trade by targeting countries that are psychically close to them before moving on to more distant markets. Accordingly, when a company decides to grow globally, it will first commit fewer resources and will only increase those commitments as it gains expertise in the foreign market. Boso et al. (2019); Larimo et al. (2022); and Fasanya et al. (2022) have a different view of this in that not all international businesses follow the same path; hence, the Uppsala model seemingly applies a one-size-fits-all process, which might not be reflective of the EMNE's internationalisation process. In addition to this, findings by Tang et al. (2021) add that geographic diversification decreases a company's likelihood of divesting from a foreign country. According to Paul and Rosado-Serrano (2019), some businesses were founded to conduct global business rather than progressively internationalising.

2.8 Chapter conclusion

With all the literature interrogations above, it is apparent that knowledge as a capability is essential for the success of global business. These findings on the de-internationalisation characteristics seem to point to shared conceptual bases for the influence of knowledge availability as well as differences in motivations, behaviours, and outcomes. The conclusions reached by the different researchers (Crick et al., 2020; Coudounaris et al., 2020; Kafouros et al., 2022; Kuiken et al., 2020; Lurkov & Benito, 2020; Ozkan, 2020; Trąpczyński, 2016; Tan & Sousa, 2018; Tang et al., 2021) are similar, albeit not entirely. These researchers may have less or more de-internationalisation reasons than others, but collaboratively, they all seem to be heading in the same direction, which underpins the importance of knowledge, especially of the risk environment.

Although the Uppsala Model has largely contributed to a greater understanding of organisations' internationalisation processes and, as a result, de-internationalisation as a failure thereof, a review of the literature reveals that it lacks some key bases for bridging the internationalisation and de-internationalisation processes of Africa's emerging market multinational enterprises. These include such things as the cost of modes of entry or possibly cheaper alternatives (Lurkov & Benito, 2020), the opportunity cost of running an international business as asserted by Iurkov and Benito (2020), specific competitive advantages of emerging market multinationals (Fasanya et al., 2022), and the capabilities of EMNEs (Ramamurti & Williamson, 2019). Though some industries may still find the Uppsala model useful, the market for services in the industrialised world is expanding tremendously as a result of the quickening pace of technological change. Furthermore, according to Larimo et al. (2022), the process of enterprise globalisation does not follow a linear path. As a result, many companies that initially entered foreign markets have since partially or entirely exited those areas, resulting in the de-internationalisation of firms.

The Uppsala model most certainly has its limitations, as it applies a one-size-fits-all level of entry and does not split between emerging market multinationals (in Africa vs. regions such as India and China) and multinationals in developed countries. African firms face a diverse set of institutional and environmental constraints, making it impossible for them to pursue the same internationalisation strategy as firms in developed countries. The existence of several problematic elements in Africa, the scale of which varies across nations, further complicates the internationalisation process. (Boso et al., 2019). This makes the de-internationalisation concept overly complex due to the varying internationalisation processes followed by various firms.

With the foregoing in mind, we may argue that de-internationalisation is a broad phrase that encompasses a wide range of elements. It could be voluntary or coercive, partial or whole, short-term or long-term. Although emerging multinational enterprises seem to follow an unpredictable internationalisation path, firms' capabilities and resources, including expertise, must account for changes in the business and its host country. It is vital to keep in mind when comprehending and designing a firm's internationalisation strategy that things can go either way; consequently, internationalisation might turn into de-internationalisation. As a result, it seems that businesses should consider investing in knowledge resources and capabilities that can be readily shared and used to the advantage of the company in an effort to minimise the potential occurrence of de-internationalisation.

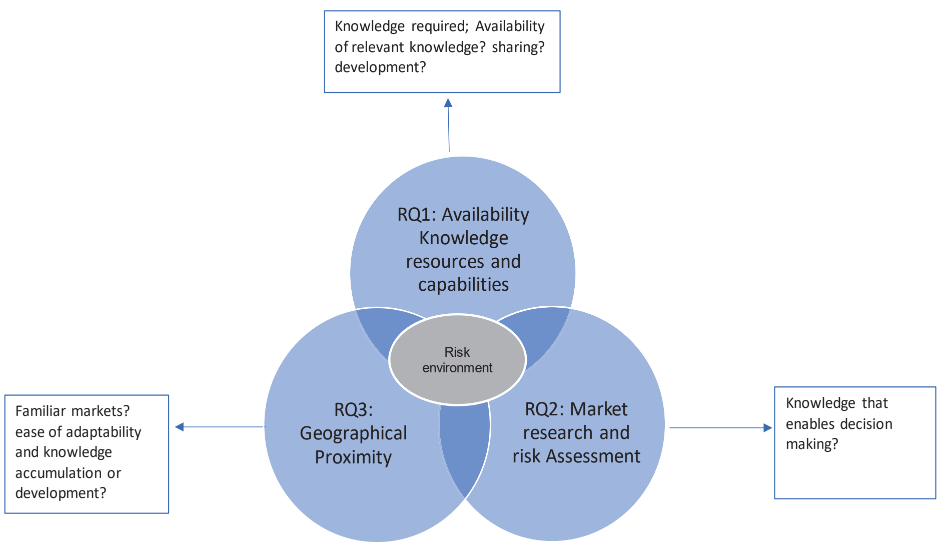
Lastly, when the de-internationalisation concept is thoroughly synthesised and comprehended in conjunction with the firm's internationalisation process, it seems to provide the company with a better steppingstone in their internationalisation business strategy. A well-thought-out foreign business strategy backed by strong knowledge resources and capabilities appears to lead to a possibly sustainable situation and hence reduce the risk of de-internationalisation.

3 Chapter Three: Research questions

3.1 Introduction

The research questions for the study are presented in this chapter. After reviewing the literature and filling up the gaps in chapter 2, the research question specifically aims to investigate the influence of inadequate knowledge on the de-internationalisation of a South African emerging firm. The inquiries also seek to understand the influence of market research (aiding a risk assessment) and proximity of their activities from their home country, on the accumulation and sharing of knowledge that informs decision making on whether to stay and exit the foreign market. The study therefore investigates the important aspects listed below that revolve on understanding the risk environment and investigating its influence on the potential de-internationalisation of the firm due to inadequate knowledge. This is shown below in Figure 6.

Figure 6: Visualising the of Research questions



Source: Authors' own compilation

3.2 Research questions (RQ's)

The following research questions are explored in the study:

3.2.1 Main research question

How does inadequate knowledge influence the de-internationalisation of the emerging market multinational firm?

This research question explore the following:

How can inadequate knowledge accumulation and sharing within an international business influence the decision to de-internationalise foreign operations? What information is required to decide whether to stay or exit a foreign market?

3.2.2 Sub-research question 1

How does market research aiding a risk assessment of the foreign market influence the accumulation of knowledge?

This sub-research question explore the following:

How does market research and business risk assessment contribute to the accumulation of knowledge necessary for decision to either stay or exit an international business? What considerations are made during a risk assessment? How frequently is a risk assessment conducted?

3.2.3 Sub-research question 2

How does proximity to the risk environment influence the accumulation of knowledge?

This sub-research question explore the following:

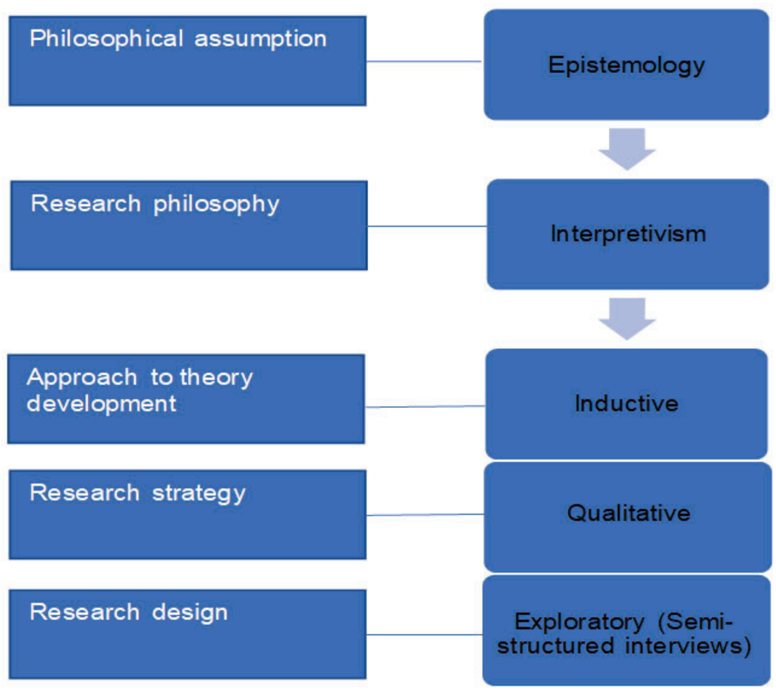
How does knowledge proximity of the foreign operations affect the accumulation of knowledge and sharing capabilities of the global business? Is the business more familiar with markets that are in within proximity?

4 Chapter Four: Research Design and Methodology

4.1 Introduction

This chapter outlines the method and design (Figure 7) ; sampling, gathering and analysis of the data. This chapter also highlights the assumptions, limitations, ethical considerations as well as storage of the data used for research. All these are discussed in detail in the next sections under this chapter.

Figure 7: Research design and method



Source: Adapted from lecturer slides, Mamabolo (2022)

De-internationalisation concerns have been investigated through a variety of lenses, as outlined in the literature review above, with the end result illuminating multiple themes and subthemes. By employing a qualitative approach, the research aims to synthesise the literature on this phenomenon to understand the key issues around the influence of adequate knowledge of the risk environment and its role in the de-internationalisation of South African emerging multinationals. Research aims to provide a holistic view of conclusions and discover consensuses, controversies, and limitations pertaining the influence of inadequate knowledge as one of the primary causes of de-internationalisation.

4.2 Research Philosophy

Based on the experience of senior management at South African emerging multinationals, the research employs an interpretivist epistemology and inductive reasoning to investigate the nature of the de-internationalisation phenomenon. According to Bell et al. (2018), epistemology is the theory of knowledge that is supported by ontology. It is a specific comprehension of how we could learn about that reality. A disposition preference of the interpretivist stance is a propensity for research methods that elicit the worldviews of participants towards the topic of interest. This chosen method, according to Bell et al. (2018), allows the study to place the elicited interpretations into a theoretical framework.

4.3 Research strategy

A qualitative research approach was followed. Inductive theory is heavily used in qualitative research, according to Bansal (2018). This author also claims that data-driven inductive theorising has the potential to broaden the researcher's epistemological frame, resulting in entirely innovative ideas, and is especially useful in understudied empirical contexts. According to Bell (2018), consideration of epistemological concerns provides us with a mechanism to ensure that the information we generate is sound. As a result, the research can be guided by the experiences of the senior managers interviewed.

4.4 Research Design and Methodology

A research design, according to Bell (2018), provides a framework for data gathering and analysis. A qualitative, exploratory approach was followed using face-to-face, one-on-one, semi-structured interviews with senior management of selected South African emerging multinational firms to demonstrate the influence of a lack of knowledge as a factor that leads to de-internationalisation. The selected firms were those that expanded beyond their native country and underwent numerous modifications and reductions that fit our concept of de-internationalisation. This method was selected due to the sensitive nature of the research topic. It is also assumed that face-to-face interviews enable personal interaction and the development of a mutual trust between the researcher and interview subject. An online interview using video conferencing was used where respondents or interviewees were in a different town or country at the time of the interview. A study design of this nature allows for reflection on thoughts about the relative importance of various parts of the research process. (Bell, 2018). Follow-up through phone calls or video conferencing as necessary will be implemented to gain clarification on the subject matter where required.

According to Doz (2011), qualitative research can also reveal the significance of a previously overlooked phenomenon or even the applicability of a unique theoretical perspective to such a phenomenon. Previous research has identified a gap in understanding of the difficulties of internationalisation of emerging market firms (Cuervo-Cazurra et al., 2007), which can result in the de-internationalisation phenomenon (Tang et al., 2021).

4.5 Research assumptions

It is assumed that a lack of knowledge of the risk environment and its dynamics could consequentially result in internationalisation difficulties, hence the de-internationalisation of the firm in full or in part. The epistemological approach was implemented to ensure sound knowledge was attained for the research. (Bell, 2018). This approach is constructed on the paradigm that each participant's reality is shaped by their unique perceptions and individual experiences, and as such, lengthy semi-structured interviews will be used to capture and record these experiences and perspectives.

4.6 Outline of population

Through identified key words, a search into business journals and credible reports was done to draw a list of South African emerging multinationals, and from that, twenty-five companies that have had a business change that meets our research definition of de-internationalisation were identified. These emerging South African multinational enterprises that have expanded beyond the country and have undergone numerous modifications and reductions in their international business that fit our concept of de-internationalisation This research has defined de-internationalisation as the consequence of failed Internationalisation, hence a reverse process to withdraw from the target market in part or fully.

4.7 Unit of analysis

According to Bell (2018), units of analysis can be people, organisations, documents, departments, and so on, as long as they are related to the research topics. Our unit of analysis is the selected firms emerging from South Africa (that have gone through the de-internationalisation process as per our definition). Senior managers of these firms, who were part of the firm's international team, were purposefully selected and interviewed.

4.8 Sampling techniques and sample size

Semi-structured interviews were conducted with a purposefully selected sample (Bell et al. 2018) of South African emerging firms. According to Bell et al. (2018), in purposive sampling, the goal of the research is not to randomly sample research participants. Purposive sampling aims to strategically select participants so that they are pertinent to the proposed research objectives. Twelve interviews were conducted with senior managers selected from these firms that have expanded beyond their native country and consequently retreated. The firms and events were chosen based on knowledge from media reports on emerging market multinational enterprises, particularly those that have reduced their worldwide activity (for example, by reducing the number of active foreign markets or de-exporting). This therefore means that the researcher used his or her own discretion to choose participants who match the criteria and can answer the study questions.

4.9 Research sample and participants

A purposive sample was drawn of 12 senior managers from South African emerging firms that have experience in international business but are particularly related to changes in the foreign operations of their respective businesses that match our definition of de-internationalisation as stated in Chapter 1. These senior managers were screened and approached through various emails and the LinkedIn platform. Most either declined or did not respond, hence the low response rate among these senior officials; however, the researcher continued to seek more interviewees, and twelve senior managers finally accepted, and meetings were set up through Teams and Zoom video conferencing. Interviewee 12 ended up cancelling after a lot of rescheduling, citing time constraints.

4.10 Measurement instrument

The researcher and the interview guide were the research instruments for data collection and analysis for this research. Semi-structured interviews were conducted to gain in-depth knowledge of the phenomenon. The interviews took anywhere from thirty minutes to an hour. This allowed time to probe further into the information shared. Follow-up for further clarification was done through phone calls to clarify answers as needed and possible. The primary focus of the research was the influence of inadequate knowledge on the de-internationalisation of emerging South African multinational firms. Semi-structured interview questions were derived from the sought-after understanding of the influence of inadequate knowledge as a cause of de-internationalisation.

4.11 Data collection and analysis

Semi-structured face-to-face interviews using video conferencing were conducted based on the research questions formulated. The study was considered sensitive; hence, some potential respondents, when approached, simply ignored it or selected not to participate. Before each interview was done, a consent letter was sent to participants to sign for confidentiality and ethical reasons. The interview was done using unstructured questions, and a lot of probing was done to gain more insights based on the responses received. According to Bansal (2018), the qualitative inductive technique allows the researcher to rethink questions and, if necessary, adjust the study questions as more information is gathered. During the collection process, new insights may emerge that necessitate a different analytical approach. The order of questions and probing in each interview was adjusted based on each respondent's answers; however, the main approach was to begin with an understanding of the South African business, how it internationalised, challenges faced, how they were overcome, and if not, how the business came to the decision to de-internationalise.

To establish patterns across respondents, a systematic technique was used in data analysis. From the responses received during interviews, the researcher modified some questions in order to obtain the most useful information for the study. The replies were analysed and tabulated based on key insightful responses in order to reach a conclusion on the phenomenon. Responses were analysed for trends. As adapted from Bell (2018), to develop concepts, open coding was used to deconstruct, examine, compare, conceptualise, and categorise data, which was grouped and translated into categories. The core category was selectively coded, with the goal of systematically linking it to other categories, validating those links, and filling in categories that need more refinement and growth. These categories were then grouped into specific themes that were linked to the research questions, and a report was written to summarise the findings, as shown in Chapter 5.

4.12 Data quality assurance

The study's quality was determined by the respondents' honesty as well as a thorough examination of dependable data trends. For the accuracy of the information, consistency and verification of some of the information were considered against reliable online business reports such the African report (2022), Sanlam intelligence report (2022) and the World bank report (2021). It should be mentioned that there is a possibility of interviewer, interpreter, and response bias. To avoid this, a standard interview process was developed ahead of time for control purposes. A process-oriented approach can examine how competing logics, goals, and identities evolve and alter in relationship to one another over time. (Bansal,2018). This helps improve the quality of the data.

4.13 Ethical considerations

Ethical consideration is one of the most important parts of the research. To ensure ethical adherence, the researcher applied and adhered to the ethical policies of GIBS and related parties, as applicable. Respondents were also informed of this process and requested to follow it. Consent forms, non-disclosure forms, and all other forms required for ethical adherence were signed as required by relevant parties before the interview; hence, an ethical process was put in place that does not put the interviewer's and interviewee's dignity at risk.

Personal data will be kept secure and will not be disclosed to unauthorised persons. All raw data used will be submitted to the University of Pretoria system for safekeeping by the institution.

4.14 Study limitations

A purposive sampling method was used, which may be subject to researcher and sampling biases. The researcher made generalised assumptions when choosing participants. The researcher used LinkedIn to select participants that work for the group or head office in the company concerned, assuming that those managers are exposed to international business.

The researcher hasn't done many qualitative studies before, but he or she has interacted with the supervisor and other experienced researchers often to make up for this.

Furthermore, de-internationalisation appears to be a delicate topic, as most businesses consider it a negative (Tang et al., 2021). Most multinationals that have undergone de-internationalisation are thought to regard this as a confidential business affair, making information collection potentially problematic. To minimise the possibility of data triangulation issues, information from credible business publications such as The African Report (2022) was employed in a collaborative effort for additional understanding of the phenomenon.

Finally, de-internationalisation is a complicated formative construct that may not be explained by a single theory. It is potentially characterised differently, with some definitions, such as "disinvestment," relating simply to the partial process of de-internationalisation. The researcher derived the participants' understanding of the concept in each interview by probing how the business exited the foreign market. The meaning of de-internationalisation for this research was defined in the interview to curb this limitation.

5 Chapter Five: Results/Findings

5.1 Introduction

Twelve interviews with senior management of emerging South African firms were performed as part of the research, and the key themes and critical insights gained from those interviews are described in this chapter. This chapter begins with a brief overview of the interviewees, then moves on to a review of the data collected from interviews and general descriptions of participants, as well as the coding process, and concludes per each research question while considering underlying themes. A chapter conclusion will be given at the end. The findings presented in this chapter, and only the issues identified as significant, are then explored in greater depth in Chapter 6. In this chapter, we will discuss the main themes from this research.

5.2 Description of Participants

Participants as shown in Table 2, were selected using a purposive sampling method. A total of twelve semi-structured interviews with members of the target group were conducted to get insight into this phenomenon. Senior personnel from some of South Africa's most prestigious multinational corporations were among those interviewed. These senior personnel have worked in a variety of fields in the business group, including finance, operations, advisory, human resources, and data analytics; hence, the study gathered knowledge through their collective experiences. In the table below, you can see a breakdown of the various participants based on their role in international business. The researcher gives demographic data sets without identifiers or with less specificity in order to protect the privacy of respondents. There was no direct connection between any respondent and the researcher, posing a conflict of interest.

Table 2: Interview participants

Participant	Industry	Description	Countries withdrawn from
P1	Hospitality	Senior person in the group financial department	Namibia

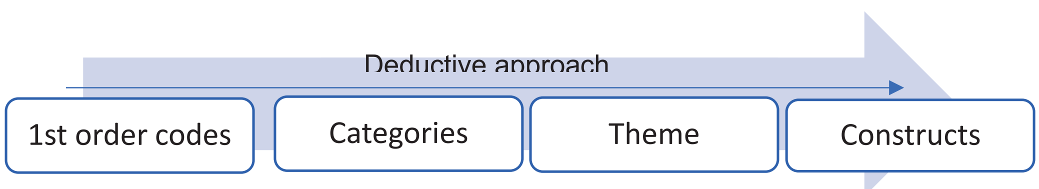
P2	Retail	Senior person in the group human resources department	Kenya; Zambia; Uganda; Madagascar
P3	Financial Services	Senior person in the channel of distribution for various business in Africa.	United Kingdom and United States unbundling; Zambia; Kenya; Nigeria
P4	Financial Services	Senior person in Investor relations of the business group	United Kingdom and United States unbundling; Zambia; Kenya; Nigeria
P5	Oil and Chemical	Senior person in technical department of the group	Gabon, Canada; Iraq; China; India
P6	Oil and Chemical	Senior person in International Strategy	Gabon, Canada; Iraq; China; India
P7	Financial Services	Senior person in Financial Strategy of the business group	United Kingdom and United States unbundling; Zambia; Kenya; Nigeria
P8	Healthcare	Senior person in Risk and strategy of the business group	Poland; India
P9	Telecommunications	Senior person financial reporting of the group digital services	Attempted Ethiopia, Left the Middle East (Yemen)
P10	Telecommunications	Senior person operations reporting of the business	Holding company sold subsidiaries in Angola, Nigeria, Zambia, Cote d'Ivoire

P11	Retail	Senior person Data governance of the business	Leaving East Africa

5.3 Coding process

Atlas.ti was used to code the data from interviews after transcription. The researcher employed this qualitative analysis programme to identify commonalities and construct codes, categories, and themes as per Figure 8. As shown in Figure 8, codes were classified and developed into themes that were linked to the research questions as outlined in Chapter 3.

Figure 8: Coding process



Source: Authors own, adapted from class slide, Bogie (2022)

5.4 Interviews and findings

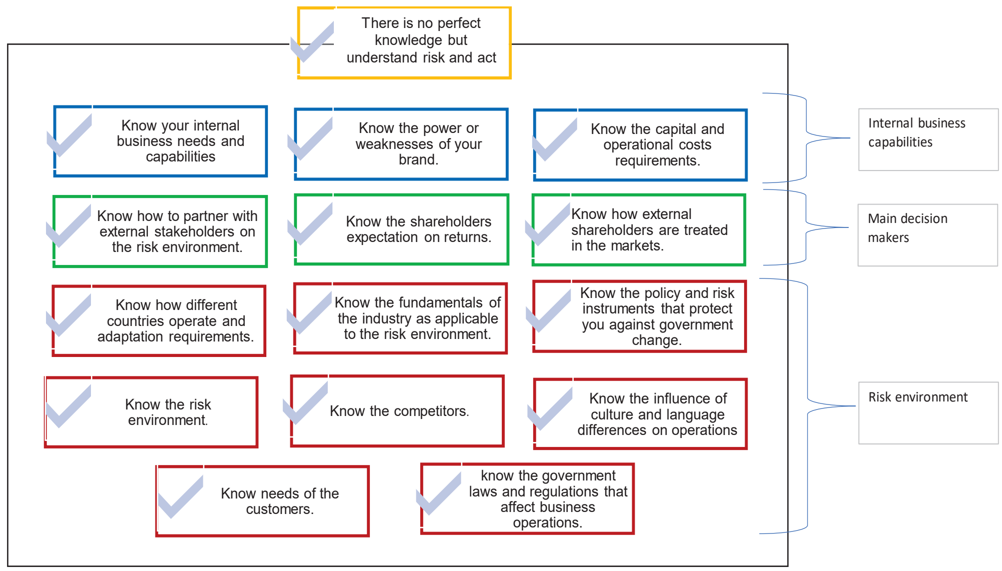
Chapter 3 research questions guide the findings presentation. The presentation begins with findings regarding the influence of inadequate essential knowledge resources and capabilities on the decision to de-internationalise foreign operations. The study then presents how market research influences the knowledge accumulation required for a risk assessment as a decision-making tool. Finally, the influence of the geographical proximity of the foreign market is analysed, as evidenced by the findings in determining the ease of accumulation of this knowledge required for decision-making. The chapter ends by highlighting the participants' views on the causes of de-internationalisation and the knowledge thereof required in making the decision. A conclusion is drawn for each research question, and at the end of the chapter, an overall conclusion is given along with a proposed conceptual framework.

5.5 Introduction to the key findings

In this study, we explored the influence of inadequate knowledge on the de-internationalisation of foreign operations. Firstly, Figure 7, shows a summary of key knowledge requirements. This research explored the internal dynamics of the firm only from the point of view of knowledge resources and capabilities. It was found that the potential to de-internationalise can be determined by the business's and its investors' inadequate understanding of the risk environment, which may inform strategies, conduct, and governance that may be harmful to the firm's internationalisation. It has been discovered that a lack of understanding of risk environment conditions and differences influences the de-internationalisation of businesses that operate within them.

Businesses can use market research and risk assessment in an attempt to understand these conditions and differences, the failure and inadequacies of which may influence the business's de-internationalisation. Shareholders and investors require proper knowledge to make decisions, and in uncertain times, they may withdraw from investments or make incorrect speculative decisions, pushing them out of the market. Certain uninformed business operations can have diverse effects on the business, especially non-compliance with the ever-changing regulations in the risk environment, as notably found in this research. Additionally, it was shown that while market research helps mitigate risk, proximity may have a small impact on how easily knowledge can be acquired and applied to the organisation. Experiential learning combined with market research does not provide perfect knowledge.

Figure 9: Key knowledge requirements



Source: Author's own compilation

The findings are presented by examining each of the research questions presented in chapter 3. The sub-questions have been addressed separately so that the influence of market research (enabling the risk assessment) and proximity on the accumulation and sharing of data can be clearly articulated. A conclusion is given for each research question at the end of its finding's presentation. Before the main conclusion of the chapter, a summary is given on what the participants articulated as the causes of de-internationalisation as influenced by inadequate knowledge thereof.

5.6 Category introduction: Knowledge and capabilities

Main research question: How does inadequate knowledge influence the de-internationalisation of the emerging market multinational firm?

In this section, the main research question is explored. The main findings are based on what knowledge is required for an international business to make a sustainable decision to stay in or exit the foreign market and how a lack of its accumulation and sharing within an international business may influence the decision to de-internationalise foreign operations.

The findings on availability of knowledge, as well as its sharing, accumulation, and/or advancement, are all covered in detail under this category. Additionally, the study analyses in this part the many forms of knowledge required for successfully running an international firm. The study then shows how the factors found could make this kind of knowledge insufficient for doing international business, even to the point of de-internationalisation.

5.6.1 Knowledge required

Various participant noted various forms of knowledge required for the sustained business internationalisation. This is shown in table 3 below:

Table 3: Knowledge required as articulated by participants

Knowledge required	*Findings as articulated by participants*
Know your internal business needs.	Participant 2 asserted that one must understand the business supply chain needs and the logistics required in international business. In addition to this, it was noted from Participant 7 that, first and foremost, one must understand their own criteria for investing in the risk environment, business needs, and internal policies around it. This view was shared similarly by participant 8, who noted that it is important to understand firstly what you are, why you are looking abroad, what you know, what assets you have, and where the business will be affected.
Know the risk environment.	Both Participant 7 and Participant 10 asserted that one must know and understand the challenges in the risk environment. Similarly, participant 5 noted that *"the*

	second thing is absolutely, you have to have a very strong feel of the environment in which you operate, and I believe they should be reviewed on a regular basis to avoid mistakes."
Know the competitors.	Participant 10 asserted that one must know who their competitors are. Similarly articulated by Participant 6 who asserts that *"So there's a lot of uncertainty as to even what it takes to win. There is also a lot of uncertainty on competitor, and political landscape, because all of it is evolving over time."*
Know needs of the customers.	Both Participant 7 and Participant 10 asserted that one must know the needs of the customers. In the same view, Participant 11 asserted that businesses have to know if the market has an appetite for their product or service.
Know the needs of internal and external shareholders	Participant 3 noted, *"know how external shareholders are treated in the markets."*
Know the influence of culture on operations.	Participant 3 said that the business has to know *"the influence of culture on operations. The kind of social license to operate. It is quite important to understand the culture of the risk environment, for example, in China, where a lot of enterprises are driven from a government shareholding perspective."* Participant 11 said that cultural problems can cost the business a lot of money, so the business should try to understand the possible cultural differences, even if it's hard to do so completely.
know the government regulations that affect business operations.	In addition to the social license mentioned by Participant 3 above, Participant 6 asserted that one must know the country risk, including such things as sovereign status to be able to uphold contractual terms, political stability, the company's ability to repatriate their money back to South Africa, the ability to access resources in that country, and any localisation requirements that might be onerous. Participant 7 articulated the same as *"the biggest one is risk*

	management; they would need to make sure that they understand, like, the regulations; it's so easy to get by the regulations in the different countries because all of them have such different requirements." "Compliance is really crucial, therefore, be aware of the regulatory environment you are entering," said participant 9.
Know the fundamentals of the industry as applicable to the risk environment.	Participant 1 and 3 articulated that it is important to understand the fundamentals of each component of the business industry as it is applicable in each country.
Know the shareholders expectation on returns.	Participant 3 asserted that *"we always had to make sure that our South African shareholders were very happy with what they were getting in return."* According to participants 3, 5, 7, and 8, shareholder decisions are crucial and are based on the knowledge available to them.
Know the capital and operational costs requirements	*According to Participant 3, "it is important to know and understand the capital required for different markets, different values for different markets, and the market dynamics that are very prevalent in some of the economic common markets."*
Know how different countries operate and adaptation requirements.	Participant 5 noted that mistakes were made due to a lack of adapting the business *"fast enough"* to be able to manage things like contractors in the risk environment. Same as articulated by Participant 6, *"We would have a view as to that service being applicable, maybe in a range of different countries in that area."* Participant 6 on this note further asserts that the business would have to compare different countries and rank them against each other to find the best-suited environment for your service. Participant 7 goes on to note that one must know the criteria for investment in that country.

Know the policy and risk instruments that protect you against government change.	Participant 6 articulated how important it is, as done in their business, to look for policy and risk instruments that protect the business against government or political leadership change. These include things like a grandfathering clause. *"You know that's governed and monitored, like, for example, in international courts."* Participant 6 articulated that although it does not necessarily mean it will work, it *"tells you something about the political world of a government that's willing to sign on to such a risky instrument versus not."*
Know how to partner with external stakeholders on the risk environment.	Participant 1 and 2 shared the same view that, to have an effective international business through partnerships, it is key to have partners that understand and are willing to carry your brand as per a contractual agreement. Because doing business in different countries is so sensitive, Participant 7 stated that it is critical to collaborate with other stakeholders in the risk environment, whether government officials or whoever you need there. In a risky environment, one must be well updated on the political influence on the operating needs and the performance of the business.
Know the power or weaknesses of your brand	Participant 3, as with Participant 4, noted how the perception of the company brand can be detrimental to the sustainability of the business. Knowing when and how to apply and differentiate the brand in the international market was especially noted as being important by Participant and 10. Participant 4 goes on to assert that the company performs a variety of services in different markets. *"The last challenge would probably be from a customer point of view. When customers look at you as a company and you call yourself by a single name, even if you're a big group, they see one company; they don't see the many different parts. So, if they deal with Part A, they get a certain experience. And then they deal with Part B, and they have a horrible experience. For them. That is the whole company that is giving them that issue. So, customers also struggle to separate the different*

	segments of the company; they just view it all as one, and they judge it as one."
There is no perfect knowledge but understand risk and act on change.	Participant 8 argued that "*there's no such thing as perfect knowledge. Obviously, you take decisions based on the knowledge that you have at a point in time. You try and mitigate your risk as fast as possible to protect that investment. But the key thing is, less that, you know, if you wait for perfect knowledge, you are never going to make any decisions. And the other key thing is being risk aware. So, when you make those decisions, understand the risks and how you might mitigate those risks, but also then, being aware of the operating environment and reacting if circumstances change*" is important.

5.6.2 Causes of de-internationalisation

Each participant had an opinion on the causes of de-internationalisation based on their knowledge of the risk environment, some of which differed but most of which were similar in terms of African global business dynamics. Although there are various elements that influence the availability of knowledge and consequently the de-internationalisation of the business, particularly in this case for emerging South African businesses, evidence from participants showed that knowledge is key in making decisions to either stay in or leave a market. Of particular interest and noted by most participants was the knowledge of the regulatory environment that may have varied effects on the business and its operations in a risky environment. Table 4 summarises the causes of de-internationalisation as articulated by participants and links these causes to the knowledge requirements in Table 3 above.

Table 4: Summary of causes of de-internationalisation per participants

Participa nt	Causes of de-internationalisation per participant	Link to knowledge required
P1	*"It had to do with the chosen operator that we had entered into an agreement within a master franchise agreement. Non-compliance with agreement"* *"you're just not close enough to the market to get there and see and feel and experience it."*	Know how to partner with external stakeholders on the risk environment. Know the risk environment
P2	*"Changing regulatory environment."* *"Challenges in expatriation of profits."*	know the government laws and regulations that can affect business operations.
P3	*"The decision was based on value not so much information."* *"Regulatory risk."*	Know the shareholders expectation on returns know the government laws and regulations that can affect business operations.
P4	*"Tough government rules and regulations. Government change."*	know the government laws and regulations that can affect business operations.
P5	*"I think the lack of information, sharing or transparency between the people we're dealing with in those specific projects and endeavours is what contributed to the business exit"*	Know the risk environment

P6	*"I think it is a mixed bag here, because each of these different exits that we did is for different reasons"* *"It was more a case of the sustainability pressures that we were facing."* *"What we saw was an asset, that was not strategic anymore. And so, we decided to sell our stake"* *"The amount of the resources was underestimated, and therefore, it was not something that was very financially viable, so we exited"* *"Arising from the social political perspective, that there were several risks in actually running operations in that country"*	Know your internal business needs and capabilities Know the risk environment Know the shareholders expectation on returns. Know the fundamentals of the industry as applicable to the risk environment. Know how different countries operate and adaptation requirements.
P7	*"I think it was more about the decision making, or the strategy like how to we are evaluating that decision to go in the countries rather than the lack of knowledge. We wanted to conquer Africa."*	Know your internal business needs and capabilities Know the shareholders expectation on returns and risk appetite Know the competitors.
P8	*"Regulatory risk and the environment that changed on us."* *"All decisions were driven by knowledge, by information, by data."*	know the government laws and regulations that can affect business operations. Know the shareholders expectation on returns and risk appetite

P9	*"To focus on Africa."* Its core market. *"Legal and regulatory risk"*	know the government laws and regulations that can affect business operations. Know the shareholders expectation on returns and risk appetite
P10	*"That was more of an operational sort of decision."*	Know the shareholders expectation on returns and risk appetite Know your internal business needs and capabilities Know the influence of culture and language differences on operations
P11	*"Regulatory risk. The cost of doing business was too high."*	know the government laws and regulations that can affect business operations. Know the capital and operational costs requirements.

According to the findings, de-internationalisation was generally caused by changes in laws and regulations in certain markets. According to findings, this can be mitigated by the ease and timing of knowledge acquisition. Some de-internationalisation decisions are influenced by a company's alignment with its strategy or the identification of better opportunities. Nevertheless, knowledge is the power that guides decisions.

5.6.3 Knowledge sharing and transfer

All participants agreed that sharing and transferring expertise is advantageous for the firm as a whole. It makes sure that everyone in the company, including partners and other stakeholders, is aware of its goals and methods. This permits prompt feedback in the working environment as well as ongoing learning and adaptability if necessary. A lack thereof can have diverse implications for international business. Four key aspects were found that could hamper knowledge sharing and transfer: communication layers, employee attitudes, transparency of information available to individuals or the company as a whole, and experiential learning.

"Communication is critical," as noted by Participant 8, who also noted that knowledge availability and transfer can be hindered by structural impediments in the global organisation. Most participants in the group agreed that having access to well-organised communication channels and resources was essential for the success of their business's international operations. Participant 5 stated from personal experience that a lot of critical information is lost in multiple tiers of communication, and that these informational gaps can occasionally result in lost business opportunities. Further to this, Participant 5 noted that, leadership style affects business strategy and communication hierarchies. In the same view, participant 6 observed situations in which information exchange was constrained by ambiguous roles and duties, as well as occasionally by restrictions imposed by several legal structures in the firm. In proving that having knowledge works for the business, we discovered how Participant 10's organisation succeeded in most of its foreign operations, which were noted to be due to internal, effective, and connected information transfer and sharing platforms*. "Anything that happens in terms of major local or global changes, whether it influences an organisation directly or indirectly, like the war, we are kept updated on and advised of the political or social influence as well as the business influence on us,"* adds Participant 10.

According to Participant 5, employee attitude affects the effectiveness of knowledge sharing and transfer within and outside the business. The willingness of an employee to share or the perception that hiding information will be to his or her benefit does not save the business as a whole*. "I think people are just focused narrowly on what needs to be done. That is what we are measured by in KPIs,"* added Participant 5. When asked about the influence of knowledge on the markets and the business exit, Participant 5 added that *"I think the lack of information sharing, contributed, because if I look at the mistakes that were made in some of these operations, where we ended up with other cost overruns or having to exit, I don't think there was information sharing."* Participant 10 had a similar view and noted that for the survival of the firm, it is crucial to regularly notify all teams of market knowledge updates. Sometimes a lack of information sharing is due to language barriers, as noted by Participant 5, who recalled one of the regions their business went into where the language barrier was so prominent that they had to get translators.

Participant 5 asserted that better judgments might be made in the global firm if all internal staff members could comprehend and take part in knowledge sharing. To alter organisational thinking, change management was noted as necessary by the participant, who noted that, usually, it is simpler to influence the internal employees than the external workforce, so if we could alter how we view information and how crucial it is to communicate it, we could improve business*. "Whether it's team members with some experience or contacts outside in empowerment areas, or whatever knowledge we need to give, I think it prevents mistakes that caused us to exit a number of very profitable businesses or possibly particularly good firms. The outcome would have been favourable,"* adds participant 5. Participant 6 similarly noted this and added that another crucial factor is how the teams use accurate information to produce insights for the business. Further to this, as noted by participant 5, one has to unquestionably secure any information that they cannot access themselves, and in order to gain access to certain kinds of information, the business must consider collaborating with several types of outside consultants for the benefit of its employees and business.

Participant 5 noted that sometimes information sharing is hampered because of a lack of trust in third parties. Similarly, as articulated by Participant 6, there were instances in their business where they had partnerships or joint ventures with different companies. *"When you are doing a piece of work in collaboration with an external partner and NDA that type of information, while it could have benefited, let us say, this international business, we ended up losing business."* Participant 8 noted that to help mitigate this, it is important to have more of your own people on the ground in operational and managerial roles in international business. According to Participant 6, because information is critical to the business, even some classified information may be made available within the business. Participant 6 said that one of the hardest things about running a business is making sure that everyone has access to information about the business and how it works.

Participant 6 acknowledged that sharing knowledge gained from business experience is beneficial because businesses do not repeat the same mistakes. *"We were able to share that information and start from a much more advanced stage."* As articulated by participant 6, who then added that business intelligence is key for the business because *"you get it right very quickly"* and *"becomes an enabler instead of something that inhibits you," This participant goes on further to assert that having dedicated resources that collate the information is important and that it's a case of having proper intelligence that you can use, and that actually informs the decision."*

Similarly, participants 2 and 3 shared that knowledge transfer from a risky environment fuels experiential learning. From experience, Participant 3 articulated how the business would send South African team members into the international market to experience and gather information. As the team participated in the international market, there was an exchange of information about the risk environment with locals. From here, the knowledge gained is then reported back to South Africa and other established markets or divisions in various regions for continued business learning. Also, Participant 3 said that what worked was sending different teams into established markets, where they learned what worked, and then sending them back to the new markets to use what worked.

Similarly, from experience with broad knowledge sharing platforms, Participant 8 shared that a knowledge sharing strategy that works follows an experiential exposure model. According to participant 8, *"when we move into new markets, I do not think the information is widely disseminated throughout the organisation, and there are probably a bunch of key people involved in the business case, however, once we are running the business internationally, we try to be as close to ensuring that people are aware of the span and scope of the border group as possible."* When asked about the influence of this platform on international business strategy, Participant 8 asserted that it does not inhibit the development of the business strategy in any way because, from experience, there are no constraints in assessing markets, understanding business cases, and driving transactions from a knowledge perspective. Participant 6 also articulated from experience that experiential knowledge reduces future mistakes, and similarly, participant 7 asserted that there is a lot of value derived from captured institutional knowledge.

5.6.4 Localisation strategies and relationships

As mentioned above, experiential knowledge is valuable for the business; however, all participants asserted that it is particularly important for the business to ensure they understand their risk environment and conduct their business methodically. Most of the participants articulated how a well-articulated localisation strategy could benefit the business, whether from understanding the business, adaptability, or making decisions on business continuation. First of all, getting into a new market can be a daunting experience, especially for a business that is not cognisant of the local cultural expectations and challenges, as asserted by participant 3. According to participant 11, there are a variety of issues in other countries that are related to cultural differences and the general way things are done. You will be unaware of these issues unless the locals inform you of them. According to Participant 11, the importance of the locals is crucial because they are aware of the deeper needs and desires of the community and therefore can assist in ensuring that the product being offered by the company is appropriate for the market. Participant 11 added that people can be very devoted to local brands, so it is crucial to customise your brands to add a local flavour.

Participant 4 made a point about how having a team in the local market helped their worldwide business. Participant 4 stated that it enabled the firm to learn more about the marketplaces, essentially the route they are trying to take, and simply the approaching trends and topics. As a result, the group was less dependent, to some extent, on routine travel or some delayed sort of reporting from some of these institutions to be able to have a sense of what was occurring in that business. This enabled the business to be much more detailed. Therefore, it is really advantageous to have teams essentially seated in multiple locations, sharing knowledge of the environment's dynamics and operations with teams back home.

Similarly, Participant 5 noted that being integrated with the local environment and its people is key to the success of the international business; however, he added that businesses have to bring as many locals as possible into the operations of the business in order to succeed in the foreign market because, from experience, locals are *"much more willing to share more information with locals*," but some multinationals have failed because they do not operate like that. Participant 5 further noted that, sadly, some global businesses believe that sometimes businesses are blinded by the fact that a certain individual is a high performer and, hence, will drive business strategy successfully even in a foreign market. *"Sometimes, it works, but sometimes, too, a lack of correct information could actually end up as a barrier,"* added Participant 5.

Participant 4 also similarly made a point on how having a team in the local market enabled their firm to learn more about the foreign marketplaces, essentially in the route they were trying to take and simply in the approach to prevailing trends and topics. Participant 4 said, similarly to Participant 11, that this allowed the business to be much closer to the details and that it was really helpful to have teams basically sitting in different places and sharing information about how the environment works and how it collaborates with teams back home.

Participant 7 asserted that partnering with locals breaks cultural barriers; however, both Participant 5 and 7 alluded that some businesses fail because they do not have the right local partnerships. Similarly, Participant 11 echoed that it is really important to have the necessary relationships in the foreign market. Participant 3 added that it is best *to "find strategic partners for unfamiliar markets."*

This view was also shared by Participant 8, who noted that a business can use global consultants to identify market opportunities in the foreign market. In saying this, Participant 8 added that local expertise was especially important for their business due to the need to understand customer needs and the right mode of entry. *"From experience, what worked for the business in all acquisitions in the foreign market was to bring in local management,"* adds Participant 8. This strategy enabled the acquisition and continuous development of knowledge of the risk environment. However, although this worked, Participant 8 further noted that there was a bit of a lack in the integration of overall businesses, hence they *"operated autonomously, which posed a risk in terms of information sharing in various regions."* Participant 7, on the other hand, stated that, while a localisation strategy is important, a business should also have a strategy team, even if they are from South Africa, that monitors, supports, and looks after the business in the foreign market.

Participant 8 and Participant 4 see the benefit of having a localised global consultant. Participant 8 articulated how this benefited the business and shared that, as a business, they had relationships *with "research companies that have a presence in these various areas." So, it does not necessarily mean that you, as a company, need to have that presence, but you do need to have relationships with companies that have a presence and can provide you with this service."* Participant 5 adds, similarly, that *"depending on the relationships that the company is looking to establish or has established prior to entry, they also play a role in how you are received by the regulator."* In saying this, Participant 5 articulated that the *"relationship with the regulator, understanding what you are looking to achieve, and what you are looking to bring basically to the country"* should also be considered. Participant 6 asserted that having relationships in the foreign market enables the business to settle in quickly. However, participant 5 noted that a business should clearly articulate the benefits and risks of any business relationship it has and use it wisely.

Despite the above, participant 9 presented a fascinating localisation fact. The participant noted that, although the organisation must implement a localisation strategy, there must be a limit, and the company must remember that it is present for a specific reason. There is a distinct perspective on the products and services present and offered. According to Partipant 9, a company cannot be fully immersed in the local politics and cultural annoyances of a foreign market solely for the purpose of data gathering and sharing. According to participant 9, culture is a way of doing things that reveals who we are and how we conduct ourselves. Participant 3, expressing the same concern, articulated that a day will come when a challenging choice must be made to stay or leave the foreign market. Even if the market appears profitable, the business sometimes needs to make a tough decision to exit. Participant 5 asserts that this is an essential business decision sometimes.

In the findings, it was ascertained that although localisation strategies and institutional knowledge benefited the organisation, the movement of skilled resources also hampered the learning process of the business, whether it be from the South African team's perspective or the locals of foreign markets. People learn, but they also leave, especially in international business, where repatriates are common, leaving new knowledge voids for the company; thus, institutional knowledge should be captured. This was raised by participant 3. Participant 5 agreed on this from a cost of learning perspective for the business and articulated a time in their business when they had to bring training to some countries they entered for efficiency of the business operations; however, a high amount of skills movement in the business disadvantaged the business from a cost and operational perspective. Participant 7 similarly shared that*, "In some of the African countries, there is a lack of skills; it is difficult to find the necessary skills and resources, or even when you do, there is a high staff turnover."* So, what then happens is that even with that institutional knowledge that I mentioned, it is a constant struggle because once a person has been there and understands the structure, let us say they have been there for a year, and then they leave, you have to start from the beginning again. As a result, we rely heavily on service providers

According to the African report (2022), some South African emerging firms have used a quick and short-term strategy by simply replicating their home country's business strategy in other African countries because it worked for them in their home market. This has been disastrous to these businesses, hence de-internationalisation. A lack of knowledge of how the risk environment operates is linked to this. The liability of foreignness in the international market can potentially be eliminated by drawing from the local talent pool in the target market, as noted in the African report (2022).

5.6.5 Size and age of business

The size and age of the business matter. As articulated by Participant 10 from experience, having a huge footprint in the global market makes it easier to gain valuable knowledge of the market for the business. However, Participant 8 noted there is no perfect knowledge even with full market research. Similarly, both Participant 8 and Participant 11 noted that there are market dynamics that accelerate uncertainty in international business and that it is important for the business to be well informed at all times.

A lack of strategic vision (often attributable to management) is one of the challenges South African firms that have tried and failed to "go global" have met, according to the Sanlam intelligence report (2022). Other challenges include complex and highly competitive markets, low customer base, commoditized products and limited to no scale benefits. The analysis per the Sanlam intelligence report (2022) highlights the lack of size (market share), weaker brands, and complex and fragmented markets as the most striking similarities amongst the bulk of the firms analysed.

5.6.6 Shareholder value

Participant 3, 5, 7, and 8 alluded to the fact that shareholder decisions are key and that these decisions are informed by the information available to them. According to Participant 7, *"shareholders want not only value creation, but they want you to focus in order to be able to show them that you have a vision to show them that, okay, I am creating value now and I will be able to deliver value in the future. "And this is how I am going to be able to do it."* Misinformation may result in decisions that are detrimental to the business. Participant 3 noted that it is important to know who the shareholders are before a business can invest. Participant 3 further added that it is also important to know how shareholders are treated in various jurisdictions and the viability of south African shareholders conglomerating with foreign market shareholders, especially as an example in a joint venture scenario.

Participant 3 stated that there have been markets where they have struggled as a business, not because of operations but because of managing the ownership component of the shareholding agreement. Further to this, Participant 8 articulated that the shareholder relationship and influence on business should go both ways. *"It's just as important to get international shareholders to understand the types of drivers that affect South African businesses as it is to get South African shareholders' perspectives on the key performance drivers that affect international businesses,"* added participant 8.

Most participants alluded to the fact that business decisions are also influenced by the knowledge of the shareholders or investors on what they will get out of the business or their likely return. However, the risk appetite of various investors or shareholders may determine decisions in business operations, some of which can be detrimental to the survival of the business. Knowledge informs decisions. Incorrect knowledge can lead to incorrect decisions, which can lead to the business's de-internationalisation.

5.6.7 Category Conclusion

Per the findings in this category, the risk environment and business needs must be understood before investing. As a business, know who you are, why you're searching abroad, what you know, what capabilities and resources you have, and how your firm will be affected. Know how external shareholders are treated in the foreign markets and the impact of culture on operations. Businesses must comprehend each country's business basics and be conscious of the regulatory environment they're entering. It is beneficial to have localisation strategies, however, to be successful with foreign relationships, you need partners who understand and will carry your brand. The importance of applying and differentiating the brand on the foreign market was determined. In a risky environment, it's important to know how politics affect business operations and performance. Being risk-conscious and aware of the operating environment is important.

Certain uninformed business operations can have diverse effects on the business, especially non-compliance with ever-changing regulations. Having access to well-organised communication channels and resources is essential for the success of a business's international operations. A lot of critical information is lost in multiple tiers of communication, and these informational gaps can occasionally result in lost business opportunities.

In proving that having knowledge works for business, we discovered how an organisation succeeded in most of its foreign operations, which were noted to be due to effective information transfer and sharing platforms. Employee attitude is a crucial factor in the effectiveness of knowledge sharing and transfer within and outside the business. The willingness of an employee to share or the perception that hiding information will be to their benefit does not save the business as a whole. Sometimes a lack of information sharing is due to language barriers, as noted by one participant. Businesses need to ensure that all stakeholders have access to information about their business and how it works.

One of the hardest things about running an international business is making sure everyone has access to all the necessary information. Having dedicated resources that collate the information was found to be important, and it's a case of having proper intelligence that you can use, that actually informs the decision. Exposure is key for a business to ensure they understand their risk environment and conduct their business methodically. A well-articulated localisation strategy could benefit the business, whether from understanding the business, adaptability, or making decisions on business continuation. The importance of the locals is crucial because they are aware of the deeper needs and desires of the community and therefore can assist in ensuring that the product being offered by the company is appropriate for the market.

The study found that some businesses fail because they do not have the right local partnerships. Having a team in the local market enabled their firm to learn more about the foreign marketplaces. A well-articulated localisation strategy could benefit the business from understanding the business, improving adaptability, or making decisions on business continuation. Being integrated with the local environment and its people is key to the success of international business. It was also found to be advantageous to have teams essentially seated in multiple locations, sharing knowledge of the environment's dynamics and operations with teams back home. The findings show that some businesses fail because they do not have the right local partnerships in foreign markets. Local expertise is especially important due to the need to understand customer needs and the right mode of entry and operation, the failure of which could influence decisions to exit the market.

The findings show that, a business should also have a strategy team, even if they are from South Africa, that monitors, supports, and looks after the business in the foreign market. It was found that having the right relationships in the foreign market enabled the business to settle in quickly and operate better. From the findings, it was also noted that a business should clearly articulate the benefits and risks of any business relationship it has and use it wisely. Further to this finding, a company cannot be fully immersed in the local politics and cultural annoyances of a foreign market solely for the purpose of data gathering and sharing.

Capturing experiential knowledge, whether through localisation strategies or by having teams in the foreign market, was found to be important, especially because people learn, but they also leave, especially in international business, where repatriates are common, leaving new knowledge voids for the company. A high amount of skill movement in the business disadvantaged the business from a cost and operational perspective.

Having a huge footprint in the global market was found to make it easier to gain valuable knowledge of the market for the business. Misinformation, however, may result in decisions that are detrimental to the business.

Most participants alluded to the fact that business decisions are also influenced by the knowledge of the shareholders or investors. The potential to de-internationalise can be determined by the business's and its investors' inadequate understanding of the risk environment, which may inform strategies, conduct, and governance that may be harmful to the firm's internationalisation. It is equally important to educate international shareholders on the types of drivers that impact South African businesses as it is to educate South African shareholders on key performance drivers for international businesses. Shareholders and investors require proper knowledge to make decisions, and in uncertain times, they may withdraw from investments or make incorrect speculative decisions.

Knowing your competitors, economic and political risks, laws and regulations that impact the business, the needs of customers, and cultural differences are found to be essential for successfully operating an international firm. Though there is no such thing as perfect knowledge, failure to obtain essential knowledge of the foreign market could influence the risk of de-internationalising the business.

5.7 Research question 2: Market research and risk assessment

5.7.1 Category introduction

Sub-research question1: How does market research aiding a risk assessment of the foreign market influence the accumulation of knowledge?

In this part of the research, the study explored the significance of learning about the risk environment through market research and risk assessment as well as the potential implications that a lack of risk assessment could have as a barrier, which could ultimately lead to the risk of de-internationalising the business. Findings on the usefulness of risk assessments aided by market research as a source of information for guiding organisations toward optimal business choices are analysed in this category of the study as a potential mitigator of business de-internationalisation. In the previous section (5.6), various market dynamics such as cultural differences, political and economic changes, unstable laws and regulations, customer needs, and competition were observed to influence the decision to de-internationalise. In this section, we analyse the findings on these aspects more comprehensively and discuss how market research can aid in the knowledge of these aspects and, consequently, how a lack of market research can be detrimental to the business due to uninformed decisions that may lead to deinternationalisation.

5.7.2 Market research and risk assessment

All participants agreed that doing a risk assessment prior to the firm going global and also in operation is necessary to learn crucial information about the risk environment. According to participants, the knowledge gained from this assessment provides information about the risks in the foreign market, the viability of countries to enter, market dynamics, as well as the capital and operational requirements of the global business. *"One can never get 100% information; however, if a concerted effort is made on this risk assessment and done correctly, you should be able to get enough information to end up with a residual risk or at least a manageable risk that reduces market exits,"* said participant 5.

According to participant 7, when making decisions at a large corporation, there is essentially a checklist that must be followed, including legal, risk management, and strategy. And the most significant one that must be addressed as part of risk management is knowledge. This assessment should address questions such as *"Do we possess the information necessary to comprehend and operate within this environment? After entering the market, the business will have to make a great deal of decisions, and knowledge is required to make judgments that will not put the firm at risk,"* as asserted by participant 5. "*This is a method of risk management."* Participants 9, 10, and 11 echoed this sentiment, stating that a company must always engage in market research or undertake due diligence on the business and its environment before entering the market and also during international operations to keep abreast of environmental changes and reduce the risk of uncertainty that may result in de-internationalisation of the business.

Participant 1 also noted the importance of market research in that it assists the business in articulating the opportunities available in the global market and how the business can potentially take advantage of these. Similar points were made by participant 2, who also added that this was especially important when going to markets that were unfamiliar to the business or not so well established. Participant 2 articulated from experience how a lack of this research was detrimental to the business. *"If we had known certain things, we would have changed our minds about going to some countries in Africa, but we probably did not have the means to access that information at the start,"* Participant 2 added. Participant 9 agreed, adding that even if a company has experience and has done it before, it still needs to conduct deeper market research and risk assessments for every business venture, whether similar or different.

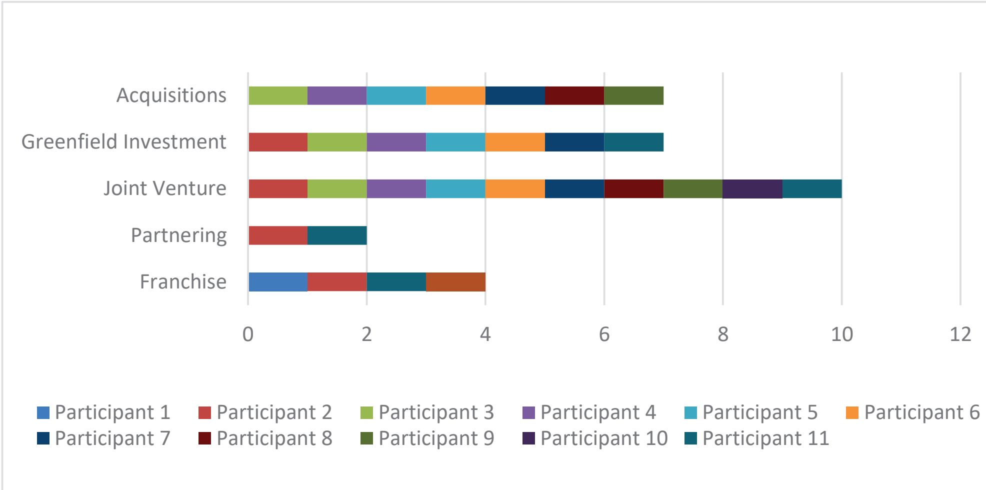
The need for detailed and knowledgeable market research was brought up as well by participant 5, who continued by saying that desktop business research conducted from a South African location could not necessarily be indicative of the scenario in the risk environment. This brought up the need for developing strategic alliances in the risk environment, and this was also raised by Participants 6, 7, and 8. The assertion made by participant 5 was that risk assessment is only as good as the person conducting it, their ethnicity, and their exposure. Participant 5 also added that it is crucial for the company to be aware of who is conducting the study in order to assure objectivity.

This was alluded to in the interview with participant 6, who stated that, as a business, you must be candid about where you get your information. So, there are various sources of information, such as primary, secondary, and tertiary information. The business Because, you know, there is a common misconception that if I hire a full-time employee to do that type of work, we should not be paying anything or having any other money flow. This person is responsible for securing everything, but over-reliance on one source of information can be detrimental to the business. Additionally, as stated by participant 6, it was discovered that "*the information you require must be obtained with the idea that it must not be definite because there is so much more uncertainty. It is crucial to construct scenarios to produce a variety of information and extremely specific sets of information in order to lower the degrees of uncertainty.* "

5.7.3 Mode of entry

Due to de-internationalisation being a consequence of failed Internationalisation, it was important for this study to briefly explore entry modes used by the businesses to have an all-rounded analysis on how and when business employed market research in their international business operations. All of the participants were asked about the mode of entry used by the associated organisations it was found that most of them used a mixed approach depending on business intentions and market adaptability and prevailing laws. Figure 10 below shows a summary for entry modes adopted by the businesses as articulated by the participants.

Figure 10: Mode of entry as shared by Participants



Source: Own compilation.

From the above Figure 10, it is evident that most of the companies use various modes of entry. Most participants shared that their organisations were able to derive the appropriate mode of entry based on the results of the risk assessments done. Most participants also shared that what a company plans to do can be deduced from its business strategy, and when combined with findings from proper market research, this can help determine how the company can successfully enter, operate, and survive in a foreign market. According to Participant 2, their business has not applied the same mode of entry across all markets but has been linked based on knowledge of the target market laws and anticipated market dynamics. *"Knowing who to partner with is important,"* as alluded to by Participant 1, who stated that most of their international business is through partnerships. Participant 6 shared that "the mode of entry will depend on each country, the need, the country's profile, etc. *"What we would normally do is have a very distinctive country entry strategy that will be based on a few different things, starting with, what is it that we are trying to do in the country? Are we just trying to test the market? Are we trying to actually exploit resources? So, it will be determined by the type of business you wish to conduct in that country. All this is informed by market research."*

The issue of timing became important following the mode of entry discussion. Participant 3 stated that the timing of entry into the market as well as the method used were extremely important because they might be influenced by an identified market opportunity or by knowledge of the market dynamics that provide for an environment that is favourable to conducting business. Participant 5 echoed this sentiment, saying that timing is of the utmost importance for international business because misalignment between timing and what the business wants to achieve could have detrimental effects on the business. This participant continued detailing how they made a calculation error in reference to a business opportunity that was lost. The company was forced to make the difficult decision to leave the market as a result of shifting market dynamics and possibly insufficient research. The company had entered the market too late and as a result struggled to operate economically at an acceptable rate, stated participant 5. This caused the company to make the decision to leave the market. It is also essential to know when it is appropriate to leave a market. This was shared by participant 3, who also noted that it is important to know when to transfer to another market, even though doing so can seem like abandoning a good business venture.

According to most participant, different modes of entrance correspond to a variety of types of operations intended by the business and misalignment of this could have diverse implications for the business. Noteworthy influence is played by the localisation strategy. According to Participant 4, a localisation plan can facilitate the simplicity of obtaining information in a risk environment for example in the case of a joint venture; however, Participant 2 stated that it is the adaptability capability of the business that contribute to its success or failure in a risk environment. As described by Participant 3, an acquisition presents its own issues such as adaptability of the brand, products and services. Participants 3 and 10 concur that certain countries' withdrawal decisions were influenced by political dynamics that harmed their corporate operations.

5.7.4 Business operations and market development

Participant 2 shared that optimal business operations are informed by research knowledge, which could push for de-internationalisation of the business if it is ineffective. In noting the complex activities of a supply chain in the retail industry, Participant 2 asserted *that "if you don't have just distribution centres and a logistics network that can get fresh products to where you need them across vast countries very quickly, if you haven't done all of that research on the knowledge that you need before you go in, I think it's very difficult."* However, further to this, Participant 2 noted that although market research provides a fallback, market dynamics, culture, and political forces can also hinder business operations, and there are some things that one cannot foresee even with market research or risk assessment.

Participant 8 noted the importance of assessing if the environment will provide for profitable and scalable operations that align with the business strategy. As a large company, Participant 8 noted that it does not make sense for the company to operate in a stagnant market because it does not provide the expected returns to shareholders; therefore, it is also important to review the market for growth potential before entering. According to findings from Participants 1 and 8, contractual agreements and compliance with such agreements are critical components in driving business operations that are in line with business strategy. Some of their businesses have entered into partnerships with other companies or sold operating licences to third parties. The contracts requiring the third party to uphold the global strategy and operational excellence of the firm stipulate that the third party must do so. Participant 1 remarked that noncompliance with this can be devastating to the image of the firm, which is why it is essential to know who you are giving your operating licence to and how they manage it.

According to Participant 8, some markets in Africa are so underdeveloped that doing business is extremely challenging. Participant 2 similarly points this out and adds that when supply chain logistics become more difficult and challenging, the ability of businesses to operate successfully is hampered. It demonstrates the importance of operationally understanding the challenges and potential uncertainty posed by a risk environment.

5.7.5 Capital requirements and operational costs requirements

Participant 3 articulated that because of global market dynamics, the requirements for capital and raising the capital can be exceedingly difficult, especially for a business that has various lines of operation in various regions. Participant 3 adds on these, saying that this was especially difficult because of *"different values that need to be built per different businesses hence, it is important to know and understand the capital required for different markets, different values for different markets, and the market dynamics that* *are very prevalent in some of the economic common markets."* Although their business was well entrenched in the SADC region, Participant 3 noted that it was different for the east and west parts of the African continent, which was a struggle due to prevalent market dynamics. Participant 3 said *"the dynamics of the global economy are actually not as simple as we perceive them to be."* With all this, it became prevalent that it is important to understand which businesses grow in which environments and invest carefully.

Although there are risks and costs to doing business in a specific market, Participant 7 emphasises the importance of proper market research in making a sustainable business decision that does not waste the capital invested. This was expressed similarly by participant 5, who stated that insufficient research can be costly to the business and result in lost investor money.

Participant 2, in responding, linked capital requirements to the economic and social atmosphere of the business and asserted that "I think what often changes is the political and economic context*." As a result, when you are a supply chain-dependent organisation like us, you have a unique perspective. If you cannot have a controlling interest in the organisation, yes, in the country, it is expensive. And the footprint is very capital intensive to establish, and then you have truly little control over what happens with that footprint afterwards and whether your investment is protected. "* Knowledge of protective laws in the risk environment plays a significant part in this circumstance, and businesses run a significant risk of seeing their investments go to waste if the environment shifts in any significant way.

Both participant 8 and participant 10 stressed the significance of the costs of the business and the corresponding returns. According to these participants, every business venture into the foreign market was evaluated based on the return on capital, which led to a decision as to whether or not an entry into business or the continuance of business was sustainable. Hence, it becomes apparent how important it is to know the capital requirements of a venture and assess whether it is viable and if business can bear the cost.

5.7.6 Competition

According to participants 3 and 9, there is no such thing as an isolated business, especially in today's global economy. If your company can identify a potential opportunity, there is a good chance that another company can do the same. It is important to understand who your competitors are and your business's dynamic capabilities to overcome the present competition.

Participant 4 claimed that, despite the fact that a large company is likely to have advanced research and development resources, prior to entering the foreign market, the corporation would have conducted some research in order to determine whether or not it was possible to have the presence that they wanted to have on the ground, taking into consideration the competition in the market and whether or not the legislation permitted for that. This would have occurred before the firm entered the foreign market. *"The firm has to decide whether or not the market's competitive climate is still fundamentally open for another business to come in and assume space there. Due diligence should be performed either before or after the position in which the executives of the global business would have to evaluate whether or not it is feasible to operate in the foreign market based on the facts that would have come from the due diligence,"* added participant 4.

In an attempt to survive the foreign market, Participant 7 warned against compartmentalising the dynamics of the competitive landscape. Participant 7 described a scenario in which his or her company made the decision to enter a new market due to the fact that it was new and did not have any competitors. However, once the company was operating in the unfamiliar environment, it discovered that there were other factors that still hindered their ability to conduct business, which resulted in the de-internationalisation of the business; hence, sometimes the absence of competitors does not necessarily render the market viable.

5.7.7 Culture, similarities, differences, and adaptability

Participant 1 articulated that knowledge of the culture of the intended foreign market is paramount, and the firm has to be noticeably clear on their intentions in the risk environment and how they will match it with their business strategy. Participant 1 further asserted that we need this knowledge because the business *"needs to marry and pair with the locals, local customers, local laws, local cultures, the way people operate, the way people engage, the way people do things, and the types of products or services they like, depending on what you are offering. I think knowing the environment of a country does increase the probability of success. I do not think it is the only thing that drives success, but it is an element of a bunch of other needs when it comes to understanding the risk of the environment."*

Even though no one can ever be completely prepared for doing business internationally, Participant 3 made the point that market research and information exchange are primarily used to ensure that operations are streamlined, which aids in growth goals and the ability to operate in a variety of cultural contexts. When describing how their company has avoided entering markets with distinct cultural and linguistic differences, Participant 3 further articulated that cultural nuances can become so critical, necessitating a business shift. This participant went on to explain how cultural barriers can quickly become a social licence to operate, which can be costly for a business. Arguably, Participants 2 and 4 stated that a business that fully integrates with the local culture is more likely to succeed; however, Participant 4 also stated that there is some discomfort in dealing with certain people from a specific region due to cultural differences. Participant 8 stated that it is sometimes more important to build a business culture than it is to overcome cultural imbalances, whereas Participant 3 stated that some cultural differences cannot be remedied, and the business may be forced to leave.

Cultural issues can be associated with brand perception, according to participant 1, who also stated that while their brand was perceived positively in South Africa, where it was successful, in other countries, the brand was unknown and underperformed, and they were forced to exit. According to Participant 1, *"you need to bolt on a number of other processes and management styles and various things to make a business successful in a country where your brand, products, or services are unknown."* Similarly, Participant 4 stated that when a company goes global, the brand must be differentiated and match the culture of the target market. However, participant 2 believes it is how you introduce your brand to the market. In their business, [P2 Organisation] has used localisation strategies where the team was led by locals to curb these cultural nuisances and get their brand well placed in the market, so cultural and language barriers have not been a major limiting factor in their business.

Sometimes there are issues that market research might miss, such as cultural nuisances. Participant 11 articulated from personal experience that their company conducted research prior to entering international markets, but a major cultural stumbling block arose once they were there. The manner in which business was conducted in foreign countries became a major issue and a significant cost to the company. This was something that our market research did not reveal.

One of the difficulties, as alluded to by most of the participants, was trying to apply a one-size-fits-all approach to globalisation strategies. Every aspect of international business seems to be interlinked, and as stated under localisation techniques and cultural dynamics, while certain markets may be comparable, in general, markets are distinct, making it impossible to use a one-size-fits-all approach. Participant 7 asserted that there can never be a one-size-fits-all strategy, product, or service. This participant described how their business has thrived due to product and service differentiation. According to participant 7, *"using the services of an underwriter, different services were almost successfully tailored for each market."* Participant 11 shared the same view from an African perspective: that as much as Africa is one continent, African countries are different and trade differently. The *"cookie cutter"* approach, which is the same approach for everything, does not work as articulated by participant 11.

In the same view as participant 2, participant 3 asserted that sometimes South African emerging firms that have been running successful businesses for many years, tend to believe that it is a solid foundation for entering another nation with a model that worked in South Africa. Participant 2 said that *"If you do not carefully understand whether those processes can be replicated in the country, whether there are diverse ways of doing it, and whether the locals know you and if that is their way of life, then you have got to* *educate your consumer at a cost, and then you have got to make sure that the economic environment can help you deliver that."*

Participant 5 also shared the same views, however, and added that the potential replication could be the result of the wrong person doing the research because they lack objectivity. In addition to this, it was found, as shared by participant 6, that in employing and conducting effective market research, a business has to understand that no other country is going to look like South Africa, and there are a lot of distinctive characteristics that should generally be considered in risk assessment to give you an indication of where you might need to pay more attention than the others. Participant 7 asserted that the strategy should replicate the risk environment. This shows the importance of knowing the cultural differences in the foreign market and how adaptable the business is to these nuisances, or else risk leaving the market.

5.7.8 Economy, law, and politics

Various market economic and political dynamics can make or break a business, as articulated by participant 4. *"I would say that in most of the operations that we run as a business; they are tied to the economic performance of the country."* Participant 4 adds that before entering a foreign country, it is critical to consider how well the economy is doing there. In order for a company to be successful when it relies heavily and directly on the ability of consumers' purchasing power, the economy needs to be stable enough for consumers to be able to put food on the table while also recognising the value of the financial services products that the company offers.

Participant 10 similarly noted this and also linked it to the cost implications and the inability to predict economic changes. Participant 10 explains that businesses must be aware of the overall global economic scenario, for example what is happening in Ukraine, where the war affects everyone in terms of the price of fuel and delivery, and this has an impact on their telco business when we are acquiring components and the price of their products. It just has a higher cost there; hence, the cost of doing business increases. The price of travelling for business has increased. After then, running a business practically has a snowball effect, and either the client pays for it or the business as a whole run below expectations.

Participants did not say much about the economic landscape in comparison to the political and regulatory landscape, which was heavily discussed, particularly governance issues such as corruption in some African countries. The majority of the challenges and exits mentioned by participants were related to the regulatory environments of various African countries, which, although some businesses have succeeded, appear to make Africa an exceedingly difficult environment for conducting foreign business operations. Participant 4,7 and 11 similarly noted that there may be countries with fast-growing economies that their business needs in order to get started, but the current government may not care about this because it may have a bias against foreign businesses going into certain areas or corruption makes it difficult to conduct a profitable business.

Participant 5 similarly alluded to this as per their account of how they left an Asian country instead that had lucrative economic opportunities but whose political environment was not conducive. According to Participant 5, this issue was so widespread in their international business that it drove them out of business in a number of different African and Asian locations. Participant 11 mentioned how their company had trouble succeeding in East Africa as a result of the political dynamics that made it so difficult and expensive to do business there. Participants 6 and 9 articulated that, in Africa, a business sort of has to manage a geopolitical landscape more than anything else. Participant 10 also had the same views and shared that *"it is very tricky when it comes to regulations. Governments are obviously constantly changing requirements, both in terms of how you play the market and in terms of taxation requirements."* Participant 10 asserted, however, that a strong brand may be resilient to some of these market dynamics as experienced by their organisation.

From a political point of view, the United Kingdom and United States are seemingly quite sovereign, as noted by participant 3, but varied rules apply to different states, hence research is required on the applicability of various legal systems in each state. Participant 3 noted from experience that the liability of Africanism played a role in these markets, making it difficult to conduct business in these environments.

Participant 9 noted that it is paramount to ensure the right engagement at the right levels for each market. This viewpoint was shared by participant 2, but participant 2 added that while there are political and economic annoyances in the global environment that can have a negative impact on business, the risk is reduced when local leadership is involved. It does not completely shield you, but it does give you access to information that can be used to mitigate the risk.

Legal issues were raised, but they were mostly related to political stances taken by various governments, resulting in regulatory issues that have a negative impact on the business, as mentioned above. Furthermore, participants 1 and 9 expressed concerns about international business compliance issues. Referring to business partnerships and licences, Partipant 1 articulated the need to know who you are partnering with and if they understand the agreement in place. This participant further articulated how non-compliance from a partner perspective was risky for their brand, and they had to cancel the contract and exit the market. Participant 9 noted importance of knowing compliance requirements from their internal business perspective, noting that their business being highly regulated requires them to be incredibly careful not to miss any compliance requirements, otherwise it would cost them large sums in penalties that may be detrimental to the survival of the business in the international market.

Participant 2 also added that there are no other trustworthy information sources that can cut through the red tape and assist individuals in gaining access to information service providers, partners, resources, and money in a user-friendly manner while still being accountable and responsible to the local nations. The global business leadership needs to consider creating trade commissions that can broaden the information available and improve the common trading environment. It is beneficial to have laws and regulations that are followed by many different nations and allow for a fair global business playground.

The findings in this section show that it is paramount to know the market dynamics and at least how to be better prepared for uncertainties that come with potential economic, legal, and political shifts in the risk environment. Market research can help with these aspects, albeit not completely, but it can help to mitigate some risk.

5.7.9 Category Conclusion

A risk assessment prior to entering a foreign market or conducting international operations is necessary to learn crucial information about the risk environment, according to participants. According to some participants, this assessment should address questions such *as "Do we possess the information necessary to comprehend and operate within this environment?"* The need for detailed and knowledgeable market research was also brought up by participants. This was especially important when going to markets that were unfamiliar to the business or not so well established.

Risk assessment is only as good as the person conducting it, their ethnicity, and their exposure. The participants of this study were asked about the mode of entry they used for their international business operations. It was found that most organisations use a mixed approach depending on their business intentions, market adaptability, and prevailing laws. Most participants also shared that what a company plans to do can be deduced from its business strategy, and when combined with findings from proper market research, this can help determine how the company can succeed in foreign markets. The mode of entry into a new market and the method used to do so are extremely important for international business.

Misalignment between timing and what the business wants to achieve could have detrimental effects on the business. It is also essential to know when it is appropriate to leave a market, even though it may seem like abandoning a good business venture. It was found that some markets in Africa are so underdeveloped that doing business is extremely challenging. It is important to know and understand the capital required for different markets, the different values for different businesses, and the market dynamics that are very prevalent in some of the common economic markets.

The importance of proper market research in making a sustainable business decision that does not waste the capital invested has also been stressed. Businesses run a significant risk of seeing their investments go to waste if the environment shifts in any significant way. Every business venture into the foreign market was evaluated based on the return on capital, which led to a decision as to whether or not an entry into business or the continuance of business was sustainable. According to most participants, knowledge of the intended foreign market is paramount for a business to succeed in an international market. Market research and information exchange are primarily used to ensure that operations are streamlined, which aids in growth goals and the ability to operate in a variety of cultural contexts. This reduces the risk of de-internationalisation of the business.

Cultural nuances can become so critical that they necessitate a business shift. Cultural issues can be associated with brand perception, according to participants. Some companies may be forced to leave a market if their brand is unknown, and they underperform. There can never be a one-size-fits-all strategy, product, or service for globalisation. Every aspect of international business seems to be interlinked.

Another participant described the one-size-fits-all strategy as a "cookie cutter" approach that does not work for all markets. Different market economic and political dynamics can make or break a business, and businesses can be linked to the country's economic performance. The majority of the challenges and exits mentioned by participants were related to the regulatory environments of various African countries, and this issue was similar in the Asian locations. The current government may have a bias against foreign businesses going into certain areas, or corruption may result in difficulty conducting a profitable business.

Businesses in Africa have to manage a geopolitical landscape more than anything else. In the United Kingdom and the United States of America, different rules apply to different states; hence, research is required on the applicability of various legal systems in each state. A strong brand may be resilient to some of these market dynamics, as experienced by some participants, but most found it a difficult hurdle to overcome in business. Some participants noted that risk is reduced when local leadership is involved and can provide access to information that can be used to mitigate risk.

Some participants noted that the global business leadership needs to consider creating trade commissions that can broaden the information available and improve the common trading environment. It was noted as being beneficial to have laws and regulations that are followed by many different nations and allow for a fair global business playground. Market research can help with these aspects, albeit not completely, but it can help mitigate some risk.

5.8 Research question 3: Geographical Proximity

5.8.1 Category introduction

Sub-research question 2: How does proximity to the risk environment influence the accumulation of knowledge?

This section of the study shows the findings of an examination into how the understanding of the risk environment affects the proximity decisions made by multinational corporations regarding worldwide operations. The inquiry also examined how the proximity of global operations affects the capacity of the emerging multinational firms to accumulate knowledge essential for sustainable operations in the foreign market. The findings articulate, based on the experiences of selected senior managers, how easy it is to learn about and adapt to nearby regions.

5.8.2 Costs and timing

According to participant 1, proximity is essential because of the direct effect it has on the costs associated with travel as well as other business processes. Therefore, it is simpler to explore a country or move closer to it if travel there is less expensive, takes less time, and is located closer to you. The simplicity with which research may be conducted owing to proximity, according to Participant 4, results in less expensive ways to gain insights into what is happening in the nation without relying on a third party running some non-collaborative study. Participant 6 remarked that proximity can be an issue depending on what you want to achieve and the ease of implementing the anticipated activities in that foreign market; therefore, distance and proximity will have a cost influence on the firm.

Participant 1 said that while the timing of company operations can be influenced by proximity, this risk can be reduced if the times zones of international operations are congruent with those of South Africa. In the same view, participant 8 shared that *“time zone is more important than proximity. So having business in Europe, where the time overlap, sort of less is really efficient. And in terms of travel, yes, it is costly but can be less important now with the sort of remote tools that we can use.”*

5.8.3 Knowledge accumulation and share

Participant 4 asserted that proximity is vital for knowledge accumulation and sharing and added that *"when there is proximity, we have a huge presence in these different regions. It facilitates the flow of information upward and downward. You are not relying on third parties to do some research work on your behalf and then publish a report at a much later time. So, you have control over the types of insights you can derive from the regions in which you operate. The second is the timing. They have got much more control around how quickly those insights flow up into the organisation."* Participant 4 also asserted that the ease of getting information, even in unforeseen circumstances, is better when the market is close by and the individuals who must make the call are well aware of the situation if they are close to the market. However, Participant 1 stated that it cannot go unmentioned that video conferencing has made the world so dynamic that it nearly eliminates the risks associated with being distant from the market.

Participant 4 noted that proximity plays a role, especially with language and cultural barriers. The participant shares that "there are certain aspects that bring some sort of delay, and even sometimes the quality of their communication is also affected by having to move things from one language to another or from one platform to another because maybe certain things are defined differently." This, according to participant 4, then affects the level of business insights, timing, and quality of the communication. This makes it more important to be there physically than virtually. Participant 3 articulated that some of the countries they entered into were due to geopolitical relations as well as distance, which made it easy to do business with them.

According to Participant 3, as much as their mode of entry strategy has changed over the years, proximity initially played a key role in the foreign markets they have entered. The majority of the countries they entered were due to their geopolitical ties with South Africa, as well as their ability to better understand them due to their proximity. Participant 3 mentioned some countries in southern Africa, recalling how knowledge sharing with these nearby countries was an advantage for the business as an enabler. *“It’s easy to extend the knowledge sharing across the markets."* Participant 3 explained

Participant 3 claims, however, that some markets were entered with consideration to language. Entering other English-speaking nations, such as the United Kingdom and the United States, made communication easier. However, it should go without saying that the business cultures in Africa and other developed countries were distinct, necessitating changes to both strategy and operations. The significance of cultural diversity increased. Participant 3 also noted that, though proximity played a significant role in the ease of knowledge accumulation and adaptability, there was never preparation for market dynamics such as those that made repatriation of cash from these economies difficult, which has adverse effects on global operations.

According to Participant 2, the ease of acquiring knowledge from and in the host country is not dependent on proximity. *“I do not think geographic proximity is a significant driver." I think you have got to look at whether there is a market for what I am selling. Is there a way for me to deploy and return capital, and can I trust the system that I am working in? If you can answer yes to those questions, I imagine that it becomes a pretty appealing opportunity. If you answer no to any of those things, then you have got to think very carefully about whether or not it is worth going in,"* adds participant 2. Participants 6 and 9 had the view that proximity and distance do not play a large factor in the ease of knowledge accumulation because you can travel to a country and create your own business if the atmosphere is favourable.

According to participant 6's business experience, foreign market business strategies vary by country, their demands, their profiles, and other considerations. Therefore, the business would likely have a highly specific national business strategy that would depend on a variety of criteria, beginning with what the organisation intends to accomplish in the country or if they aim to exploit the resources in good faith. Consequently, it will depend on the type of enterprise the business is developing globally. In contrast to proximity, participant 9 said that macroeconomic considerations and political stability in a certain economy are more important. Participant 11 stated that, despite the fact that sub-Saharan nations were so similar to South Africa, their decisions on trade were not based on closeness but rather on the convenience of doing business with them.

5.8.4 Category Conclusion

In some of the nations that the firms of some of the participants entered, proximity played a significant role in the decision-making process for entry mode and operation costs, timing, and efficiency. However, it was found that, because technology has advanced, there are so many ways to conduct business in the international market, including virtual methods and other localisation strategies. Proximity, while still beneficial to some businesses in terms of knowledge accumulation, relationships, and ease of conducting business in foreign markets, is not a huge factor in determining whether a business stays in or leaves a market. Language and cultural barriers, according to the findings, cannot be completely eliminated.

5.9 Chapter conclusion

According to findings for this research, there is no such thing as perfect knowledge, but a lack of the numerous aspects of knowledge necessary for a successful international business venture could result in the de-internationalisation of the business. Important aspects of knowledge of the risk environment include familiarity with your competitors in the foreign market, the potential risks faced by the global business, the needs of customers, how culture influences the global business' operations, how government regulations affect those operations, potential economic changes, and what returns shareholders expect in return. Businesses must comprehend each country's business basics and be especially conscious of the regulatory environment they're entering. In Africa, it is especially important to know how politics affect business operations and performance. It was found that international businesses in Africa have to manage a geopolitical landscape more than anything else.

Risk awareness and adaptability are crucial. Several elements were identified that may render international business knowledge insufficient. Knowledge accessibility, exchange, accumulation, and development can be hindered by communication, employee attitudes, management tactics, linguistic obstacles, and information protection laws. Having access to well-organised communication channels and resources and dedicated resources that collate the information was found to be essential for the success of a business's international operations. Sometimes a lack of information sharing is due to language barriers, as noted by one participant. A high amount of skill movement was also found to be a prevalent disadvantage to the business from a cost and operational perspective, hence the importance of capturing experiential knowledge. Failure to obtain and grow essential knowledge of the foreign market may influence the risk of de-internationalising the business.

While the business must be aware of the benefits of experiential knowledge and captured institutional knowledge, the transfer of skills may be a hurdle due to skill movement and the protection of company information. Transparency and localisation make it easier for the organisation to collect information about the risk environment. It was discovered that a company's long-term existence may be dependent on having the right relationships with partners in the risk environment, such as the regulator, research consultants, and local communities. A well-articulated localisation strategy could benefit the business by helping it understand the foreign environment and improve adaptability through understanding cultural differences. Having a team in the local market enabled some firms to learn more about the foreign market.

Market research and risk assessment are necessary both prior to entering a foreign market and when operating in that market to learn crucial information about the risk environment. However, risk assessment is only as good as the person conducting it, their ethnicity, and their exposure. The mode of entry and operations in the foreign market can be informed by market research. Different firms employed multiple entry strategies based on market conditions, cost, and timing. The majority of these entry methods were knowledge-based, which drives the choice of an entry, operation, or partnership technique. In challenging situations, the best entrance strategies have been observed to be enhanced by successful localisation endeavours. Because of the target market's various business objectives, such as pursuing a specific company business opportunity or capitalising on economic expansion, the timing of information may influence the entry mode and successful operations in a risk environment. A misinformed mode of entry and operation may be detrimental to the success of the business in the international market, hence the potential for de-internationalisation.

Market research can help businesses estimate risk and determine the viability of conducting business internationally. Capital needs, competitiveness, cultural similarities and contrasts, the ability to duplicate or adapt a firm's processes and products, shareholder value, the regulatory environment of the foreign market, and the relevant implicit judgments can all be informed through market research. If these factors are thoroughly researched and defined, the company will have a better start in foreign markets and will be less likely to abandon a planned presence in a country. Most of the participants said that understanding the risk environment requires ongoing monitoring of the environment and decision-making that is supported by risk assessment. If this doesn't happen, it could lead to bad decisions that hurt the business and cause the business to leave a market.

Different market, economic, and political dynamics can make or break a business. There can never be a one-size-fits-all strategy, product, or service for globalisation. The majority of the challenges and exits mentioned by participants were related to the regulatory environments of various African countries. Risk was also seen as being reduced when local leadership was involved, since it could provide access to information that could be used to mitigate it. It was noted in the study that it is important to have laws and regulations that are followed by many different nations and allow for a fair global business playground. Another participant noted that a strong brand may be resilient to some of these challenges, but most found it a difficult hurdle to overcome.

The findings indicate that knowledge drives decision-making. Decisions made by shareholders and investors are mostly dependent on the information at their disposal. A firm can gain from decisions based on accurate data and research, yet it may be pushed out owing to under researched factors. Uninformed foreign business operations can lead to market withdrawal; hence, the potential to de-internationalise can be determined by the business's and its investors' inadequate understanding of the risk environment. Market research can help with these aspects, albeit not completely, but it can help mitigate some risk.

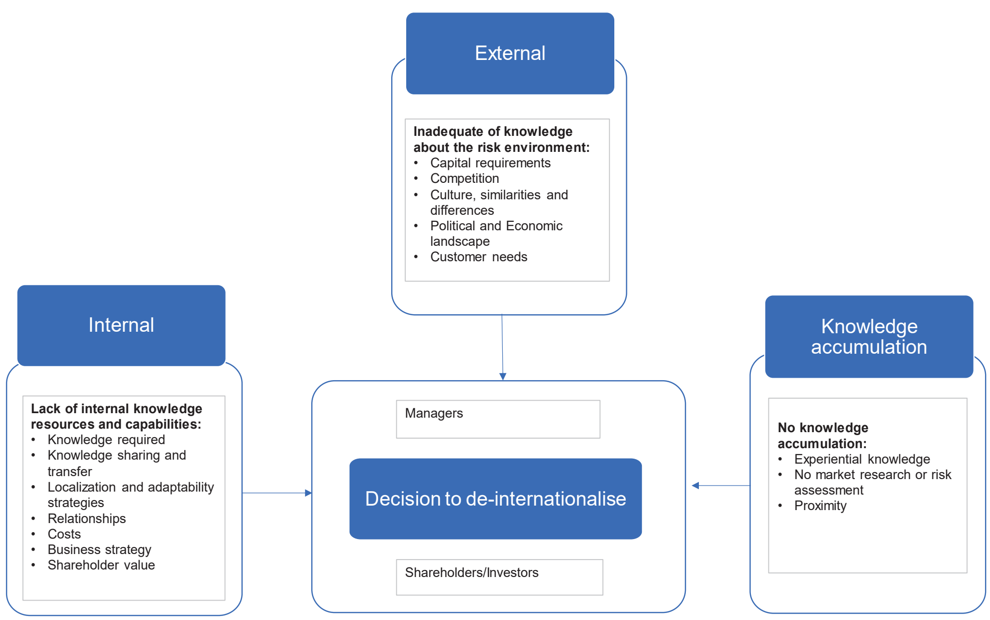
Proximity, while still beneficial to some businesses in terms of knowledge accumulation, relationships, and ease of conducting business in foreign markets, is not a huge factor in determining whether a business stays in or leaves a market. Language and cultural barriers, according to the findings, cannot be completely eliminated.

Inadequate knowledge of essential aspects and dynamics of the risk environment was found to influence de-internationalisation. Market research can help with the accumulation of knowledge and the applicable risk assessment; however, it cannot take away the uncertainty thereof but can at least minimise the risk. While still advantageous to some organizations in terms of knowledge acquisition, contacts, and convenience of conducting business in foreign markets, proximity does not play a significant role in a company's decision to remain in or leave a market. The results show that language and cultural barriers cannot be totally removed by proximity.

5.10 Conceptual framework

With the above findings in reference, Figure 11 demonstrates a conceptual framework. This framework demonstrates, based on the findings the diverse effects on inadequate knowledge and accumulation thereof which potentially leads to de-internationalisation.

Figure 11: Conceptual framework



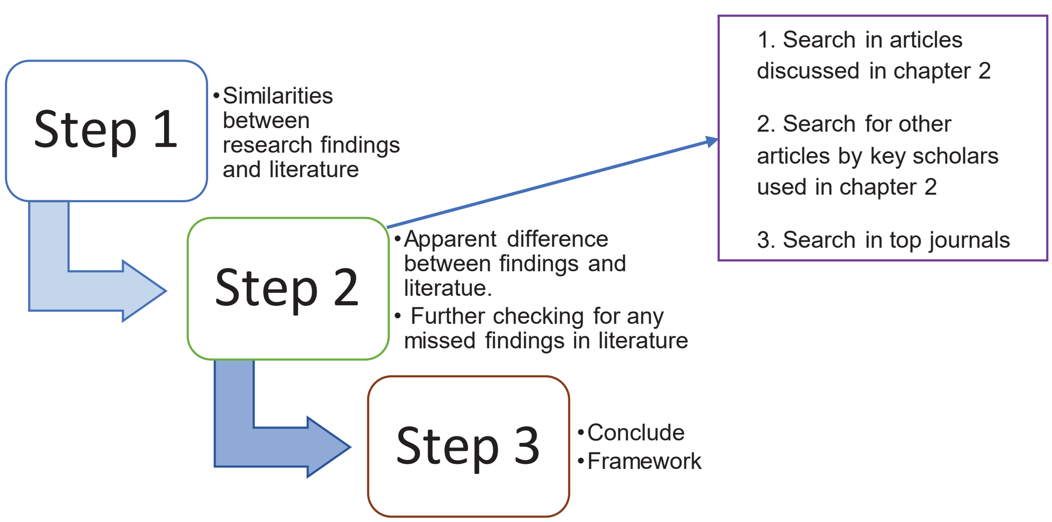
Source: Author's own compilation

6 Chapter Six: Discussions

6.1 Introduction

In this chapter, the key points from the interviews in chapter 5 are compared to the key points from the literature review in Chapter 2. This study follows a format similar to that of Chapter 5. Using the conclusions derived from the research questions provided in Chapter 3, Chapter 5 establishes a conceptual framework that binds the key points from both the findings and literature in relation to the research questions posed in Chapter 3. The findings from Chapter 5 are then compared to the literature insights in Chapter 2. In this research, the parallels between major findings and key insights from the literature are identified first, followed by any differences, if any. This allows the researcher to either confirm or modify the results. If differences are found, further checking is done to establish if there are any missing findings in the literature. This is accomplished in three steps: searching in articles discussed in Chapter 2, searching in articles by key scholars cited in Chapter 2, and searching in top journals. The search for similarities and differences is done using key words to identify applicable literature. The chapter ends with a conclusion and a revised conceptual framework. Figure 12 depicts the steps taken for this analysis.

Figure 12: Analysis of findings vs. key insights from Literature



Source: Adapted from class slides Bogie (2022)

6.2 Analysing the findings and literature on knowledge and capabilities

Main research question: How does inadequate knowledge influence the de-internationalisation of the emerging market multinational firm?

6.2.1 Knowledge required

6.2.1.1 Key findings from interviews

There are several types of knowledge required for the international business as was discovered through the experiences and perspectives of senior managers selected from South African emerging firms. These were listed as essential for managing a global firm. Knowing the ins and outs of the risk environment, including who your competitors are, what threats your global business might face, and what your customers want, who the shareholders are and how external shareholders are treated in the foreign market, the influence of culture on international business, the scope of government regulation, the odds of economic shifts, the relationship between industry fundamentals and the risk environment, shareholder expectations for return, how different countries run their economies, and adaptation requirements for the business.

6.2.1.2 Key insights from literature

Kafouros et al. (2022) and Crick et al. (2022) state that knowledge resources and capacities are crucial to the firm's internationalisation and de-internationalisation decisions (2020). African firms' internationalisation efforts are strongly influenced by many environmental factors (Boso et al., 2019). As a result, Johansson and Olhager (2018) argue that a firm's target market selection is crucial to its market competitiveness and that firms must assess their target market environment before they invest. The significance of knowing and managing risks such as those associated with politics, other currencies, and culture was highlighted by Eduardsen and Marinova (2020). Tan and Sousa (2018) identified environmental factors such as market expansion, product demand, cultural distance, and economic downturns in the whole portfolio of markets in which the MNE operates or intends to operate. According to Cuervo-Cazurra et al. (2018), managing new customers and shifting regulatory environments calls for the acquisition of more knowledge of the risk environment.

6.2.1.3 Findings and literature comparison

Table 5 shows a comparison between the key findings' vs Literature. From the findings, Table 5 lists essential knowledge requirements and compared if same was noted in literature. ✓ meaning similarly noted; × meaning not applied in literature or view differs to literature and ✓* yes similarly noted but with limitations.

Table 5: Essential knowledge requirements (findings vs literature)

Key findings from Interviews	Similarly noted in Literature	Key authors who alluded to this
Know your business knowledge capabilities and resources as an advantage to risk environment.	✓	Kafouros et al. (2022); Crick et al. (2022); Tan and Sousa (2018); Johansson and Olhager (2018) & Coudounaris et al. (2020)
Who are the main competitors	✓	Johansson and Olhager (2018)
Potential threats in the global business	✓	Tan and Sousa (2018); Coudounaris et al. (2020)
Who are the external shareholders	✓*	Tang et al. (2021)
How are internal shareholders treated in the foreign market	✓*	Tang et al. (2021)
What are the customer needs	✓	Tan and Sousa (2018); Tang et al. (2021)
What are the cultural dynamics in the foreign market and how can business leverage on them or overcome barriers thereto	✓	Tan and Sousa (2018); Coudounaris et al. (2020); Tang et al. (2021)
Economic and political environment	✓	Eduardsen and Marinova, 2020; Boso et al. (2019); Coudounaris et al. (2020); Tang et al. (2021)
Scope of government regulations	✓	Eduardsen and Marinova, 2020;
Policies or Laws and regulations around a certain industry business conduct	✓	Johansson and Olhager (2018); Tang et al. (2021)
Shareholder expectations for return (Both South African and non-South African)	✓	Coudounaris et al. (2020); Tang et al. (2021)
Adaptation requirements of the business	✓	Kafouros et al. (2022); Eduardsen and Marinova (2020)

The issue with shareholders and investors has been similarly articulated in the literature; however, Tang et al. (2020) noted that there is no consensus in the literature on the implied influence of investor factors leading to foreign market exit.

Discussions in this section demonstrate that a variety of knowledge aspects are necessary for an international business to be successful. If these skills are lacking, the business may make judgments that are harmful to its survival in foreign markets.

6.2.2 Knowledge sharing and transfer

6.2.2.1 Key findings from interviews

It was discovered that knowledge sharing, and expertise transfer are beneficial to the firm as a whole. It ensures that everyone in the organisation, including partners and other stakeholders, is aware of the company's goals and methods. This allows for immediate feedback in the workplace as well as ongoing learning and adaptability if necessary. A well-informed team makes sound strategic decisions. However, knowledge sharing, and transfer can be hampered by complex business structures that impose communication layers, employee attitudes and willingness to share information, language barriers, information protection rules, ineffective experiential and uncaptured institutional knowledge, a lack of learning structures in the business, and information transparency across responsible teams.

6.2.2.2 Key insights from literature

Employees and managers learn through experience, according to Cuervo-Cazurra et al. (2018). These characteristics make them more resilient to natural calamities and market volatility. If the business cannot overcome these circumstances, it may de-internationalise. Kong et al. (2018) highlight that emerging market multinationals using knowledge-seeking strategies abroad must understand the role of expatriates in reverse knowledge transfer. Leposky et al. (2017) found a long-standing association between a multinational firm's ability to exchange strategic knowledge across its activities and global market success and claimed a strong correlation between knowledge management and business effectiveness. Determining if the company's managers have the skills essential to run a complex, diversified, or new business is crucial (Cuervo-Cazzura, 2007).

A multinational company's (MNE) ability to effectively implement strategic knowledge across all operations or subsidiaries has historically been linked to worldwide market performance (Coudounaris et al., 2020). Silveira et al. (2017) stated that local affiliates in the target market can tap into local knowledge bases, receive critical business data, and communicate it upstream to their corporate headquarters. According to Sanchez-Vidal et al. 2019, the firm must continuously collect, share, and transfer information between regions and to the head office to keep up with global economic, social, and political changes. Reverse knowledge transfer can benefit the business, but it requires team-based international cooperation and the competence and persistence of certain individuals and teams at critical organisational interfaces, according to Liu and Meyer (2020).

6.2.2.3 Findings and literature comparison

Literature and findings both stress the significance of knowledge transfer and sharing across global business. Both information sharing and transfer have been discovered to be capable of taking the form of experiential learning within the organisation or reverse knowledge transfer. Employee willingness can hinder this, according to both findings and literature. However, findings go on to address complicated communication structures, while literature makes references to global team corporations and crucial organisational interfaces that enable this knowledge sharing and transfer. Both implied that a knowledgeable MNE is more likely to succeed in the global market.

6.2.3 Localisation strategies, relationships and knowledge grafting

6.2.3.1 Key findings from interviews

Knowledge can be acquired through localisation strategies. These involve participants in business operations, leadership, and having local strategic partners. The majority of respondents stated that a well-planned localisation strategy can help a business understand its customers, adapt, or determine whether or not to continue operations. First, entering a new market may be intimidating for a business that is unfamiliar with local customs and how to overcome difficulties. You will not learn about the cultural and socioeconomic issues of other nations until the natives inform you. Locals are familiar with the community's underlying demands and desires and may help ensure the product is marketable. Because consumers are loyal to regional brands, your products must possess a regional flavour.

The success of an international business is contingent on its ability to integrate. Companies without local alliances appear to struggle. Global consultants can assist businesses in locating global business prospect information. Localisation facilitates the acquisition of risk environment knowledge. A localisation strategy also facilitates the development of a business relationship with the regulator. Even if a localisation strategy is effective, a company must set limits and recall its objectives. To gather and trade data does not necessarily require a corporation to become overly involved in the regional politics and culture of a foreign market. A difficult decision will occur. Sometimes, businesses must leave a promising market due to unfavourable conditions that are detrimental to their operations.

The localisation strategy exerts considerable influence on the type of operations that a business intends to conduct. When a business collaborates with a government entity in a high-risk environment, for instance, a joint venture facilitates the promotion of locals to positions of authority within the business. A mode of entry that supports a localisation plan can unlock the ease of obtaining information in a risk environment which can reduce the risk of de-internationalisation.

6.2.3.2 Key insights from literature

Monteiro and Birkinshaw (2017) assert that firms need external knowledge sourcing to compete in a fast-changing world. Accessing external information is difficult due to institutional, technological, and geographic restrictions, and external search skills are often different than internal transfer abilities. It is difficult to integrate foreign subsidiaries into the company network and to root them locally in order to receive cutting-edge ideas. Most MNEs use localisation mechanisms to gather external information. Similarly, Dodourova et al. (2021) also claim that MNEs form strategic value-generating local partners or subsidiaries in trading regions. These partners and subsidiaries have distinct skills that help MNEs create and share specialised knowledge. Santoro et al. (2021) recommended that businesses strengthen their relationships with outside parties in order to speed up the creation and marketing of new goods and services, thereby lowering time to market and predicting technology trends. According to Pegram et al. (2020) and

Johanson (2020), businesses can acquire knowledge in the host country by employing localised professionals.

6.2.3.3 Findings and literature comparison

Findings emphasise the necessity of local employment and, similar to literature, strategic alliances for a multinational organisation on the overseas market to gain vital expertise for the business venture. Local employment and its benefits for localising products and services to local tastes are expressed as important in the findings. Most developing multinational corporations from South Africa send a team of specialists, partner with local strategic partners, or hire locals in crucial operational positions to benefit from local experience. Although the literature is similar to this, it emphasises strategic collaborations with value-creating local partners and subsidiaries to gather environmental knowledge. Findings and similar arguments in the literature indicate that the main knowledge requirements of the host country are linked to the cultural and regulatory environments. This shows that a well-articulated localisation strategy may enable acquisition of essential knowledge of the risk environment aiding sound decision making that reduce the risk of de-internationalisation.

6.2.4 Size and age of business

6.2.4.1 Key findings from interviews

The size and age of a business matter. A business' extensive presence on the global market increases the availability of essential market knowledge. However, complete market research may not provide perfect knowledge. Market dynamics exist, so it is essential for the firm to remain constantly informed. The longer the business has played in the international market, the easier it is to access knowledge. It was found that it is important to also determine the scalability of operations in a particular market; a lack of a large and scalable market has been detrimental to some South African firms that have attempted to go global.

6.2.4.2 Key insights from literature

According to Santoro et al. (2021), SMEs that want to go global often don't have the skills and resources to manage the whole innovation process. This means that they need to be open to knowledge from outside sources in order to go global. But in their research, Santoro et al. (2021) did not find a link between sourcing knowledge and the age of the firm. This means that the age of the firm does not necessarily make it easier to gain knowledge of the international market.

According to Ramamurti and Williamson (2019), although it may appear that EMNEs may struggle to exist in emerging economies owing to competition from DMNEs and that DMNEs are smarter than EMNEs, each type of organisation must fill capability shortages to compete in the future global economy. DMNEs appear to have more established advantages over EMNEs in terms of technology and branding, but Ramamurti and Williamson (2019) claim that the conditions for success on the global market are developing and that each business model must have skill gaps in order to thrive. In their research on the market share statistics of DMNEs and EMNEs, Ozkan and Khan et al. discovered that EMNEs do better because they develop non-traditional ownership advantages based on home market learning and subsequently expand into advanced economy marketplaces. The performance of DMNEs in developing markets declined over time, but EMNEs' market shares increased in industrialised economies.

6.2.4.3 Findings and literature comparison

The findings show that a company's extensive global market presence increases the availability of critical market knowledge, both experientially and affordably. In contrast, according to the literature, even small businesses that want to internationalise or emerging multinational enterprises facing competition from developing multinational enterprises have a fairly equal chance of success if they can recognise their capability gaps and source the right knowledge. This suggests that size and age, which have been suggested to influence de-internationalization due to a lack of experiential learning, may not apply to born globals. However, no matter the size and age of a business, it is still paramount to have adequate knowledge of the foreign market and its dynamics, which could influence the risk of de-internationalisation if not well articulated and applied.

From a different dimension, the inability to scale up operations in a market has also contributed to the exit of some markets; hence, it is important to know whether a market is scalable or not for efficient, incremental, and profitable operations, thus reducing the risk of de-internationalisation.

6.2.5 Shareholder value

6.2.5.1 Key findings from interviews

It was found that knowledge influences key shareholder decisions. Shareholders want to see that you have a vision, that you are creating value today, that you will create value in the future, and how. Before investing, a corporation must know where and who owns the property. Inaccurate information might harm the company. South African shareholders should learn about international company performance drivers as much as international shareholders should learn about South African business drivers. Knowledge of the market and the attitude towards this knowledge influence the shareholder's or investor's decision to partake in, continue, or exit the business.

6.2.5.2 Key insights from literature

Tang et al. (2021) say internal dynamics can affect international business. Corporate governance and ownership also play a role in determining de-internationalisation. The parent company invests abroad. Their capacities, resources, strategies, behaviour, governance, and other features may aid or hinder the firms' internationalisation, affecting the risk of de-internationalisation. Both Tang et al. (2021) and Lupton et al. (2022) assert that parental variable effects caused by shareholder decisions are still debatable.

6.2.5.3 Findings and literature comparison

Key findings and key insights from literature both show that knowledge of the market and the attitude towards this knowledge influence the shareholder's or investor's decision to partake, continue, or exit the business.

6.2.6 Category Conclusion

In this category, it has been found that knowledge of the risk environment is crucial for the business when deciding on international operations. Essentially, businesses should have basic knowledge of their business environment and the risks that could potentially come with it. This includes the economic and political landscape, laws and regulations affecting their business conduct in a risk environment, customer needs and product demand, and competitors.

Despite the challenges of employee willingness, competence, and persistence, experiential learning, knowledge transfer, and sharing, it can be beneficial for the business to keep up with the essential information required to enable a sustained business in the international market. Company policies can also hamper or enable knowledge sharing and transfer.

Despite the fact that there are numerous obstacles to overcome when it comes to localisation strategies and partnerships, the benefits gained from useful knowledge of the risk environment should never be underestimated.

Although findings indicate that a company's size and age are important, the literature does not necessarily support this notion because, when a company works on its capability gaps and obtains the necessary knowledge, it has a good chance of running a competitive international business. The accessibility of critical market knowledge is increased by a company's presence on the global market. Comprehensive market research, though not perfect, may help reduce the information gaps that can influence de-internationalisation. Because of market dynamics, it is essential for the organisation to continuously stay informed. A lack of knowledge that supports prudent business decisions might hurt a company's viability and lead to de-internationalisation.

6.3 Analysing the findings and literature on market research and risk assessment

Sub-research question1: How does market research aiding a risk assessment of the foreign market influence the accumulation of knowledge?

6.3.1 Market research and risk assessment

6.3.1.1 Key findings from interviews

Before a company goes global, everyone agrees that it needs to do a risk assessment to find out important information about the risk environment. This examination provides insight into the foreign market's risks, the country's viability to join, market trends, and the global firm's financial and operational needs, according to participants. Risk assessment should ask: "Do we understand, and can we operate in this environment? This evaluation test is essential even after entry into the foreign market. You need this information to make safe business decisions. Most emerging businesses in South Africa appear to be conducting market research and risk assessments, but the efficacy of these efforts is debatable.

Participants mentioned that market research, or "due diligence," is required before entering a foreign market. Market research helps the company identify global market opportunities and how to exploit them. It helps review the viability of the business before entering new markets. Any business venture, no matter how similar or different from others that have operated before, requires market research and risk analysis. Strategic risk-environment relationships are also required to gain access to valuable information. Risk assessment also depends on the person's age, ethnicity, and exposure. For objectivity, the organisation must know who is doing the study. A concerted effort and proper risk assessment should yield enough information to determine a residual or tolerable risk. Primary, secondary, and tertiary sources exist and, if possible, should be fully explored. One-sided information reliance can harm a company. Analysing various scenarios that create a lot of information and rich data sets reduces uncertainty.

The company's intentions can be determined from its business strategy, which, when supplemented with market research findings, can help identify how the company will enter and operate in a foreign market. Because the mode of entry and operational strategy can change depending on the country, its needs, and its profile, it is important to have a vastly different business strategy for each country.

6.3.1.2 Key insights from literature

Risk assessment gives companies decision-making information. Kuiken (2020). Exit occurs when managers fail to consider the risk environment of the foreign market when developing and implementing strategy, according to Ozkan (2020) and Kafouros et al. (2022).Kuiken (2020) asserts that businesses can gather the data they need for decisions through risk assessment. Depending on which type of commitment predominates, decision-makers can maintain a behavioural commitment or forego a course of action.

6.3.1.3 Findings and literature comparison

Literature and findings both point to the significance of market research at each stage of a company's internationalisation in order to gather the vital information needed to make prudent business decisions, regardless of how similar or dissimilar the company's prior experiences may have been. Although the majority of South African emerging companies use market research and risk assessment, findings show that the sufficiency of this knowledge to cater for uncertainties in the foreign market is still debatable. Using a variety of innovative ways, all information sources should be used. From both the findings and the literature, it is shown that a focused effort and a comprehensive risk assessment should produce enough data to identify a residual or tolerable risk, the failure of which could influence decisions that are detrimental to the survival of the firm in the foreign market.

6.3.2 Business operations and market development

6.3.2.1 Key findings from interviews

Research knowledge informs optimal business operations; however, while market research provides a fallback, market dynamics, culture, and political forces can also be a hindrance to business operations, and there are some things that cannot be predicted even with market research or risk assessment. It is critical to reassess whether the environment will or is providing for profitable and scalable operations that align with the business strategy on a regular basis. It is critical to understand your business partners. Partnerships should primarily benefit the business. Some African markets are so underdeveloped that doing business is extremely difficult.

6.3.2.2 Key insights from literature

Mismatches between firm strategy and foreign market risk drive most market exits. (Tang et al., 2021; Coudounaris et al., 2020; Ozkan, 2020). Sharma et al. (2020) found that, even though it is important to understand and deal with uncertainty in international business, there is no all-encompassing framework that includes the different types of uncertainty, their causes and effects, managers' ways of dealing with uncertainty, and their results.

6.3.2.3 Findings and literature comparison

Even though the results of market research can help guide prudent business operations in the foreign market, there is no such thing as perfect knowledge. However, market research should serve as a good starting point in the foreign market for better-informed international business operations, the failure of which, per this research, would result in misinformed operations that may be detrimental to the survival of the business in the foreign market.

6.3.3 Capital and operational costs requirements

6.3.3.1 Key findings from interviews

According to the findings, it is critical to understand the financial requirements for the business initiative and for different markets. Understanding which businesses thrive in different environments is crucial for prudent investment. In order to make a viable business decision that does not waste invested resources, it is necessary to conduct thorough market research. Insufficient research can be costly for the business and result in the loss of investor funds. The significance of the business's costs and their related returns was emphasized. Every company initiative in a foreign market must be evaluated based on its return on investment.

6.3.3.2 Key insights from literature

Literature in accordance with Boso et al. (2019), asserts that even though Africa's economies have advanced significantly in recent years, many of them still suffer from institutional gaps and market flaws that increase uncertainty as well as firms' transaction costs.

6.3.3.3 Findings and literature comparison

According to research, it's important to understand the financial needs of a company's endeavour and different markets. Investing wisely requires knowing which businesses flourish in diverse contexts. Market research is needed to develop viable business decisions that don't squander resources. Insufficient business research can cost investors' money. Costs and returns were highlighted. Findings shows that foreign firm endeavours must be evaluated on return on investment. Although these views are shared by both findings and literature, it has been found in literature (Boso et al., 2019) that even though Africa's economies have grown in recent years, many of them still suffer from institutional gaps and market defects that increase uncertainty and firms' transaction costs, hence posing a challenge on how much is enough in terms of anticipated costs. However, a focused effort and a comprehensive risk assessment should produce enough data to identify a residual or tolerable risk to curb for the potential de-internationalisation of the business.

6.3.4 Competition

6.3.4.1 Key findings from interviews

In the contemporary global economy, there is no such thing as an isolated business. If your organisation can identify a possible opportunity, there is a significant possibility that another organisation can do so as well. It is essential to understand your competitors and the dynamic capabilities of your organisation to beat the current competition. Even though a large company is likely to have advanced research and development resources, prior to entering the foreign market, the corporation would have conducted research to determine if it were possible to have the presence that they desired on the ground, considering the competition in the market and whether or not legislation permitted for that. The company must determine whether or not the market's competitive climate is still fundamentally conducive to the entry of a new enterprise. When determining whether or not to internationalise a firm, it is prudent not to compartmentalise the competitive landscape's characteristics. Having no competitors does not always make a market viable. Internationalisation necessitates exhaustive research into all facets of the market.

6.3.4.2 Key insights from literature

According to Hagiu and Wright (2020), knowledge creates a competitive advantage. Boso et al. (2019) similarly shared this view; however, from an African business perspective, there are institutional gaps in this region. Managing weak institutions and dealing with frequent environmental changes might provide a source of enduring competitive advantage for those businesses.

EMNEs might not have strong dynamic capabilities that support global competitiveness, but such conditions will encourage them to participate in learning activities that will improve their core competencies and foster long-term global competitiveness. Ramamurti and Williamson (2019) further contend that each type of organisation has capability gaps that need to be filled if it is to succeed. DMNEs seem to have more knowledge than EMNEs. EMNEs perform better than DMNEs because they create non-traditional ownership advantages in their home markets before expanding into advanced economic markets. DMNEs operating in emerging markets had a falling performance over time, while EMNEs generally appeared to profit from growing market shares in advanced economic regions.

6.3.4.3 Findings and literature comparison

Literature and findings both emphasise the value of knowledge as a competitive advantage. Although competition cannot serve as the sole driver of internationalisation, literature argues that enterprises must constantly identify their dynamic capability gaps (which can be market knowledge) and take advantage of them to succeed in the global marketplace and hence reduce the risk of de-internationalisation. This shows the importance of adequate knowledge of competitors for the survival of the business in the foreign market.

6.3.5 Culture, similarities, differences, and adaptability

6.3.5.1 Key findings from interviews

When a business expands internationally, its brand must be unique and adaptable to the culture of the target market. The company must have a crystal-clear understanding of its risk environment and business plan. Market research and information exchange are used to expedite operations. Cultural barriers can also soon become a social licence to operate, which can be costly for a business. Localisation helps mitigate these cultural annoyances and can aid a brand's market positioning.

In order to conduct good market research, a business must recognise that no other country will resemble South Africa. There are a number of unique characteristics that should be included in risk assessment to indicate areas where you may need to pay more attention than others.

6.3.5.2 Key insights from literature

Although focused on retailers, Bianchi and Ostale (2006), found that MNEs face constraints and cultural differences that can make it harder to transfer their competitive advantages to other markets, so they must create an adaptable plan to transfer their competitive advantage sources into these new environments. International companies must adjust to the host market owing to environmental conditions. Because of this, businesses cannot thrive abroad without adapting their methods to suit consumers from other cultures. According to Bianchi and Ostale (2006), companies expanding worldwide must operate in a different institutional framework from their home institution. Thus, in the new business environment with new regulations and culture, they must earn legitimacy and support from important social players.

6.3.5.3 Findings and literature comparison

In order to build a sustainable business, both the literature and the findings point to the significance of being familiar with the culture of the host country and trying to adapt to that culture to the extent that the business permits. Additionally, it is recommended that one avoid using business practices from their home country whenever possible. However, additional findings demonstrate that , based on proper knowledge of the host country's culture and related dynamics, a business should determine its tolerable point, which is the point at which a decision must be made for the benefit of the company. This decision should consider factors such as the cost to the company and the likelihood of a better future when determining whether it is rational to remain in the market or to leave it.

6.3.6 Economy, law, and politics

6.3.6.1 Key findings from interviews

Various market, economic, and political variables can make or break a corporation, and the majority of business activities are dependent on the economic success of the nation. However, Africa is an extremely difficult environment in which to conduct international business. The majority of difficulties and exits cited by participants were attributable to political challenges such as the regulatory framework of various African nations. It was noted in findings that global business leadership should establish trade commissions that can increase the amount of information available, enhance the common trading environment, and create a level playing field for global business to reduce the prevalent market exits.

6.3.6.2 Key insights from literature

Given the uncertainty as well as the unpredictability of entering international markets and conducting business there, the risk caused by market dynamics is a major problem when conducting business beyond national borders. Boso et al. (2018) assert that Africa's economies have advanced in recent years, but many still suffer from institutional gaps and market flaws that increase uncertainty as well as firms' transaction costs. According to research on political risk by Al Khattab et al. (2008), the more countries a business operates in, the more likely it is to confront major risks and institutionalise political risk assessment. Eduardsen and Marinova (2020), and similarly articulated by Blake and Moschieri (2017), assert that governments may amend the policy landscape in ways that have a negative influence on a particular firm's assets, operations, or returns. A negative shift in the firm-specific policy environment encourages firms to re-evaluate their exposure to policy risk and their capacity to manage their policy environment, hence increasing the likelihood of divestment.

6.3.6.3 Findings and literature comparison

Findings show that the majority of difficulties and exits were attributable to political challenges such as the regulatory framework of various African nations. Both findings and literature are similar in that political risk is a major problem when conducting business beyond national borders. Businesses that do international business must manage unexpected and particular risks. Risk assessment is crucial for the company to understand the risk environment it plans to enter and is operating in to develop a dynamic and appropriate business strategy for its survival. Both findings and literature show that, although there have been successful international businesses in Africa, this makes the continent an extremely challenging environment for doing international business activities. Uncertainties or the ever-changing economic, political, and legal environment of the foreign market have driven a lot of businesses to de-internationalisation.

6.3.7 Category Conclusion

In this category, it has been found that insufficient business research can cost investors' money. Market research is needed to develop knowledge that enables viable business decisions that are not detrimental to the business. It's important to understand the financial needs of a company and risks in different markets. Investing wisely requires knowing which businesses flourish in diverse contexts. A focused effort and a comprehensive risk assessment should produce enough data to identify a residual or tolerable risk.

The majority of difficulties and exits were attributable to political challenges such as the regulatory framework of various African nations. Businesses that do international business must manage unexpected and particular risks. Risk assessment is crucial for the company to understand the risk environment it plans to enter and develop an appropriate strategy for it. A misinformed decision and strategy due to inadequate knowledge may result in failed business operations hence de-internationalisation.

6.4 Analysing the findings and literature on proximity

Sub-research question 2: How does proximity to the risk environment influence the accumulation of knowledge?

6.4.1 Geographical proximity

6.4.1.1 Key findings from interviews

Proximity is essential for knowledge accumulation and dissemination, as well as for the smooth flow of information from foreign markets to South Africa. It gives the business control over the type of timely insights they can derive from the regions in which they operate. Video conferencing has made the world so dynamic that it has virtually eliminated the risks associated with market isolation. The decision to enter and operate in a foreign market is not based on proximity but rather on whether there is a market for what the business is selling, whether it can deploy and return capital, and whether it can trust the system it is working in. An examination of language and cultural barriers in African countries close to South Africa in comparison to the United Kingdom and the United States revealed vast differences; however, the accumulation of knowledge has not been seen to be fully hampered by proximity.

6.4.1.2 Key insights from literature

Firms typically choose, or are compelled to choose, between reducing the scope and depth of their global footprint in specific countries or quitting those markets altogether. According to Vahlne and Johanson (2017), firms typically begin their expansion in a market that is close in terms of proximity and culture. Later, when the company gains more expertise and greater resources, it gradually expands into more distant markets. When a company decides to grow globally, it will first commit fewer resources and will only increase those commitments as it gains expertise in the foreign market. Cuervo-Cazurra (2012) similarly noted that firms do this because of the ease of application and adaptability of knowledge in these close foreign markets. Fasanya et al. (2022) had a different view and articulated that there is no clear relationship between distance and the liability of foreignness.

According to Paul and Rosado-Serrano (2019), some businesses were founded to conduct global business rather than progressively internationalising. Findings by Tang et al. (2021) add that geographic diversification decreases a company's likelihood of divesting from a foreign country. Larimo et al. (2022) and Boso et al. (2019), which view the Uppsala model as a one-size-fits-all process, might not be reflective of the EMNE's internationalisation process.

6.4.1.3 Findings and literature comparison

According to key insights from literature, proximity can be essential for the ease of knowledge accumulation and dissemination, as well as for the smooth flow of information from foreign markets to South Africa; however, geographic diversification can also potentially decrease a company's likelihood of divesting from a foreign country. Further to these key findings, we show that video conferencing has made the world so dynamic that it can virtually eliminate the risks associated with market isolation or proximity, though language and cultural differences may still be prevalent. Both findings and literature show that the Uppsala model seemingly applies a one-size-fits-all process, which might not be reflective of the EMNE's internationalisation process and endeavours for knowledge accumulation. Key insights from the literature show that geographic diversification that allows for essential knowledge accumulation can decrease a company's likelihood of divesting from a foreign country. As a result, proximity and its ease of knowledge accumulation on the foreign market remain debatable.

6.4.2 Category conclusion

Not all firms follow a linear approach to internationalisation to gain experiential knowledge. Video conferencing and localisation strategies have made the world so dynamic that they can virtually reduce the risks associated with market isolation or proximity, but language and cultural differences may still be a challenge. Additionally, geographic diversification can decrease a company's likelihood of divesting from a foreign country. Proximity and its ease of knowledge accumulation on the foreign market remain debatable and call for further analysis.

6.5 Chapter conclusion

In this chapter, it has been found that when deciding whether to stay in the international market or to leave it, it is imperative for a company to have a thorough understanding of the risk environment. This includes the economic and political climate, the differences in culture, the needs of their customers, the demand for their goods and services, and the competition. Inadequate knowledge of these aspects influence de-internationalisation mostly forced due to misinformed decisions.

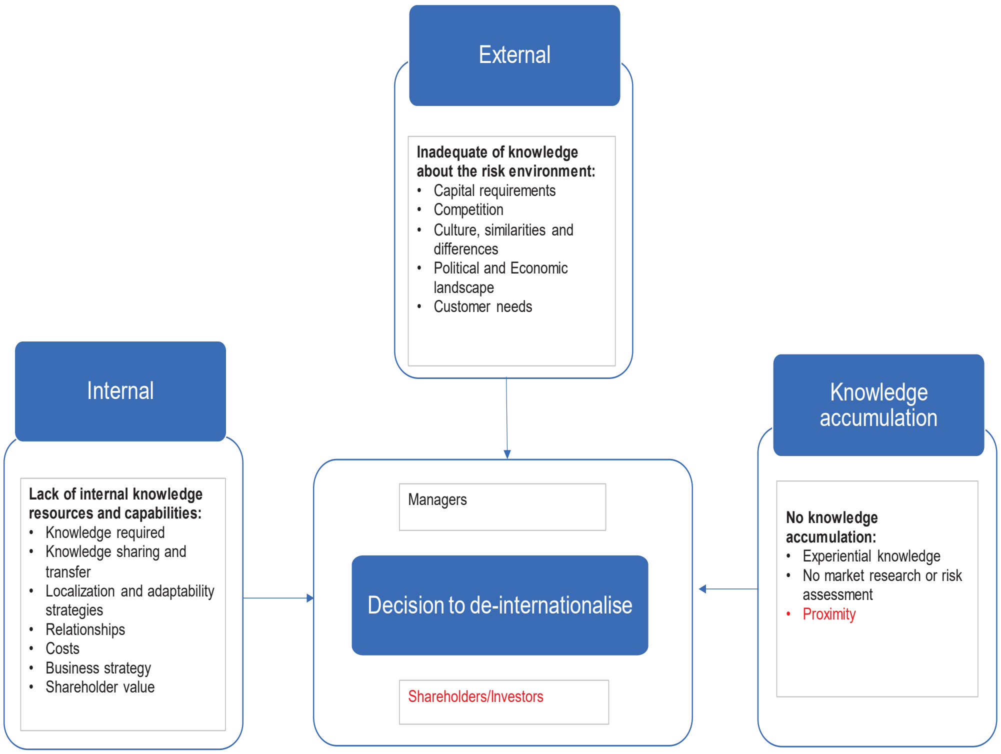
The willingness, competency, and tenacity of employees, as well as experiential learning and localisation strategies, knowledge transfer, and sharing, can be advantageous to the company in order to keep up with the critical information required to permit continued business in the foreign market. A lack of knowledge that supports good business decisions can be detrimental to the long-term viability of a company and may even result in the de-internationalisation of the business. The knowledge capabilities of shareholders and investors can influence the decision to exit a market.

It is essential for the company to do a risk assessment in order to get an understanding of the risk environment into which it intends to venture or continue operating and to devise an appropriate strategy for a sustainable business and, as a result, to lower the risk of de-internationalisation. Video conferencing has made the world so dynamic that it may essentially erase the hazards associated with market isolation or proximity. However, language and cultural differences cannot be completely eliminated by technology.

6.6 Conceptual framework

Below is the conceptual framework that follows what was proposed in Chapter 5. However, based on the findings and literature proximity and shareholder influence, the accumulation of knowledge and the decision to de-internationalise, respectively, still remain debatable.

Figure 13: Updated Conceptual framework



Source: Own compilation

7 Chapter Seven: Conclusions

This chapter concludes on the study findings and literature in relation to the research questions from chapter 3.The research first employs the Uppsala model by Vahlne and Johanson (2017) to understand the Internationalisation process of the firms, and then de-internationalisation is defined as a consequence of failed Internationalisation. A qualitative study was employed to explore the questions raised on the influence of knowledge on the de-internationalisation of South African emerging multinational firms.

The study then explored numerous areas of knowledge in international business that, if not adequately understood or applied, may have a variety of repercussions on a company's capacity to successfully internationalise, ultimately leading to de-internationalisation. Further, the study explored knowledge as a firm's capability from the availability, sharing, and accumulation perspectives. The study therefore provides a synthesis of research findings and literature on the influence of knowledge on the de-internationalisation of a firm’s operations in the foreign market. Lastly, in this research, we explored how market research and the proximity of foreign operations to the home country could aid or ease the accumulation of knowledge required.

Face-to-face semi-structured Interviews were done with senior managers of selected South African emerging firms. Overall knowledge was found to be a significant resource and capability that could influence a firm's decision to de-internationalise. This chapter also discusses the study's limitations, contributions, and recommendations for further research.

7.1.1 Conclusions

7.1.2 Knowledge and Capabilities

This study examined the availability and accumulation of knowledge of the risk environment from both an internal and external point of view as it relates to a firm Internationalisation or consequent de-internationalisation decision. It was found that knowledge of the risk environment is crucial for a sustainable international business, and in this context, for the emerging South African firm. This knowledge includes the economic and political landscape, cultural differences, needs of customers, demand for their product, and competitors. Employee willingness, competence, and persistence, as well as experiential learning and knowledge transfer and sharing, can be beneficial for the business. The knowledge of shareholders and investors may influence the decision to exit a market; thus, it is critical that the company keep its shareholders accurately informed on a regular basis. Experiential knowledge, if captured and shared within the global business, was seen to be greatly beneficial to the business, and businesses may employ strategies such as localisation in order to gain more knowledge of their risk environment. A firm's sustainability may suffer from a lack of knowledge that supports prudent business decisions, which may lead to de-internationalisation.

7.1.3 Market research and risk Assessment

The study explored the influence of market research on the accumulation of knowledge required. It was found that the majority of difficulties and exits were attributable to political challenges, such as the constantly changing regulatory framework of various African nations, making it difficult for South African emerging firms to successfully operate in these regions. Due to cultural differences, the liability of Africanism appeared to be a major issue in developed countries. It was found that a lack of business expertise can harm a company's long-term viability and lead to de-internationalisation. Risk assessment is therefore crucial for a company to understand the risk environment it operates in and develop an appropriate strategy that reduces the risk of de-internationalisation.

7.1.4 Geographical Proximity

The study explored the influence of geographical proximity on the accumulation of knowledge required. It was found that not all companies gain international experience in a linear fashion. Video conferencing has made the world so dynamic that it can virtually reduce market isolation or proximity risks, but language and cultural differences remain. Geographic diversification was also found to reduce a company's likelihood of exiting a foreign market. However, it was found that ease of knowledge accumulation and de-internationalisation decisions are not largely influenced by the distance between the home country and the host country. The influence of proximity was found to be, however, still largely debatable.

7.1.5 Summary

The study focused on South African emerging firms and the complications they face in international business due to a lack of sufficient knowledge, most of which has resulted in exits from the foreign market or various countries. In summary, it was found in this study that a firm must understand the risk climate before deciding whether to stay in a foreign market or leave. It has been found that South African emerging firms have adopted various dynamic entry and operational methods (Boso et al., 2019; Fasanya et al., 2019; Larimo et al., 2022). That makes the causes of de-internationalisation very complex, following the reverse of the Uppsala model.

Essential knowledge required (Table 5) was found to include economic, political, cultural, client, product, and competitive factors (Boso et al., 2019; Coudounaris et al., 2020; Crick et al., 2022; Eduardsen & Marinova, 2020; Johansson & Olhager, 2018; Kafouros et al., 2022; Tan & Sousa, 2018; Tang et al., 2021). Staff willingness, competency, and tenacity, combined with experiential learning (Cuervo-Cazurra, Lou, et al., 2018; Vahlne & Johanson, 2017), and localisation strategies (Dodourova et al., 2021; Johansson, 2020; Santoro et al., 2021), knowledge transfer, and sharing (Kong et al., 2018; Leposky et al., 2017), can assist the organisation in staying current with international market information. Based on this study, the inadequacy of these knowledge and capabilities was seen to influence de-internationalisation. The most prevalent findings from this study on the causes of foreign market exit were on the stringent and dynamic regulatory framework, particularly in Africa (Eduardsen & Marinova, 2020; Blake & Moschieri, 2017; Tang et al., 2021), as well as institutional voids (Boso et al., 2019; Fasanya et al., 2019).

The knowledge capabilities of shareholders and investors may have a significant impact on the business's de-internationalisation decisions (Tang et al., 2021). According to several authors (Crick et al., 2020; Coudounaris et al., 2020; Kafouros et al., 2022; Kuiken et al., 2020; Lurkov & Benito, 2020; Ozkan, 2020; Trąpczyński, 2016; Tan & Sousa, 2018; Tang et al., 2021) and findings from interviews, insufficient business knowledge can harm a company's long-term survival. Localisation, experiential knowledge-capture strategies such as market research might help with knowledge accumulation and transfer to reduce the risk of de-internationalisation. Proximity, though still debatable (Tang et al., 2021), has assisted some emerging firms in the ease of knowledge accumulation, but showed minimal influence on the decision to de-internationalise an emerging market firm. The study found that there is no perfect knowledge and uncertainty cannot be completely removed (Vissak et al., 2020), but market research and risk assessment may assist in reducing this to a residual level.

7.2 Reflexion on study limitations

De-internationalisation appears to be a delicate topic, as most businesses consider it a negative (Tang et al., 2021). The researcher has minimal experience in qualitative studies; however, interaction with the supervisor and other experienced researchers was done on a regular basis to mitigate this limitation.

De-internationalization is a complex construct that may not be well explained by any one theory, to sum it up. It could be described in a variety of ways, with some descriptions, like "disinvestment," referring just to the partial de-internationalization process. By asking questions on how the company left the foreign market, the researcher was able to determine the participants' understanding of the concept in each interview. To further overcome this restriction, the definition of de-internationalization for the purposes of this study was provided during the interview.

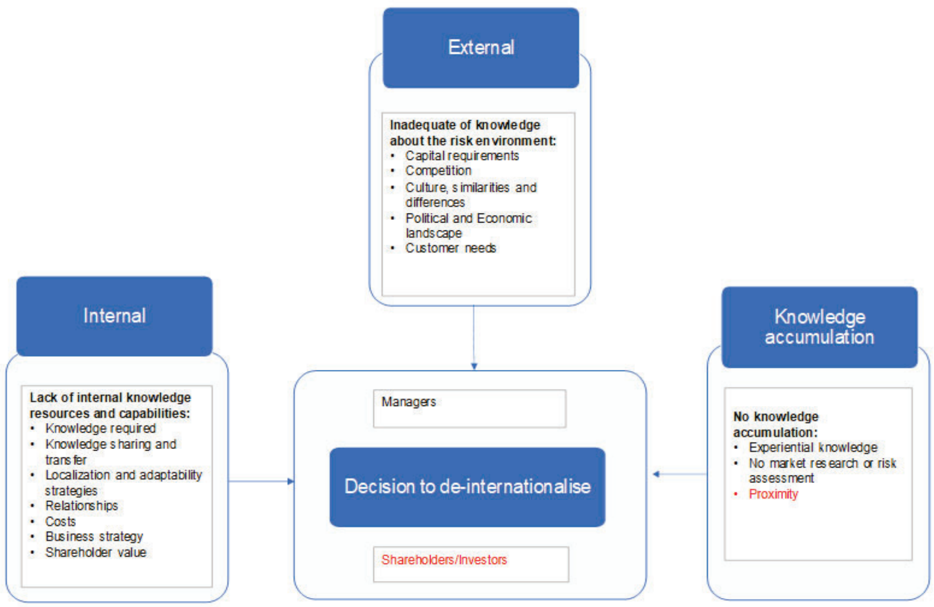
7.3 Research contribution

7.3.1 Contribution to literature

The similarities between the study results and existing literature reflect a contribution to the current body of literature. Figure 14 illustrates the possible contribution based on the study findings and literature. The study contributes by expand on existing literature and current understanding of the unfolding phenomenon of de-internationalisation in general and of firms emerging from South Africa in particular.

The study employed the Uppsala model (Vahlne & Johanson, 2017), which, represents the evolution process in international business by emphasising the firm's commitments and capabilities as important aspects in the stages of Internationalisation. The model also highlights the importance of relationships as they influence the internationalisation of the firm. Tang et al. (2021) and Kafouros et al. (2022) identify the failure of internationalisation influencing de-internationalisation decisions. These authors further assert that knowledge is a crucial factor in reducing the risk of uncertainty that leads to de-internationalisation. Research findings from this study confirm these assertions in the literature. Figure 14, consolidates the key findings and literature into a conceptual framework.

Figure 14: Final Conceptual framework - de-internationalisation decisions



Source: Author’s own compilation.

As per Figure 14 above, emerging firms may use methods like market research for knowledge accumulation or staying current with market dynamics in the risk environment to minimise the risk of de-Internationalisation once they have identified the probable internal and external consequences of inadequate knowledge. Because the ability to share and transfer knowledge has been identified as a crucial one for businesses, multinationals should consider amassing the experiential knowledge and enabling the knowledge transfer competencies that could improve the knowledge resources and capabilities of their global business. Localisation and proximity are two strategies that, despite the fact that the influence of proximity is debatable, have the potential to work in the firm's favour.

7.3.2 Recommendations for management

As shown in Figure 14, The study contributes to businesses through an extended understanding of knowledge required in the international business which potentially aids a business strategy that equip and strengthen domestic firms' global orientation. This is critical for emerging economies multinationals because maintaining an international presence can also significantly improve the competencies of local firms.

7.3.3 Suggestions for future research

The influence of shareholder value and proximity on knowledge accumulation that influences de-internationalisation decisions respectively, represents a potential refinement and extension to the literature as these aspects are still debatable (Tang et al., 2021). Cuervo-Cazurra, Luo, et al. (2018) argue that, although the Uppsala model addresses the issue of distance from home, it has limited articulation of home country advantages.

According to Sharma et al. (2020), there is no comprehensive framework that takes into account the different types of uncertainty, their causes and effects, the different coping mechanisms managers use, and the results of such methods. A future research study is recommended with regards to this framework.

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Appendix 1: Ethical clearance

Gordon Institute of Business Science
University of Pretoria

Ethical Clearance Approved

Dear Fadzanai Musanhi,

Please be advised that your application for Ethical Clearance has been approved.
You are therefore allowed to continue collecting your data.
We wish you everything of the best for the rest of the project.

[Ethical Clearance Form]

Kind Regards

This email has been sent from an unmonitored email account. If you have any comments or concerns, please contact the GIBS Research Admin team.

Appendix 2. Consent Statement

Dear xxx

I am conducting research on De-internationalisation of South African emerging firms: Impact of Inadequate knowledge, to help us help us understand causes of de-internationalisation for the South African emerging firms. Our interview is expected to last 30-45 minutes.

Your participation is voluntary, and you can withdraw at any time without penalty.

By signing this letter, you are indicating that you have given permission for:

- The interview to be recorded.
- The recording to be transcribed by a third-party transcriber, who will be subject to a standard non-disclosure agreement.
- Verbatim quotations from the interview may be used in the report, provided they are not identified with your name or that of your organisation.
- The data to be used as part of a report that will be publicly available once the examination process has been completed; and
- All data to be reported and stored without identifiers.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher name:	Research Supervisor name
Email :	Email
Phone :	

Signature of participant: ________________________________

Date: ________________

Signature of researcher: ________________________________

Date: ________________

Appendix 3. Interview protocol

These questions are designed to provide general information on the influence of inadequate knowledge as a cause on de-internationalisation. Purposively selected senior managers of South African emerging multinational firms were interviewed through these questions to gain an understanding of the phenomenon through their experience and perceptions. Probing was employed were further clarity and understanding was required. The interviews were conducted through online video conferencing using Teams and Atlas TI.

Interview questions

Industry business operates in……………………………………………………………………………………………...

Countries of operations………………………...

Country withdrawn from………………………………………………………………………………………………..

1. Describe the core activities of your business.
2. What is the role of your division or department in the international business?
3. How would you describe the effectiveness of available knowledge and sharing within the business in ensuring business success in the international market?
4. How can knowledge-sharing platforms affect a company's ability to develop an internationalisation strategy?
5. What sort of risk environment knowledge does a business need to succeed in a global market, based on your experience?
6. How prepared was the business prior to going global, in terms of your firm and the knowledge required in 4.

7. What approach or method did the business use to enter the global market?
8. How would you characterize the extent of business understanding of the business's entry mode?
9. How would you describe knowledge adequacy in your firm before and after internationalisation of the business?
10. How would you describe knowledge adequacy in your firm after internationalisation of the business?
11. What influence did knowledge availability of the risk environment have on the successful internationalisation of the business?
12. What challenges did the business face entering and surviving this/these markets with regards to knowledge and its availability?
13. If any, what measures did the business implement to overcome these barriers in point 9?
14. How successful were the measures implemented?
15. If any, what kind of information did the firm gain about the risk environment after they had internationalised?
16. How influential was this knowledge (of its risk environment) on the de-internationalisation of the business?
17. In your opinion, what could the business have done to avoid de-internationalisation?
18. How would you describe the target markets the business withdrew from? From an economical view?
19. If any, how would this economical view have an influence on knowledge sharing in the risk environment?
20. How would you describe the target markets the business withdrew from? From a political view?
21. If any, how would this political view have an influence on knowledge sharing in the risk environment?
22. In your opinion, how can a company overcome knowledge barriers in the international market?

Appendix 4: List of codes

Main research question: What is the influence of inadequate knowledge on the de-internationalisation decision of the emerging market multinational firm?

1st order codes	1st order categories	Themes
Know the competitors	Knowledge required	Knowledge required
Know how external shareholders are treated in the markets	Knowledge required	Knowledge required
Know the influence of culture on operations	Knowledge required	Knowledge required
Know the government regulations that affect business operations	Knowledge required	Knowledge required
Know the fundamentals of the industry in risk environment	Knowledge required	Knowledge required
Know the shareholders expectation on returns	Knowledge required	Knowledge required
Know the risk environment	Knowledge required	Knowledge required
Know the political stability in upholding contracts know the sovereign status of the country	Knowledge required	Knowledge required
Know the applicability of your service in the countries you want to enter	Knowledge required	Knowledge required
Know the country risk	Knowledge required	Knowledge required
Know what your business is looking for and who they are	Knowledge required	Knowledge required
Information sharing with business partner	Knowledge sharing	Knowledge accumulation and share
Knowledge transfer	Knowledge transfer	Knowledge accumulation and share
Remote working as a barrier to information sharing	Knowledge sharing	Knowledge accumulation and share
Highly effective knowledge sharing platform within business	Knowledge sharing	Knowledge accumulation and share
Highly effective knowledge sharing platform within business	Knowledge sharing	Knowledge accumulation and share
Knowledge sharing hindered by personal gain motives	Knowledge sharing	Knowledge accumulation and share
Availability of communication resources assist in international operations success	Communication resources	Knowledge accumulation and share
Important to continuously update the teams on information updates in t	Communication layers	Knowledge accumulation and share

Benefits of knowledge transfer knowledge transfer	Knowledge transfer	Knowledge accumulation and share
Knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Impact of knowledge	Knowledge capabilities	Knowledge accumulation and share
Impact of knowledge	Knowledge capabilities	Knowledge accumulation and share
Barriers to knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Local knowledge transparency	Knowledge transparency	Knowledge accumulation and share
Highly effective knowledge sharing platform within business	Knowledge sharing	Knowledge accumulation and share
Knowledge share strategy follows an experiential exposure model	Experiential learning	Knowledge accumulation and share
Knowledge transfer from risk environment fuel experiential learning	Knowledge transfer	Knowledge accumulation and share
Experiential knowledge training followed by support during implementation	Experiential learning	Knowledge accumulation and share
Job swapping to allow for diversified learning in various environments	Knowledge capabilities	Knowledge accumulation and share
Information sharing benefits operations	Knowledge sharing	Knowledge accumulation and share
Changes in risk environment operations proximity as an enabler to knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Business knowledge sharing structure	Knowledge sharing	Knowledge accumulation and share
Cross departmental work	Knowledge capabilities	Knowledge accumulation and share
Business knowledge sharing structure	Knowledge sharing	Knowledge accumulation and share
Benefit of knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Conglomerate discount	Experiential knowledge	Knowledge accumulation and share
Knowledge sharing investor benefit	Knowledge sharing	Knowledge accumulation and share
Control a barrier to knowledge sharing	Knowledge sharing	Knowledge accumulation and share

Branding as a barrier to knowledge sharing	Knowledge sharing	Knowledge accumulation and share
High-level structure, communication layers	Communication layers	Knowledge accumulation and share
Teams are sent to foreign market to learn	Experiential learning	Knowledge accumulation and share
Limited information sharing against various regions	Knowledge sharing	Knowledge accumulation and share
Exit due to lack of transparency	Knowledge sharing	Knowledge accumulation and share
Exit due to lack of transparency	Knowledge sharing	Knowledge accumulation and share
Leadership style affect business strategy	Leadership style	Knowledge accumulation and share
Employee attitudes affect business decisions	Employee attitude	Knowledge accumulation and share
Lack of information sharing contributed to exit	Knowledge sharing	Knowledge accumulation and share
Potential threat on proprietary	Threat on proprietary	Knowledge accumulation and share
Protection of intellectual property challenges	Threat on proprietary	Knowledge accumulation and share
Language as a barrier to knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Lack of knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Lack of knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Leadership style	Employee attitude	Knowledge accumulation and share
Information lost in various layers of communication	Communication layers	Knowledge accumulation and share
Internal wars can hamper information sharing	Knowledge sharing	Knowledge accumulation and share
How you use that information is key use variety of sources to get reliable information	Benefits of knowledge	Knowledge accumulation and share
Information lost in various layers of communication	Communication layers	Knowledge accumulation and share
Barriers to information sharing due to split entities of the business	Knowledge sharing	Knowledge accumulation and share
Mitigating the barriers in internal knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Mitigating the barriers in internal knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Experiential knowledge reduce future mistakes	Experiential learning	Knowledge accumulation and share

Mitigating the barriers in internal knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Institutional knowledge	Institutional knowledge	Knowledge accumulation and share
Knowledge share strategy follows an experiential exposure model Very effective knowledge sharing platform within business	Knowledge sharing	Knowledge accumulation and share
Highly effective knowledge sharing platform within business	Knowledge sharing	Knowledge accumulation and share
Knowledge drives decision making	Knowledge capabilities	Knowledge accumulation and share
Structural impediments	Knowledge capabilities	Knowledge accumulation and share
Mitigating the barriers to knowledge sharing	Knowledge sharing	Knowledge accumulation and share
Understanding local market	Localisation strategy and partnerships	Localisation strategies and relationships
Inadequate knowledge risk mitigator	Localisation strategy and partnerships	Localisation strategies and relationships
Skills flight risk	Availability of skills resources	Localisation strategies and relationships
Local partnership	Localisation strategy and partnerships	Localisation strategies and relationships
Mode of entry linked to geopolitical relations of South Africa	Localisation strategy and partnerships	Localisation strategies and relationships
Business is run differently in various regions	Localisation strategy and partnerships	Localisation strategies and relationships
Relationships with research companies present in risk environment	Localisation strategy and partnerships	Localisation strategies and relationships
Regulator relationship	Localisation strategy and partnerships	Localisation strategies and relationships
Importance of relationships	Localisation strategy and partnerships	Localisation strategies and relationships
Business are not integrated enough with the locals have a localisation strategy	Localisation strategy and partnerships	Localisation strategies and relationships
Localisation strategy failed through lack of partnerships	Localisation strategy and partnerships	Localisation strategies and relationships
Relationships that protect intellectual property	Localisation strategy and partnerships	Localisation strategies and relationships
Lack of critical skills in host country	Availability of skills resources	Localisation strategies and relationships
Have a localisation strategy	Localisation strategy and partnerships	Localisation strategies and relationships

Know the country risk, know the localisation requirements if any; know the rules and regulations in the country; know the sovereign status of the country	Localisation strategy and partnerships	Localisation strategies and relationships
Do due diligence on localisation rules of risk environment	Localisation strategy and partnerships	Localisation strategies and relationships
Relations with third parties for skills and knowledge risk with institutional knowledge that sits with people	Localisation strategy and partnerships	Localisation strategies and relationships
Business support have a localisation strategy	Localisation strategy and partnerships	Localisation strategies and relationships
Relations with third parties for skills and knowledge	Localisation strategy and partnerships	Localisation strategies and relationships
Breaking cultural barriers with localisation strategies	Localisation strategy and partnerships	Localisation strategies and relationships
Skills flight risk	Availability of skills resources	Localisation strategies and relationships
Importance of localisation strategies	Localisation strategy and partnerships	Localisation strategies and relationships
Localisation strategy to gain knowledge relationship with global consultants to gain knowledge	Localisation strategy and partnerships	Localisation strategies and relationships
Localisation strategy and control if minority	Localisation strategy and partnerships	Localisation strategies and relationships
A broad footprint , big global business	Size of business	Size and age of business

Sub-research question 1: How do market research and risk assessment in support of the firm's knowledge capabilities and resources mitigate the risk of de-internationalisation?

1st order codes	1st order categories	Themes
Business support	Business support	Business operations and market development
Department role	Department role	Business operations and market development
Disinvestment from developed country more of a structural operational decision	Structural operational decision	Business operations and market development
Disinvestment more of a structural operational decision	Structural operational decision	Business operations and market development
Disinvestment more of a structural operational decision	Structural operational decision	Business operations and market development
Core business	Core business	Business operations and market development

Department role	Department role	Business operations and market development
Core business	Core business	Business operations and market development
Core business is financial services	Core business	Business operations and market development
Role of department is channel distribution in various businesses	Department role	Business operations and market development
Department role	Department role	Business operations and market development
Department role	Department role	Business operations and market development
Department role	Department role	Business operations and market development
Department role	Department role	Business operations and market development
Internal cost strategies can have an impact on group operations	Cost strategies	Capital and operational costs requirements
Supply chain	Capital requirements	Capital and operational costs requirements
Market dynamics prevalent in economic common markets	Capital requirements	Capital and operational costs requirements
Costs are a barrier to knowledge acquisition	Costs	Capital and operational costs requirements
Exit country as was not financially viable	Cost	Capital and operational costs requirements
Africa vs United Kingdom and United States	DMNE VS EMNE	competition
Left the developed region to concentrate in Africa	DMNE VS EMNE	competition
Left the developed region to concentrate in Africa	DMNE VS EMNE	competition
Perception that more mature and established regions are great for business	DMNE VS EMNE	competition
Product or service	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Brand protection and noncompliance to agreements	Branding	Culture, similarities, differences, and adaptability
One size fit all	One size fit all	Culture, similarities, differences, and adaptability
Knowledge of the brand	Branding	Culture, similarities, differences, and adaptability
Knowledge of the brand	Branding	Culture, similarities, differences, and adaptability

Power of branding conquered market challenges	Branding	Culture, similarities, differences, and adaptability
Cultural barriers	Culture	Culture, similarities, differences, and adaptability
One size fit all	One size fit all	Culture, similarities, differences, and adaptability
Culture nuisance hamper business growth lack of knowledge of risk environment hamper business growth	Culture	Culture, similarities, differences, and adaptability
Power of branding conquered market challenges	Branding	Culture, similarities, differences, and adaptability
Knowledge of product acceptability and adoptability	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Knowledge of market maturity for the product or service	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Knowledge of culture and language barriers important	Language	Culture, similarities, differences, and adaptability
Understand product differentiation in various regions	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Inability to replicate a business model can result in disinvestment	One size fit all	Culture, similarities, differences, and adaptability
Difficulty in getting varied line of business various countries	Product and services	Culture, similarities, differences, and adaptability
Disconnect in business due to difference in culture	Culture	Culture, similarities, differences, and adaptability
DMNE Disconnect to African culture. Competition	Culture	Culture, similarities, differences, and adaptability
Distance and inability to replicate holding company strategy	One size fit all	Culture, similarities, differences, and adaptability
Customers in affluent space	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Cultural barriers	Culture	Culture, similarities, differences, and adaptability
Culture and brand experience as a barrier in internationalising	Culture	Culture, similarities, differences, and adaptability
Mode of entry - product offering challenges	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Culture and strategy intent challenges in internationalisation	Culture	Culture, similarities, differences, and adaptability
One size fit all	One size fit all	Culture, similarities, differences, and adaptability
Know how different countries operate	Culture	Culture, similarities, differences, and adaptability

Know how different countries operate	Culture	Culture, similarities, differences, and adaptability
One size fit all	One size fit all	Culture, similarities, differences, and adaptability
One size fit all	One size fit all	Culture, similarities, differences, and adaptability
Selling products that do not suit environment	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
One size fit all	Culture	Culture, similarities, differences, and adaptability
One size fit all	One size fit all	Culture, similarities, differences, and adaptability
Initial strategy was based on matching product and service into the market applicable	Product and service adaptability and strategy	Culture, similarities, differences, and adaptability
Use of translators to curb language barriers	Language	Culture, similarities, differences, and adaptability
Building single corporate culture to curb barriers in knowledge	Culture	Culture, similarities, differences, and adaptability
Business strategy	Business strategy	Market dynamics
Operational challenges	Business strategy	Market dynamics
Operational mandate	Contracts	Market dynamics
Mode of entry	Mode of entry	Market dynamics
Non-compliance to agreement	Rules and regulations	Market dynamics
International business operations	Business strategy	Market dynamics
Changes in risk environment operations	Changes in risk environment	Market dynamics
Small population, difficult to have scalable operations	Scalable operations	Market dynamics
Risk environment similarities	Risk environment	Market dynamics
Small population, difficult to have scalable operations	Scalable operations	Market dynamics
Learnings from risk environment	Risk environment	Market dynamics
Small population, difficult to have scalable operations	Scalable operations	Market dynamics
Small population, difficult to have scalable operations	Scalable operations	Market dynamics
Legal contracts	Contracts	Market dynamics

Research in other markets - legal	Rules and regulations	Market dynamics
Information from market research	Market research and risk assessment	Market dynamics
Knowledge required before internationalising	Market research and risk assessment	Market dynamics
Knowledge required before internationalising	Market research and risk assessment	Market dynamics
Impact of knowledge	Market research and risk assessment	Market dynamics
Changing and corrupted regulatory environment, challenges expatriating cash. Change in regulatory environment drive decision of disinvestment	Regulatory environment	Market dynamics
Know challenges in the risk environment	Risk environment	Market dynamics
Know the needs of customers	Needs of customers	Market dynamics
Be willing to defend the space you are in	Business strategy	Market dynamics
No entry in country because it is occupied by their biggest competitor	Competition	Market dynamics
Joint venture as mode of entry	Mode of entry	Market dynamics
Joint venture as mode of entry	Mode of entry	Market dynamics
Political challenge caused by government anti-competitive behaviour	Rules and regulations	Market dynamics
Economic landscape impact operations of the international business	Economic landscape	Market dynamics
It is important to have market research	Market research and risk assessment	Market dynamics
It is important to have the diligence	Market research and risk assessment	Market dynamics
Mode of entry	Mode of entry	Market dynamics
Knowledge of risk environment	Risk environment	Market dynamics
Prepared for risk environment	Risk environment	Market dynamics
Changes in risk environment operations	Changes in risk environment	Market dynamics
Changing and corrupted regulatory environment, challenges expatriating cash.	Regulatory environment	Market dynamics

Changing and corrupted regulatory environment, challenges expatriating cash.	Expatriation of cash	Market dynamics
Information from market research	Market research and risk assessment	Market dynamics
Changing and corrupted regulatory environment, challenges expatriating cash.	Regulatory environment	Market dynamics
Changing and corrupted regulatory environment, challenges expatriating cash.	Regulatory environment	Market dynamics
Changing and corrupted regulatory environment, challenges expatriating cash.	Regulatory environment	Market dynamics
Fast moving environment	Market research and risk assessment	Market dynamics
Regulatory environment	Rules and regulations	Market dynamics
Regulatory environment	Rules and regulations	Market dynamics
Common trading ground	Rules and regulations	Market dynamics
Rules and regulations	Rules and regulations	Market dynamics
Trade commissions that expand knowledge	Regulatory environment	Market dynamics
Expatriation of resources	Expatriation of cash	Market dynamics
Rules and regulations	Rules and regulations	Market dynamics
Business strategy	Business strategy	Market dynamics
Legacy business process	Business strategy	Market dynamics
Risk assessment	Market research and risk assessment	Market dynamics
Changing regulatory framework	Regulatory environment	Market dynamics
Decisions are based on thorough market research	Market research and risk assessment	Market dynamics
Business taken over by government	Rules and regulations	Market dynamics
Business taken over by government	Rules and regulations	Market dynamics
Mode of entry	Mode of entry	Market dynamics
Mode of entry through acquisitions	Mode of entry	Market dynamics

Mode of entry linked to proximity	Mode of entry	Market dynamics
Mode of entry to predominantly English-speaking countries	Mode of entry	Market dynamics
Entry as an extension of South Africa	Mode of entry	Market dynamics
Entry due to political connections	Mode of entry	Market dynamics
Conservative business model that follows what works	Business strategy	Market dynamics
Entry into Kenya due to distance	Mode of entry	Market dynamics
Market dynamics prevalent in economic common markets	Market research and risk assessment	Market dynamics
Acquisition can help overcome knowledge barriers	Mode of entry	Market dynamics
Find strategic partner for unfamiliar markets	Market research and risk assessment	Market dynamics
Misalignment of strategy and risk environment needs	Risk environment	Market dynamics
Misalignment of acquired business vs intention of trade	Business strategy	Market dynamics
One acquisition can open for other markets	Business strategy	Market dynamics
Business strategy - moving senior leadership into risk environment	Business strategy	Market dynamics
Some businesses are lost in as some are built in the market	Business strategy	Market dynamics
Understanding which business to grow in which environment	Market research and risk assessment	Market dynamics
De-internationalisation could be to unlock value	Business strategy	Market dynamics
De-internationalisation could be to unlock value	Business strategy	Market dynamics
De-internationalisation could be to unlock value	Business strategy	Market dynamics
Dynamics of the global economy is actually not as simple as we perceive	Dynamics of global economy	Market dynamics
A business can never be fully prepared for international market	Market research and risk assessment	Market dynamics
Can run an unprofitable operation for various business reasons	Business strategy	Market dynamics
Excellence in business is relative	Business strategy	Market dynamics
DMNE Varied rules and regulations, Competition from DMNEs	Rules and regulations	Market dynamics

DMNE Varied rules and regulations, Competition from DMNEs	Competition	Market dynamics
Teams based in various jurisdictions	Business strategy	Market dynamics
Risk assessment	Market research and risk assessment	Market dynamics
Internal business strategy that benefit international business	Business strategy	Market dynamics
Scalable operations vs strategic decisions	Business strategy	Market dynamics
Lack of coherent business strategy limits knowledge sharing	Business strategy	Market dynamics
Using third party as mode of entry	Mode of entry	Market dynamics
Opportunity cost of trading locally vs internationally	Local vs international	Market dynamics
Knowledge required for developed country risk environment	Risk environment	Market dynamics
DMNE Varied rules and regulations, Competition from DMNEs	Rules and regulations	Market dynamics
US information on tax vs varied states rules	Rules and regulations	Market dynamics
Consideration for economic performance before entering a country	Market research and risk assessment	Market dynamics
Consideration for business viability before entering the region	Market research and risk assessment	Market dynamics
Consideration for countries not to enter, economic and political negatives	Political Environment	Market dynamics
Business strategy	Business strategy	Market dynamics
Research is done before entering a market	Market research and risk assessment	Market dynamics
Business strategy	Business strategy	Market dynamics
Reduction in operations	Business strategy	Market dynamics
Changing and corrupted regulatory environment, challenges expatriating cash.	Regulatory environment	Market dynamics
Political dynamics and sanctions	Political Environment	Market dynamics
DMNE Varied rules and regulations, Competition from DMNEs	Rules and regulations	Market dynamics
Joint venture as mode of entry	Mode of entry	Market dynamics

Acquisition as mode of entry	Mode of entry	Market dynamics
Entry mode through acquisition	Mode of entry	Market dynamics
Joint venture	Mode of entry	Market dynamics
Joint venture	Mode of entry	Market dynamics
Entry through joint venture	Mode of entry	Market dynamics
Mixed modus operandi	Mode of entry	Market dynamics
Strict regulations on contracts	Regulatory environment	Market dynamics
Political dynamics and sanctions	Regulatory environment	Market dynamics
Gather the right information to make the correct strategic decisions.	Business strategy	Market dynamics
information was not enough to give correct position	Market research and risk assessment	Market dynamics
Lack of understanding of the strategic partnerships of the stakeholder	Contracts	Market dynamics
Inadequate information of the risk environment caused exit	Risk environment	Market dynamics
Misaligned objectives of partners, strict regulatory environment	Regulatory environment	Market dynamics
Misaligned objectives of partners, strict regulatory environment	Misaligned objectives of partners	Market dynamics
Land and water rights. Population density. Poor infrastructure	Economic landscape	Market dynamics
Regulatory environment supports only locals	Political Environment	Market dynamics
International strategy not clearly thought out	Business strategy	Market dynamics
Know the environment through a proper risk assessment	Risk assessment	Market dynamics
Exit due to political reasons	Political Environment	Market dynamics
Risk assessment	Market research and risk assessment	Market dynamics
Understanding international business	Market research and risk assessment	Market dynamics
Risk assessment needs to be diverse	Market research and risk assessment	Market dynamics
Possibility of adequate information before internationalising	Market research and risk assessment	Market dynamics

Know the competitors; know the political landscape; know your environment	Risk environment	Market dynamics
Entry through joint venture	Mode of entry	Market dynamics
Exit due to political reasons exit to secure investments to another country	Political Environment	Market dynamics
Information mush is not definitive	Market research and risk assessment	Market dynamics
Variable mode of entry based on country profile and business need	Mode of entry	Market dynamics
Understand your business international objectives first	Business strategy	Market dynamics
Relationships and partnering as mode of entry	Mode of entry	Market dynamics
Strict regulatory environment	Regulatory environment	Market dynamics
Strict regulatory environment	Regulatory environment	Market dynamics
Planned exit through rigorous due diligence	Market research and risk assessment	Market dynamics
Exit due to business sustainability pressures	Business strategy	Market dynamics
Voluntary decision to exit due to non-required operations	Business strategy	Market dynamics
Exit for financial strategy reasons	Business strategy	Market dynamics
Voluntary exit of a lucrative business operation	Business strategy	Market dynamics
Ensure contracts built before entering especially political environments	Political Environment	Market dynamics
Know the policy and risk instruments that protect you against government change	Regulatory environment	Market dynamics
Exit was from head office operational pressures	Business strategy	Market dynamics
Involuntary exit due to pressures from geopolitical landscape	Political Environment	Market dynamics
With due diligence there should not be future compliance issues that cause exit	Market research and risk assessment	Market dynamics
Social barriers such as Sabotage in countries such as Nigeria	Social barriers	Market dynamics
Mode of entry linked to proximity	Mode of entry	Market dynamics

Proximity not a key decider on mode of entry	Mode of entry	Market dynamics
Be candid where you get your information from	Market research and risk assessment	Market dynamics
Inadequate information of the risk environment caused exit	Risk environment	Market dynamics
Internationalising for the wrong reasons	Business strategy	Market dynamics
Internationalising for the wrong reasons	Business strategy	Market dynamics
Know the rules and regulations in the country	Rules and regulations	Market dynamics
Risk assessment	Market research and risk assessment	Market dynamics
Problems with extraction of returns back to South Africa	Rules and regulations	Market dynamics
Closure of operations should be well structured	Business strategy	Market dynamics
Lack of competition in a region can be lucrative but may come with its own challenges	Competition	Market dynamics
Acquisition as mode of entry	Mode of entry	Market dynamics
Mode of entry motivated by return on investment and shareholder value	Mode of entry	Market dynamics
Its more decision making than lack of knowledge	Business strategy	Market dynamics
Materiality of businesses in some regions	Business strategy	Market dynamics
Risk from governance issues more prevalent in African countries vs US and UK	Rules and regulations	Market dynamics
Adaptability of product or services in various markets	Market research and risk assessment	Market dynamics
Business strategy	Business strategy	Market dynamics
Know the political landscape	Political Environment	Market dynamics
Knowledge informs decisions	Market research and risk assessment	Market dynamics
mixed mode of entry	Mode of entry	Market dynamics

Change in regulatory environment drive decision of disinvestment exit to secure investments to another country know the regulatory risk in risk environment	Rules and regulations	Market dynamics
Know the operating environment and risk no perfect knowledge but understand risk and act on change	Risk environment	Market dynamics
Scale of business come with difficulty in decision about operations	Scalable operations	Market dynamics
Not de-internationalisation but capital reallocation	Capital reallocation strategy	Market dynamics
Macro-economic indicators to decide	Market research and risk assessment	Market dynamics
De-internationalisation based more on return than a lack of information	Business strategy	Market dynamics
Some industries not well developed in Africa	Infrastructure	Market dynamics
Operational control	Contracts	Market dynamics
Shareholder agreement mismanagement can cause disinvestment	Shareholder value	Shareholder value
Know the shareholders of the business before acquisition	Shareholder value	Shareholder value
Know the capital requirements of the business	Shareholder value	Shareholder value
Investor and shareholder value	Shareholder value	Shareholder value
Investor and shareholder value	Shareholder value	Shareholder value
Shareholder risk and appetite and an institutionalised business	Shareholder value	Shareholder value
Investor and shareholder value	Shareholder value	Shareholder value
Investor and shareholder value	Shareholder value	Shareholder value
Shareholder communication	Shareholder value	Shareholder value

Sub-research question 2: How does proximity to the risk environment influence the accumulation and sharing of this knowledge?

1st order codes	1st order categories	Themes
Not close enough to market to experience it	Proximity of management and costs	Costs and timing in relation to proximity
Proximity of management and costs linked to proximity	Proximity of management and costs	Costs and timing in relation to proximity
Proximity of management	Proximity of management and costs	Costs and timing in relation to proximity
Costs linked to proximity	Proximity of management and costs	Costs and timing in relation to proximity
Regional hubs and time	Proximity of management and time	Costs and timing in relation to proximity
Dangers of exclusive remote working	Proximity of management and costs	Costs and timing in relation to proximity
Proximity of management and costs linked to proximity	Proximity of management and costs	Costs and timing in relation to proximity
Costs linked to proximity benefits	Proximity of management and costs	Costs and timing in relation to proximity
Entry due to proximity	Proximity of management and costs	Costs and timing in relation to proximity
Proximity key in experiential learning	Proximity of management and costs	Costs and timing in relation to proximity
Ease of knowledge due to proximity	Proximity of management and costs	Costs and timing in relation to proximity
Time and proximity	Proximity of management and time	Costs and timing in relation to proximity
Ease of research due to proximity	Proximity of management and costs	Costs and timing in relation to proximity
Time zone more important than proximity	Proximity of management and time	Costs and timing in relation to proximity
Proximity and influence on knowing risk environment	Proximity of management and adaptability	language and cultural barriers
Language and cultural barriers due to proximity	Proximity linked to cultural barriers	language and cultural barriers
Proximity plays a role in acquisition	Proximity of management and mode of entry	Proximity and knowledge accumulation
Timing and quality of communication	Proximity of management and communication	Proximity and knowledge accumulation