

**How do expatriates experience institutional distance in
their host countries and what mechanism do they
implement to respond to the distance**

Abram Mojela Kgotle

Student number: 11310032

A research project submitted to the Gordon Institute of Business Science, University
of Pretoria, in partial fulfilment of the requirements for the degree of Master of
Philosophy (Corporate Strategy/International Business).

06 December 2021

ABSTRACT

The increase in the internationalisation of multinational corporations has resulted in the increased reliance on expatriation as one of the important levers for managing international subsidiaries. Expatriates are assigned for several reasons, which include co-ordination of international subsidiaries, knowledge transfer and socialisation of the subsidiaries. The assignments expose expatriates to complex institutional environments of host countries, whose characteristics include the differences between the institutional structures in host and home countries, institutional distance.

A lot is known about institutions and expatriation, respectively, however little is known about the how expatriates experience the institutional distances and measures they implement to manage the effect of the differences between their home and host country. This primary aim of this study is to contribute toward closing this gap by exploring the expatriates' experiences of the institutional distance and establish what measures they are implementing to navigate them.

The study is conducted through an exploratory, qualitative research process that involves semi-structured interviews with participants on international assignments in several host countries of a global automotive manufacturer. It is an inductive study that will provide valuable contribution towards expatriation and institution theories as well as insights that business could use to enhance their expatriation efforts.

KEY WORDS

Expatriates; Expatriation; Institutions; Institutional theory; Institutional distance

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 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 carry out this research.

Abram Mojela Kgotle
11310032

TABLE OF CONTENTS

ABSTRACT	1
KEY WORDS	2
DECLARATION:	3
TABLE OF CONTENTS	4
LIST OF TABLES	8
LIST OF FIGURES.....	9
CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM	10
1.1. Background to the research problem	10
1.2. Purpose of the research	12
1.3. The research problem	13
1.4. Scope of research	15
1.5. Outline of the research report.....	16
CHAPTER 2: LITERATURE REVIEW	17
2.2. Expatriate management.....	17
2.2.1. Introduction.....	17
2.2.2 Definitions	18
2.2.2.1. Expatriate:	18
2.5.1.1. Pre-requisites of success.....	20
2.5.1.2. Dimensions of success.....	21
2.5.1.3. Requisite KSAOs	21
2.2.3. Expatriation theoretical underpinnings.....	23
2.2.4. Organising framework for expatriation	24
2.2.4.1. Selection	25
2.2.4.2. Training	25
2.2.4.3. Acculturation	26
2.2.4.4. Repatriation.....	27
2.2.5. Expatriation strategy	27
2.2.6. Expatriate Return on Investment (ROI).....	29

2.3.	Institutional theory	31
2.4.	The role of institutional distance in expatriation	33
2.4.1.	Introduction.....	33
2.5.	Institutional voids.....	36
2.6.	Response to institutional differences.....	37
2.7.	Chapter conclusion.....	41
CHAPTER 3: RESEARCH QUESTIONS		42
3.1.	Introduction	42
CHAPTER 4: RESEARCH METHODOLOGY		43
4.1.	Introduction	43
4.2.	Research Design	43
4.3.	Population	45
4.4.	Sampling Method and Size	45
4.5.	Unit of analysis	46
4.6.	Data collection	46
4.7.	Data saturation and analysis.....	47
4.8.	Data Analysis.....	47
4.9.	Reliability and validity.....	49
4.10.	Ethical considerations	51
4.11.	Limitations	51
CHAPTER 5: RESULTS		52
5.1.	Overview of the sample	52
5.2.	Detailed Results per theme.....	54
5.2.1.	Nature of Regulatory institutions.....	54
5.2.1.1.1.	Governance	55
5.2.1.1.3.	Safety	59
5.2.1.1.4.	Government services.....	62
5.2.1.1.5.	Corruption.....	66
5.2.1.1.6.	Crime rate	68

5.2.2.	Nature of Cognitive Institutions	70
5.2.2.1.	Warm South Africans	70
5.2.2.2.	Relationships matter	71
5.2.2.3.	Conservative Germany	73
5.2.2.4.	Language barrier	74
5.3.	Response to the institutional characteristics.....	78
5.3.1.	Response to regulatory distance	79
5.3.1.1.	Response to governance distance	79
5.3.1.2.	Response to safety & crime distance	80
5.3.1.3.	Response to government services	81
5.3.2.	Response to cognitive differences	82
5.3.2.1.	Cultural differences	82
5.3.2.2.	Language barrier	83
5.3.3.	Response to normative differences	83
5.4.	Additional results:.....	83
5.4.1.	Infrastructure	83
CHAPTER 6: DISCUSSION OF THE FINDINGS		87
6.1.	Introduction	87
6.2.	Discussion of the Findings for Research Question 1.....	87
6.2.1.1.	Conclusive findings for Research Question 1	89
CHAPTER 7: CONCLUSION AND RECOMMENDATIONS.....		95
7.2.	Principal Findings	96
7.3.	Implications for Management.....	98
7.4.	Limitations of this research.....	98
7.5.	Suggestions for further Research	99
7.6.	Conclusion	99
REFERENCES.....		101
Appendices:.....		107
Appendix A: Interview Guide		107
Appendix B: Informed Consent.....		108
Appendix C: Ethical Clearance		109

LIST OF TABLES

Table 1: Summary of relevant research on institutional environments and expatriation	14
Table 2: Summary of research questions	42
Table 3: Participant per host country	52
Table 4: Participant per expatriation period	53
Table 5: Participant summary	53
Table 6: Regulatory characteristics summary	55

LIST OF FIGURES

Figure 1: Outline of the research report	16
Figure 2: Literature review roadmap	17
Figure 3: Expatriate assignment outcomes	20
Figure 4: Cross-cultural adjustment process.....	22
Figure 5: Organising framework for expatriation	25
Figure 6: Expatriate allegiance levels	26
Figure 7: Framework of the expatriation strategy	29
Figure 8: Expatriate ROI framework	30
Figure 9: Typology of MNC host country strategies	39

CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1. Background to the research problem

The increased internationalisation of the business activities of the Multinational Corporations (MNCs) across developed and developing countries has enabled the continued use of expatriates in international subsidiaries (DeNisi and Sonesh, 2016; Zhou, 2021; Singh, 2010, McEvoy & Buller, 2013, Bhatti, Battour and Ismail, 2013). Salomon and Wu (2011) purport that internationalisation exposes MNCs to complex international environments and several related pressures. The complex international environments and related pressures are relevant for any study that seeks to explore expatriation. Expatriates are assigned to international subsidiaries for several reasons that include the co-ordination and management of the international subsidiaries, knowledge and technology transfer and socialisation of the international subsidiaries into the MNC's culture or operating systems. The assignments come at significant costs for MNCs (Holoaponaise and Björkman, 2005), thus necessitating efforts to understand all factors contributing to the successful execution and completion of the expatriation missions.

These expansionary efforts expose the expatriates to varied institutional environments may be different from their home countries (Canhilal, Shemueli and Dolan, 2015). The differences in the institutional environments, otherwise known as institutional distance, have been subjected to scholarly attention, seeking to deepen the understanding of how they influence MNC strategy and staffing choices. Baik and Park (2015), Gaur, Delios and Singh (2007) are among many scholars who have acknowledged the significance of institutional differences in shaping MNC staffing choices and therefore the expatriation efforts.

The seminal work by Black, Mendenhall and Oddou (1991) posited that the institutional context of the host country is critical for successful adjustment of expatriates. Subsequent work by Caliguiri (1997), Richardson and Mckenna (2006) and Govind and Makwana (2016) built on this preeminent effort and expounded that understanding of the institutional context and the differences with home country is critical for the successful completion of expatriates' assignment missions.

It thus becomes necessary to understand the significance of institutions and specifically the differences between host and home countries. Institutional theory has been extensively applied as a key theoretical lens for understanding institutions and their impact on MNCs and is viewed as an important framework for explaining the institutional environments and how they influence MNC structure and behaviour (Chao and Kumar, 2010). North (1991) made one of the earlier

attempts to decode this construct by loosely defining institutions as the rules of the game that MNCs confront when expanding and developing their international footprints. Xu, Pan and Beamish (2004) expanded on this definition and added that institutions are “rules, norms and rituals that define legitimate behavior”.

McCarthy and Puffer (2016) postulate that the institutions could be formal and informal in nature. Three pillars underpin the formal and informal nature of institutions, namely: regulative, normative and cognitive and exert different forms of conformance pressures on organisations (McCarthy and Puffer, 2016; Paik, Chow and Vance, 2011). The regulative pillar entails the legal or regulatory framework that regulate interactions and/or economic transactions. Normative pillar encapsulates all the societal values and norms that underpin societal life. Lastly the cognitive pillar relations to elements of the national or societal culture. (McCarthy and Puffer, 2016)

The pillars are used to determine the differences between institutional arrangements within parent countries of MNCs and their host countries. Phillips, Tracey and Karra (2009) conceptualise the difference between the regulative, normative and cognitive institutions of host and home country as institutional distance. Importantly, the added a further dimension, institutional uncertainty (Phillips, Tracey and Karra, 2009), which addresses the degree of institutionalisation and helps frame the institutional challenges MNCs confront. The mammoth task MNCs face when confronting these differences is to determine the appropriate response and strategies (Paik, Chow and Vance, 2011), which include the impact on expatriation.

The added challenge that MNCs potentially face is the possibility of what Björkman, Fey and Park (2007) call “contradictory pull”. Essentially, relates to an MNC being pulled to comply with parent company or international and local isomorphic pressures, which could be moving in different directions. From a host country perspective, isomorphic processes could be critical for earning the license to operate, thus increasing pressure on the MNC subsidiary. Lee (2017) argues that internationalisation is complex by its very nature and that the geographical dispersion of subsidiaries is an added complexity factor and yet important.

Invariably, the pressure that MNCs face because of the differences is to determine an appropriate strategy or response thereto (Xu and Shenkar, 2010). Phillips, Tracey and Karra (2009) postulate that depending on the extent of the difference and the institutional uncertainty, MNCs could decide exit, hedge, adapt or avoid the institutional environment. From an expatriation perspective, it is likely that expatriates may face similar challenges and thus need to determine appropriate strategies or responses to the institutional differences. This is even more critical, in

acknowledgement of the significance of institutions and their importance as one of the contextual factors in expatriation (Moreira, Noroes and Ogasavara, 2014).

The seminal work by Caligiuri (1997), Dave, Govind and Makwana (2016), Dickmann, Doherty, Mills and Brewster (2008), Li, Trout and Knapp (2009) and Tan and Mahoney (2006)) present compelling arguments about the importance of completion of expatriate assignments (expatriate success) and the impact of the institutional context. Canhilal, Shemueli and Dolan (2015) point out that completion of assignments (within the context of the challenging institutional environments) has significance and relevance to both the individual expatriate and the MNC, thus aptly positioning the significance of understanding the impact of the institutional differences.

While extensive scholarly attention has been accorded to both institutional distance and expatriation, there remains a paucity of work explicating how expatriates experience the institutional differences and the different responses they have toward them. It is notable that most of the work has thus far focused on the influence of institutional contexts on staffing or expatriation decisions (Gaur, Delios and Singh, 2007), identification of institutional context as being important for expatriation (Moreira, Noroes and Ogasavara, 2014) and relevance to expatriate adjustment in host countries (Black, Mendenhall and Oddou, 1991). Further work was done to acknowledge institutional environment as key element of external factors underpinning return on investment in respect of expatriation (McNulty and De Cieri, 2011). This study project seeks to expand on the previous work and specifically focus on how expatriates experience the institutional differences and the different responses they have toward the differences.

Having outlined the background to the problem that this research project seeks to explore, the next section presents the need for the research and description of the benefits it has for both application within international business and international human resource practice as well as academic literature.

1.2. Purpose of the research

While it has been acknowledged that literature is replete with extensive work on institutions, their relevance to expatriation and the influence on expatriation strategies, not much is known about the lived experience of expatriates as they confront the different institutional distances in host countries. This project is thus intended to contribute towards enhancing this body of work by providing insights on the experiences of expatriates and how they respond to the institutional distances.

It is also notable that the face of expatriation that entails expansion of expatriate pools beyond the traditional approach of transferring Parent Company Nationals (PCNs) from headquarters (McNulty, 2014) has changed and continues to change. This changing nature of expatriation is resulting in the pool of expatriates being broadened to include Third Country Nationals (TCNs) and facets of self-initiated expatriates (SIEs) (McNulty, 2014).

This study project is therefore intended to deepen understanding of the significant impact of institutional distance on expatriation, by honing into how expatriates experience the distances and respond to the distances. It is seen as a valuable contribution in light of the extensive use of expatriates and the recognition of the significance of institutional contexts in exploring various facets of expatriation (McNulty and De Cieri, 2011, Black Mendenhall and Oddou, 1991, Moreira, Noroes and Ogasavara, 2014). The valuable contribution of expatriates as a source of competitive advantage for MNCs (Davis, Fretwell and Schraeder, 2018) necessitates projects such as this, which help deepen understanding of the institutional context and thereby contribute toward enhancing the success of expatriate assignments.

Furthermore, acknowledging that expatriation comes at an exorbitant cost for the MNCs (Holoponaise and Björkman, 2005) and the need to ensure a return on the investment (McNulty and De Cieri, 2010), there is a pressing need to fully appreciate the impact of the institutional distances. Deepening the understanding of the experience of expatriates thus also contributes towards enhancing the value of expatriates and the appreciation of the value (return) of this significant investment.

1.3. The research problem

As discussed in 1.1., the constructs of expatriation and institutional distance have enjoyed extensive scholarly attention in the past, albeit separately and to a limited extent, jointly. This, as scholars sought to understand the impact of institutional environments on determining expatriation strategies, defining antecedent factors in expatriate success (Canhilal, Shemueli and Dolan, 2015; Dickmann, et.al, 2008 and Calguiri, 1997) and adjustment (Black, Mendenhall and Oddou, 1991) as well as determining the return on investment in respect of expatriation (McNulty and De Cieri, 2011).

The extensive body of knowledge in this regard is helpful in enabling understanding of the complex nature of institutional environments/context of MNCs. Equally, extensive research done on expatriation as one of the compelling international human resource management or staffing options. Some of the research having some nexus of both fields includes:

Table 1: Summary of relevant research on institutional environments and expatriation

RESEARCH	SALIENT ELEMENTS	RELEVANCE
BAIK & PARK (2015) EFFECTS OF INSTITUTIONAL CHARACTERISTICS ON MNE STAFFING	The study explored the effects of regulative and normative distances on staffing choices (i.e. decisions on use of PCNs, HCNs or TCNs). Posits that the benefit of HCNs over PCNs/TCNs is higher with normative distance. The high effect is moderated on regulative distance as PCNs could be pivotal for reducing risk and reduce transaction costs	Recognises significance of institutional context for expatriation. However excludes any consideration of the effects on the success of expatriates, a gap this study proposes to close
BJÖRKMAN, FEY & PARK (2007) INSTITUTIONAL THEORY AND MNC HR PRACTICES	Explored influence of institutional environment on international subsidiary HR practices. Affirm local isomorphism pressures and differentiated approaches across subsidiaries. Found too generic, yet useful from institutional theory perspective	Impact of institutional theory on international HR management (including expatriation practices)
LEE (2017): COMPLEXITY OF MANAGING MNCs & IMPACT ON EXPATRIATION	Recognises expatriates as key resource (resource based view) and leverage for MNE growth (using growth theory of the firm) Main focus on complexity of internal structure and effects on expatriation strategy) and fails to extend to institutional environment interface and expatriate success	The resource-based view of expatriation useful is useful for considering theoretical underpinnings.
GAUR, DELIOS AND SINGH (2007): RELATIONSHIP BETWEEN INSTITUTIONAL DISTANCE AND EXPATRIATION	Explored influence of institutional environment on MNC staffing, specifically expatriation. Influence of institutions acknowledged, so is the reliance on HCNs in institutionally distant MNC subsidiaries The leverage of HCNs dissipates over time, making PCNs more preferable and able to realise communication, co-ordination and management roles	General acknowledgement of influence of institutional environment on expatriation Impact on expatriate success however not explored, which further confirms significance of one's study
ZHANG (2012) EFFECTS OF NORMATIVE DISTANCE ON EXPAT DEVELOPMENT)	Explored the impact of cultural intelligence on expatriate adjustment. Provides good insights about cultural and social factors that could enable or inhibit adjustment.	While primarily focused on cultural distance provides good insights on expatriate adjustment

The gap that exists in this extensive body of work relates to delineation of how expatriates experience these differences, which of the differences affect them the most and how they then respond thereto. The project was fuelled by the “pervasiveness of expatriation” (Zhou, 2021) due to increased internationalisation of MNCs, as well as the related need to understand the influence of host institutional country characteristics.

This research project thus explores the how expatriates experience the institutional distances between host and home countries. It is predicated on the limited research into the established significance of the interplay between the contextual factors such as institutional characteristics of host country, expatriate experiences in host countries (Canhilal, Shemueli and Dolan, 2015 and Holopainen and Björkman, 2005). It is further based on the paucity of understanding of the factors related to the success of expatriate assignments beyond cultural adjustment, completion of assignment and delivering on assignment tasks (Davis, Fretwell and Schraeder, 2018, DeNisi and Sonesh, 2016).

The project will also specifically focus on the nature of the institutional distances that expatriates are experiencing, using the frame of regulatory, normative and cognitive institutions (McCarthy and Puffer, 2016; Paik, Chow and Vance, 2011). The project further explores the varied responses that expatriates have toward the identified institutional distances.

This research therefore aims to:

- a) Determine the nature of institutional distances that expatriates during their assignments in their host countries;
- b) Elucidate how the expatriates experience these differences and the impact that they have on their roles;
- c) Identify the mechanisms that are implemented by expatriates to respond to the institutional distances they confront in their host countries; and
- d) Determine the extent to which these differences influence the expatriates' continuation of their international assignments

1.4. Scope of research

The research was conducted within a multinational automotive company, which has operations across most of the regions in the world. In light of the expansive nature of the company, the study was limited to expatriates in the company's South African subsidiary as well as its South African expatriates stationed in Germany, Australia, China, United States of America, Mexico and Dubai, United Arab Emirates. Importantly, the study focused on the expatriates' host country institutional characteristics, their influence on their international assignments and how they are responding to these characteristics.

1.5. Outline of the research report

The outline of the research report is depicted in figure 1 below. Chapter 2 discusses extant literature on institutional environments and expatriation. This chapter will present the theoretical frameworks that underpin expatriation and the theory relating to institutions and institutional distances. This provides the basis for several research questions that will be advanced and have provided the basis for the results discussed in Chapter 5.

Chapter 1	Chapter 2	Chapter 3	Chapter 4	Chapter 5	Chapter 6	Chapter 7
• Introduction to the Research Problem	• Literature Review	• Summary of Research questions	• Outline of Research Methodology	• Presentation of Research Findings	• Discussion of Research Findings	• Conclusion

Figure 1: Outline of the research report

Source: writer's compilation

This will be followed by an outline of the summary of the research questions derived from the literature review and these are presented in Chapter 3. Chapter 4 discusses the research methodology used for the study, including an outline of the data collection and analysis techniques used. The research results emanating from the semi-structured interviews conducted with 30 participants are presented in Chapter 5. This is followed by a discussion of the findings in Chapter 6. The discussion is done in the context of the presentation in chapter 5 and the extant literature review. Finally, Chapter 7 will present the research conclusions as well as make recommendations for further research.

1.6. Conclusion

Expatriation is a cardinal part of the internationalisation efforts by MNCs and will remain an interesting construct for international business studies. The differences between home and host countries equally remain an interesting area of focus for international business scholars and MNCs. With the increased focus on expatriation and its changing face (beyond simply being the preserve of PCNs), it is critical to deepen understanding of the experiences that expatriates have of the institutional distances and the various mechanisms they deploy to respond to them. This study aims to contribute towards this deepening of understanding, which in turn has benefits for MNCs and international business scholars.

CHAPTER 2: LITERATURE REVIEW

2.1. Introduction

This chapter outlines extant literature on expatriation and then specifically focuses on expatriate success. This is followed by review of literature on institutional theory, which forms the basis of exploring institutional characteristics and comparison thereof between home and host countries. This chapter is helpful in examining existing literature and identifying gaps that may still need to be filled (Rowley and Slack, 2004). The general flow of this chapter is depicted in figure 2 below

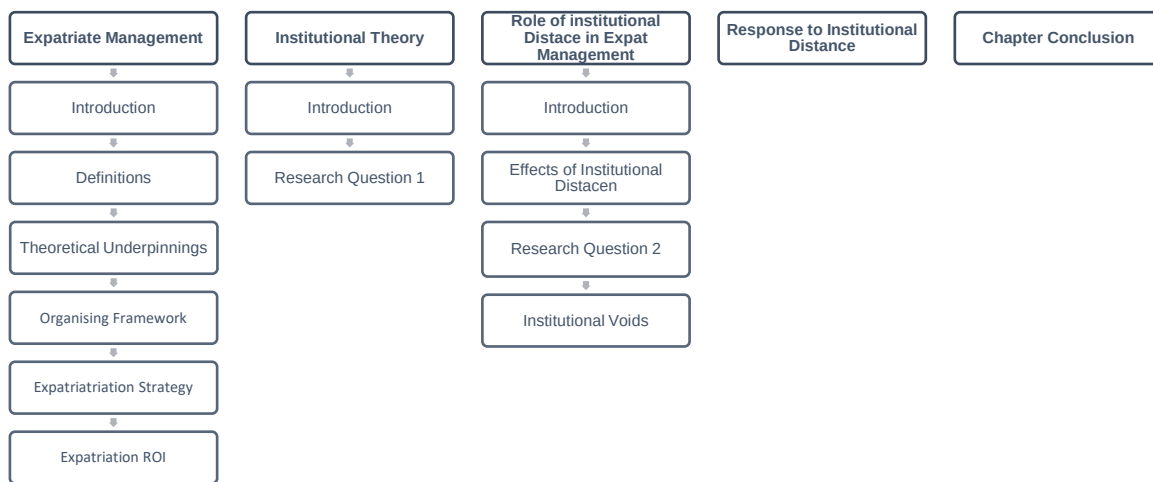


Figure 2: Literature review roadmap

Source: writer's compilation

The starting point will be a review of expatriation literature with the view of understanding its preeminent theoretical underpinnings. This is followed by a review of expatriate success literature, whose primary focus is historical perspectives, applicable frameworks/strategies that enable understanding of the construct of expatriate success. Thereafter there will be review of institutional theory, an important framework in understanding the institutional contexts of expatriation. The chapter ends with consolidation of perspectives on the implications of characteristics for expatriate success.

2.2. Expatriate management

2.2.1. Introduction

Internationalisation of multinational enterprises and the advent of expatriation dates back many centuries. Li, Troutt and Knapp (2009) demonstrate the increase by showing how the US firms increased the expatriate numbers from 80,000 in 1991 to 150,000 in 1997.

Finaccord, a preeminent research base for global expatriate numbers, showed a 5.8% increase in global expatriate figures between 2013 and 2017 and forecasts a 7.2% increase by end 2021, which will bring the total global figures to 87.5 million (from 66.2 million). In its classic form, expatriation involved assignment of trusted PCN from headquarters. Literature advances various reasons for enterprises deploying expatriates, which include knowledge or technology transfer, exercise control over the subsidiary and embed parent company culture, processes, systems (Twinn, 2009; McNulty, 2014).

Collings, Scullion and Morley (2007) observe three main control roles that MNCs advance for using expatriation:

- Bears – the vehicle for MNCs to keep a close eye on the subsidiary and ensure maximum control;
- Bumble bees – moving expatriates through several subsidiaries to aid socialization; and
- Spiders – establish communication networks across subsidiaries

2.2.2 Definitions

2.2.2.1. *Expatriate:*

Zhou (2021) defines an expatriate as an employee with home country nationality who is assigned to an international subsidiary for a period of 3-5 years, for purposes of transferring knowledge and technology and may include management of the overseas subsidiary. This refined definition addresses some of the shortcomings of the classic definition, which would have described an assignee as being from HQ, thus having his home country being the MNC's country of origin, meaning Parent-country nationals (McNulty, 2014).

Notably, the face of expatriation has changed significantly in the last two decades. Whereas transfer of PCNs (largely middle-aged males), mainly from headquarters, marked the beginning of expatriation, McNulty (2014) noted that there was a noticeable change in the profile of expatriates. The change included broadening the base to include women, people with different sexual orientations and family structure. The most noticeable change is also in expatriation no longer being the preserve of the PCNs and the inclusion of TCNs in the widening pool of expatriates. This corroborates the assertion by Moreira, Noroes and Ogasavara (2014) pertaining to expatriate pools also including TCNs.

In addition to the above, it is important to appreciate that the definition of expatriates has also broadened. Moreira, Noroes and Ogasavara (2014) and McNulty (2014) noted that the definition has expanded beyond the classic headquarter assigned expatriate. The definition now includes expatriates drawn from subsidiaries as well in pursuit of MNC goals of building competitive global talent pools, which extends the pool beyond headquarters. Further, the definition include a growing pool of self-initiated expatriates, which are loosely defined as individuals who have raised their hands and pursued international assignments (McNulty, 2014). Lastly, expatriation now also include project assignments, which may not necessarily be the same as the traditional long-term assignments.

2.2.2.2. Expatriate Success

Expatriate success is one of the important expatriation constructs that has been subject to several attempts to find an appropriate definition, which Salgado and Bastida (2017) contend yielded several, disparate perspectives. There is however, consensus about the three main elements of defining expatriate success that emerged from one of the earlier definition attempts led by Caligiuri (1997). These three main elements are:

- a) completion of an international assignment;
- b) cross-cultural adjustment; and
- c) performance during the international assignment (completion of assigned tasks)

This definition of expatriate success has been found to be acutely inadequate, leading to further definition attempts. Harzing and Christensen (2004) proposed that there could be several outcomes from the expatriate assignment as depicted below in figure 5, which may be helpful in defining expatriate success. The framework posits that there are several likely scenarios before, during and after the assignment, which necessitate requisite steps or responses from the MNCs.

Expatriate success is not necessarily about completion of the assignment but rather delivering on the primary reason or the business for the assignment and it is important to assess it by looking at effective performance of the entire expatriate organising framework. (Li, Troutt and Knapp, 2009).

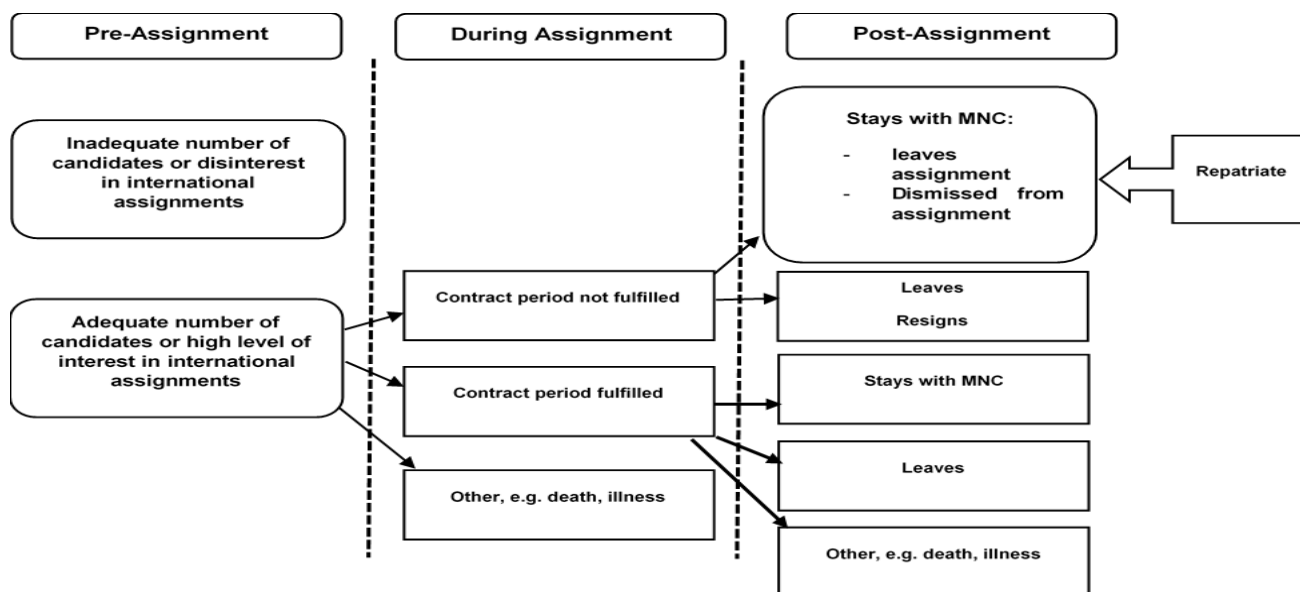


Figure 3: Expatriate assignment outcomes

Source: Li, Troutt and Knapp (2009)

DeNisi and Sonesh (2016) present one of the compelling models for expatriate success (figure 7), which integrates important elements of success and illustrates their interconnectedness. The model has three main elements: pre-requisites of success, dimensions of success and requisite knowledge, skills, abilities and other characteristics (KSAOs).

2.5.1.1. Pre-requisites of success

First pre-requisite is absorptive capacity, which entails the capacity to absorb, process and apply new information (DeNisi and Sonesh, 2016). This is an important requirement for expatriates especially in light of knowledge transfer being viewed as one of the primary roles that expatriates play during their assignments (Dickmann, et.al. 2008). Singh (2010) postulate that expatriates play an important role as conduits of communication between the subsidiary and the MNC, thus necessitating that they have capacity to absorb, process and communicate and this is done reciprocally, viz. from HQ to subsidiary and subsidiary to HQ.

The second pre-requisite is adjustment. General, relational and work adjustment are essential elements of expatriate adjustment (Davis, Fretwell, Schraeder, 2018; Li-Yueh and Sukoco, 2008; Salgado and Bastida, 2017) and importantly enablers of expatriate success. General adjustment, in particular is of critical significance and as discussed in 2.2.3.3, expatriates who are able to strike a balance between home and host country characteristics and adopt the “dual citizens” (Richardson and McKenna, 2006) posture are likely to be more successful during their assignments.

2.5.1.2. *Dimensions of success*

The model proposes four dimensions of success. Firstly, task performance. This relates to the expatriate delivering on the required tasks or objectives of the assignment. The role of expatriates as seen earlier, include a number of goals such as knowledge and/or technology transfer, management of subsidiaries, socialisation into MNC culture, etc. (Singh, 2010; Dickmann, et.al., 2008). Secondly, relationship building, which Dickmann, et.al. (2008) is one of the classic motivations for expatriation. An expatriate thus has an important role of developing, nurturing relations within the host country and these include both internally within the subsidiary and externally with key role players or stakeholders (DeNisi and Sonesh, 2016).

The third dimension is contextual performance and it entails an expatriate being a good citizen, meaning they go beyond technical/task performance and embrace role in contributing beyond the workplace (DeNisi and Sonesh, 2016). The fourth dimension is the retention of the MNC within the MNC. Dickmann, et.al. (2008) posit that one of the critical motivations for MNCs investing in expatriation is development of international talent and this enhances their competitiveness. It is for this reason that retention of an expatriate within the MNC at the end of the international assignment is important and also to enable the MNC to benefit from the knowledge that the expatriate will transfer upon their return. Retention of the expatriate beyond the assignment is essential for the MNCs to get a return on their investment (DeNisi and Sonesh, 2016).

2.5.1.3. *Requisite KSAOs*

The last element of the model entails the proposed KSAOs that enable expatriate success. DeNisi and Sonesh (2016) propose that expatriates inter alia require communication, networking and cultural intelligence skills, in addition to the technical skills required to fulfil their roles. This builds on the previous work by Avril and Magnini (2007) who also outlined key traits such as curiosity, open-mindedness, and tolerance of ambiguity as being key levers that could enable expatriate success. Additionally, it is essential that the MNC is perceived as being supportive to the expatriates before, during and after the assignment, which will aid their retention (DeNisi and Sonesh, 2016).

2.2.2.3. *Expatriate adjustment*

Literature reveals that expatriate success is assessed through the lens of expatriate adjustment. Three adjustment dimensions have been extensively used, namely; general adjustment

(adjustment to the host country general living conditions), relational adjustment (building relations with HCNs) and work adjustment which involves adjusting to the new role during the international assignment (Davis, Fretwell, Schraeder, 2018; Li-Yueh and Sukoco, 2008; Salgado and Bastida, 2017). Using these dimensions, expatriate success definition could be expanded to the extent to which an expatriate performs their assigned tasks and establishes relations with host country nationals during their assignment (Salgado and Bastida, 2017).

Adjustment to the host country culture is by far the most researched aspect of expatriation and is according Caligiuri (1997) and Dave, Govind and Makwana (2016), one of the key criteria for expatriate success. In their preeminent article on adjustment, Black, Mendenhall and Oddou (1991) developed a cross-cultural adjustment framework (figure) which provides a comprehensive outline of the key elements of the cross-cultural adjustment process.

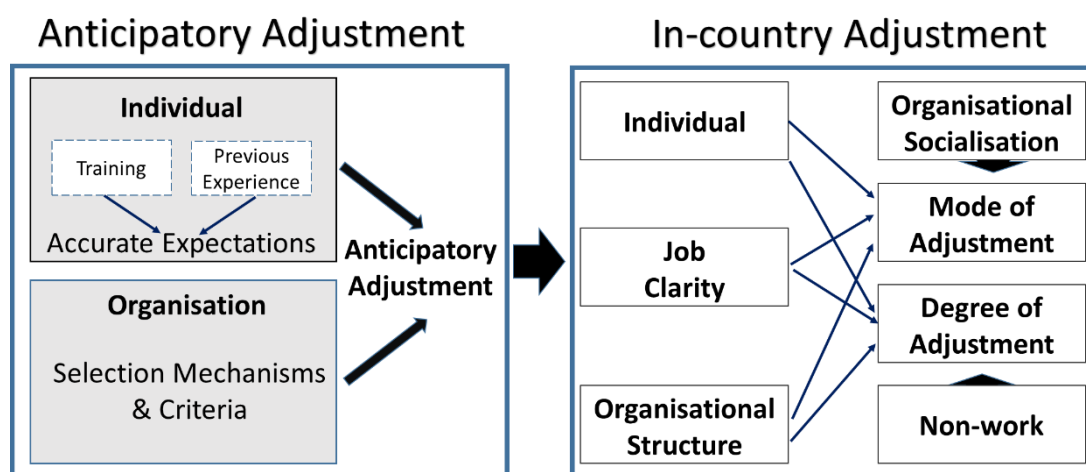


Figure 4: Cross-cultural adjustment process

Source: adapted from Black, Mendenhall and Oddou (1991)

The framework proposes two main phases of adjustment, viz. anticipatory adjustment and in in-country adjustment. Black, Mendenhall and Oddou (1991) purport that anticipatory adjustment is a function of pre-assignment training received by an expatriate as well as their previous expatriation experience (where applicable), which and organisational expatriate selection processes and criteria. The main thrust of this phase is the enabling nature of the expatriate's training or preparation and the MNC's deployment of comprehensive processes to identify and select expatriates. In-country adjustment, on the other hand entails both the extent and nature of adjustment, and has several facets and antecedents that may influence them differently and severally (i.e. inhibitory or enabling) (Black, Mendenhall and Oddou, 1991).

There are two main groups of antecedents of adjustment. Firstly, individual antecedents, which entail individual factors that may inhibit or enable expatriate success. Canhilal, Shemueli and Dolan (2015) postulate that these include the expatriate's personality traits, cognitive and emotional intelligence and their comfort with the host country environment. Secondly, the organisation can influence the adjustment process by implementing requisite management processes and practices that support expatriates, e.g. training, communication, socialisation, retention mechanisms, etc. (Canhilal, Shemueli and Dolan, 2015, Singh, 2010)

2.2.2.4. Expatriate failure

Expatriate failure has largely been defined as early termination of the international assignment (Li, Troutt and Knapp, 2009, DeNisi and Sonesh, 2016). This definition is also seen as inadequate as to recognise that early termination could be caused by myriad reasons, which may not necessarily be due to the expatriate having failed to meet the expectations. This is why Harzing and Christensen (2004) correctly define expatriate failure as the inability to perform according to the expectations of the MNC. DeNisi and Sonesh (2016) assert it is crucial that the expectations of an international assignment are adequately defined and used to determine failure or success.

2.2.3. Expatriation theoretical underpinnings

Expatriation, is as determined earlier, a staffing option that is largely linked with the rapid acceleration of internationalisation. Tan and Mahoney (2006) assert that one the main thrusts of the internationalisation strategies is to create economic value for the MNC. They proposed an integrative framework comprising transaction cost theory and agency theory on the one hand and the resource-based theory on the other. In the first group (transaction cost and agency theories), MNC decision on expatriation is driven by the need to create economic value by enhancing revenue generation. The key assumption is that there is alignment between the expatriate and the MNC insofar as the HQ economic interests are concerned. Furthermore that the long service and expatriate experience, places expatriates in a prime position to drive HQ interests.

The other side of their equation is the resource-based theory, which advocates value creation through proper deployment of resources. In this regard, the choice between HCN and expatriate is driven largely by the extent to which either are able to generate economic value for the MNC. In spite of either side, the link between internationalisation and expatriation remains unquestionable.

The theory that has however been quite pivotal in expatriation has been agency theory, which purports existence of a principal and agent relationship between the MNC and the expatriate. Harvey, Speier and Novecevic (2001) who expound the agency relationship between MNC support this view and the expatriate by emphasising monitoring or enforcement of compliance with HQ policies, systems and practices. This assertion raises interesting discourses about the choices between host country nationals/talent and expatriate talent. Li, Troutt and Knapp (2009) and Tan and Mahoney (2006) posit that in this context, MNCs opt for expatriate talent as they are deemed as being more socialised into MNC culture, systems and policies and therefore able to steer the subsidiaries accordingly.

Tan and Mahoney (2006) expanded the work on agency theory and argued that expatriation could also be explained through resource-based/dependence and transaction cost theories. Within resource-dependence or based theory, MNCs determine assignment of their management capacity based on the assessment of the comparative capabilities between host country talent and expatriate talent. This assessment also helps in determining the cost-benefit of either option and thus informs the choice an MNC makes. In light of the assumption that emerging markets do not have the requisite skills, it is likely that there would be more utilisation of expatriate than host country national talent. Within the context of transaction cost theory, an MNC exploits the employment contracts to secure alignment between the economic interests of both the assignee and the enterprise (Tan and Mahoney, 2006).

While the classic view (agency theory) and the deployment of resource-based and transaction cost theories are helpful in explaining expatriation, they fall short as they do not consider the prominent internationalisation role of emerging market MNCs in the last two decades (Hennart, 2012) as well as the complex nature of the internationalisation process. This certainly raises a need for expanding research into the internationalisation by emerging market MNCs as proposed Gong (2003) in Zhu, De Cieri, Fan and Zhang (2018) and the implications thereof for staffing option or the international human resource management practice.

2.2.4. Organising framework for expatriation

Literature is replete with information on the various stages of the expatriation process. Singh (2010) proposes an integrated framework (figure 3 below), which covers all the important phases of planning and implementing expatriation. The key steps of the integrated framework are summarised hereunder:

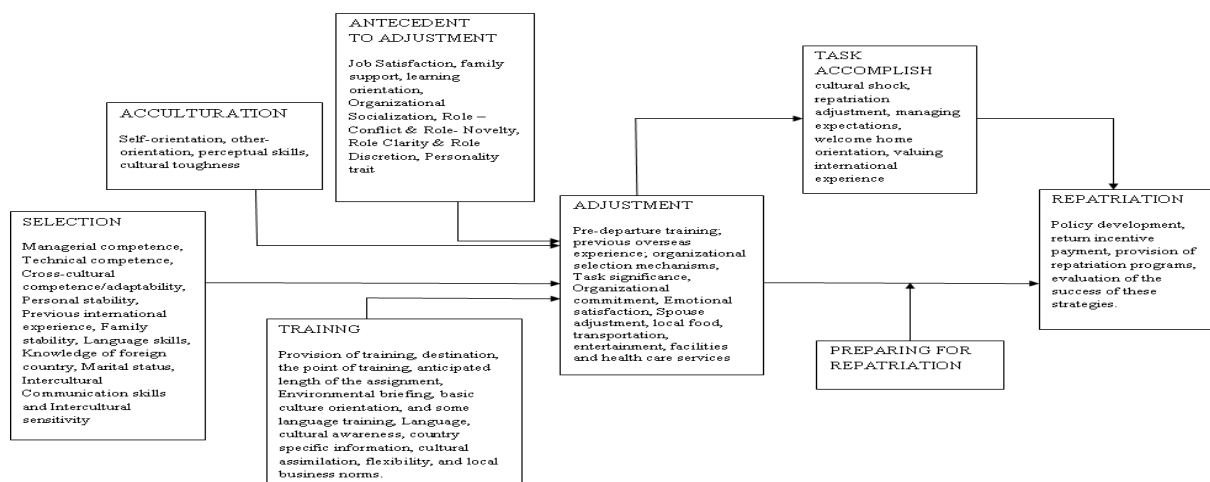


Figure 5: Organising framework for expatriation

(Source – Singh, 2010)

2.2.4.1. Selection

This is arguably the most critical step in the expatriation process as it sets the tone for the possible success or failure of the expatriation effort. Black, Mendenhall and Oddou (1991), in their seminal study into adjustment, noted that expatriate selection tended to focus mainly on technical competence, which was not enabling consideration of the full spectrum of factors that could enable expatriate success. Bonache, Brewster and Suutari (2001) noted that inclusion of adaptability, as part of selection criteria was problematic due to the complexity of the host country dynamics and the paucity of agreement on its definition. This criticism is however unfounded as later research is indicating that the adaptability is indeed one of the crucial elements enabling adjustment to international markets. Avril and Magnini (2007) and Singh (2010) have provided more compelling arguments on the importance of a comprehensive selection process covering both technical competence and adaptability criteria (Avril and Magnini, 2007 and Singh, 2010). Some of the key traits that are seen as vital for expatriation candidates include flexibility, open-mindedness, curiosity and tolerance of ambiguity. (Avril and Magnini, 2007). Wrong selection and assignment of a candidate will most likely result in the MNC paying dearly for the misstep.

2.2.4.2. Training

Training features prominently as a key part of preparing expatriates for their international assignments. Black, Mendenhall and Oddou (1991) posit that training is one of the five dimensions of cross-cultural process (this process is discussed in further detail in 2.2.2.3). As part of their preparation, expatriates are inter alia trained on cultural awareness, briefings on host

country dynamics, language skills (Bonache, Brewster and Suutari (2001). On its own, training is inadequate and needs to be approached as part of the bigger expatriation system (Singh, 2010) but remains a key part of enabling expatriates' adjustment to their respective host country dynamics.

2.2.4.3. *Acculturation*

Acculturation entails the extent to which an expatriate is able to relate or assimilate home or host country culture. Sanchez, Spector and Cooper (2000) and Richardson and Mckenna (2006) propose that there are four ways in which expatriates could display allegiance to home or host countries. Expatriates could either have high or low allegiance to home and host as depicted in figure 4 below:

- i) Free agent: expatriate with low allegiance to both home and host country;
- j) Going native: low allegiance to home and more attached to host country;
- k) Hearts at home: high allegiance to home and low at host country; and
- l) Dual citizen: embrace both home and host country cultures.

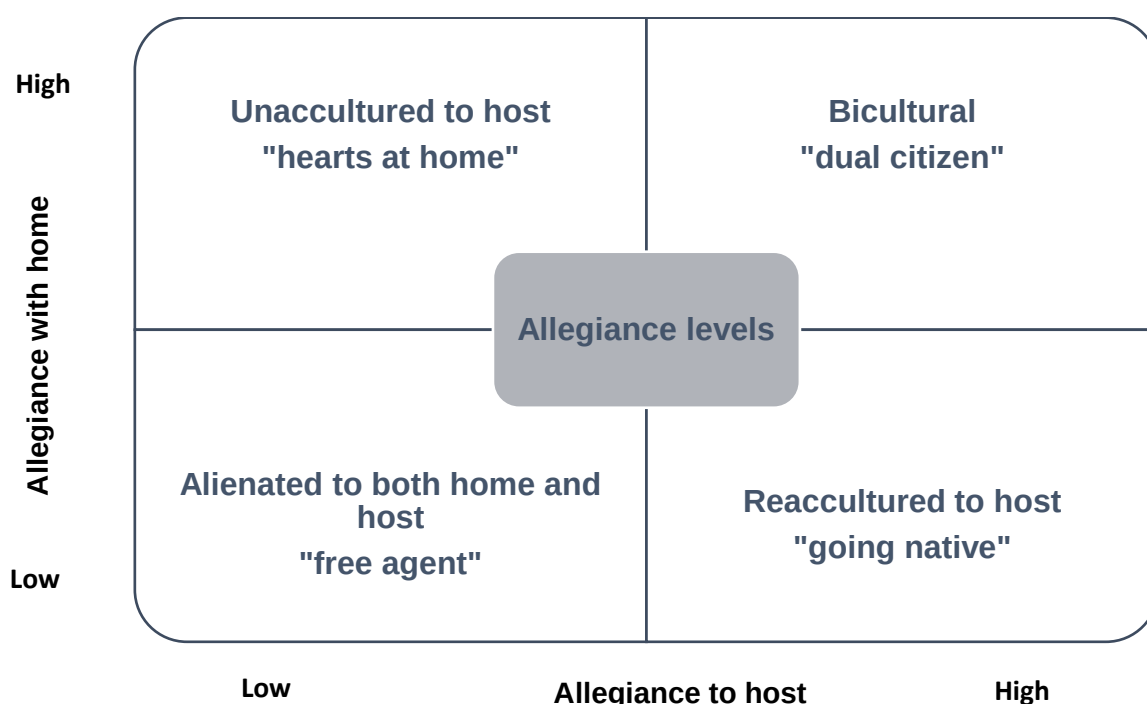


Figure 6: Expatriate allegiance levels

Source: adapted from Sanchez, Spector and Cooper (2000); Richardson and Mckenna (2006)

Richardson and Mckenna (2006) argue that expatriates who are able to find a balance in assimilating both home and host country cultures are most desirable as this enables adjustment more than any of the other allegiance levels. It could be argued that dual citizens are likely to

display more openness and curiosity in exploring host country dynamics (Avril and Magnini, 2007), thus enhancing likelihood of the success of their international assignments.

2.2.4.4. Repatriation

The final phase of the expatriation lifecycle and has enjoyed extensive scholarly attention over the years. The seminal work by Black, Gregersen and Mendenhall (1992) laid foundation to understanding the repatriation and was one of the initial attempts to develop a repatriation framework. This phase of the expatriation process is fraught with uncertainty and anxiety (Nery-Kjerfve and McLean (2012) as expatriates readjust to their home countries following international assignments. Ellis and Thorn (2020) concur that readjustment is somewhat of a challenging time for expatriates and that one of the most prominent challenges is the incongruence between an expatriate's expectations and the experiences they have upon their return.

One of the other key challenges for this phase is the reverse culture shock that expatriates experience as they readjust from their assignments. Bonache, Brewster and Suutari (2001) and postulate that re-acculturation is a daunting experience for expatriates. Research has found that cultural distance between host cost country during the assignment and home country may be somewhat debilitating for the readjustment (Kjerfve and McLean, 2012). Another key contributor to challenges with readjustment has been found to be poor or absence of organisational support for the repatriating expatriate.

Similar to the cross-cultural adjustment framework, Black, Gregersen and Mendenhall (1992) contend that readjustment or reintegration happens prior to return home (anticipatory adjustment and when back home (in-country adjustment). Several variables could be inhibitory or enabling with both anticipatory and in-country adjustment. Inhibitory variables include time away from home country, limited or poor organisational support and enabling variables such as organisational support through both pre and post repatriation training (Black, Gregersen and Mendenhall (1992).

2.2.5. Expatriation strategy

In addition to the challenge mentioned above with regard to the classic approaches to expatriation, it may be argued that the complex context of the international environment is another element that has not enjoyed much attention. Lee (2017) notes that one of the key challenges is the complex nature of internationalisation, which inter alia includes vast geographic spread and its ramifications

for the different institutional contexts. The limited attention on the implications of the different institutional contexts on expatriation is notable and raises a further need for more research.

Moreira, Noroes and Ogasavara (2014), noting the above gap, proposed a comprehensive framework of the expatriation strategy. The framework recognises the significance of impact of the institutional aspects on expatriate and the MNC. The framework neatly outlines the different facets of a comprehensive expatriation strategy:

- a) Locates the expatriation strategy within the decision by MNCs to internationalise;
- b) Links the strategy with different phases of the expatriation organising framework proposed by Li, Troutt and Knapp (2009);
- c) Notes that the expatriate could be a PCN or TCN and the various factors that may influence adjustment to the new environment;
- d) Adjustment by the expatriate located at three levels: work, interaction with HCNs and the external context (international environment);
- e) Aptly notes the significance of the international environment and the institutional challenges that could confront both the MNC and the expatriate

Within the context of (e) above, expatriation as part of a suite of organisational international human resource management practices can be impacted by institutional arrangements (Paik, Chow and Vance (2011). This raises an important question about the interplay between expatriation and institutional arrangements. In particular, the extent to which such institutional arrangements influence the performance of expatriates in host country subsidiaries. Another important observation in this regard is that while various theoretical discourses (such as business systems approach, political economy, societal effects approach) are divergent on their analysis of the impact of institutional arrangements, they at least converge on the recognition of the different impacts and response (Paik, Chow and Vance, 2011) within different contexts.

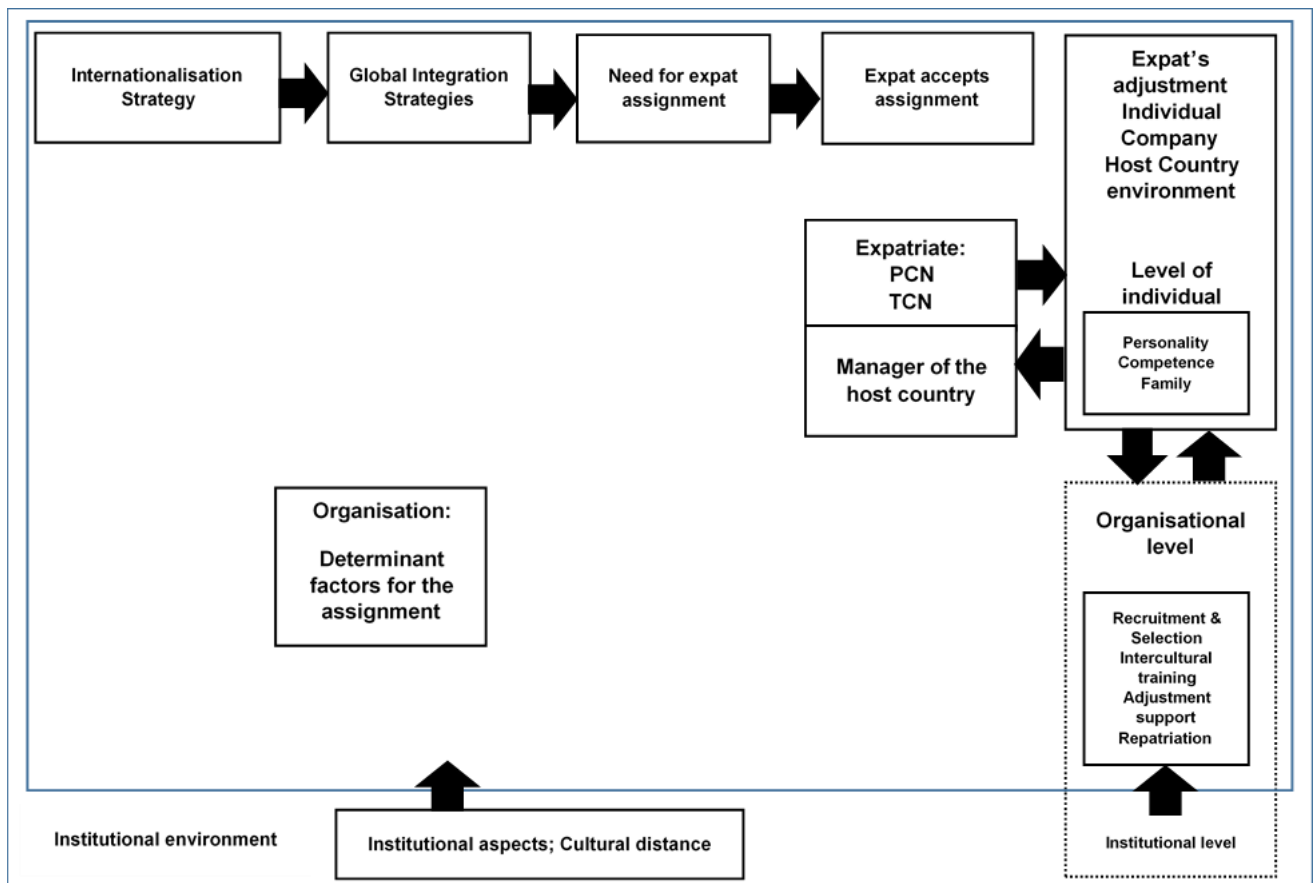


Figure 7: Framework of the expatriation strategy

Source: Moreira, Noroes and Ogasavara (2014)

2.2.6. Expatriate Return on Investment (ROI)

The exorbitantly high costs of expatriation and increased reliance on expatriation (Holopainen & Björkman, 2005) necessitate deployment of measures to ascertain the benefits of international assignments for both the MNC and the individual expatriates. McNulty and De Cieri (2016) propose that the expatriate ROI is a tool to determine benefits (financial and non-financial) for the MNCs and expatriates.

Figure 5 presents a graphic depiction of the expatriate ROI framework developed by McNulty and De Cieri (2010) as one of the efforts to explain the construct of expatriate ROI.

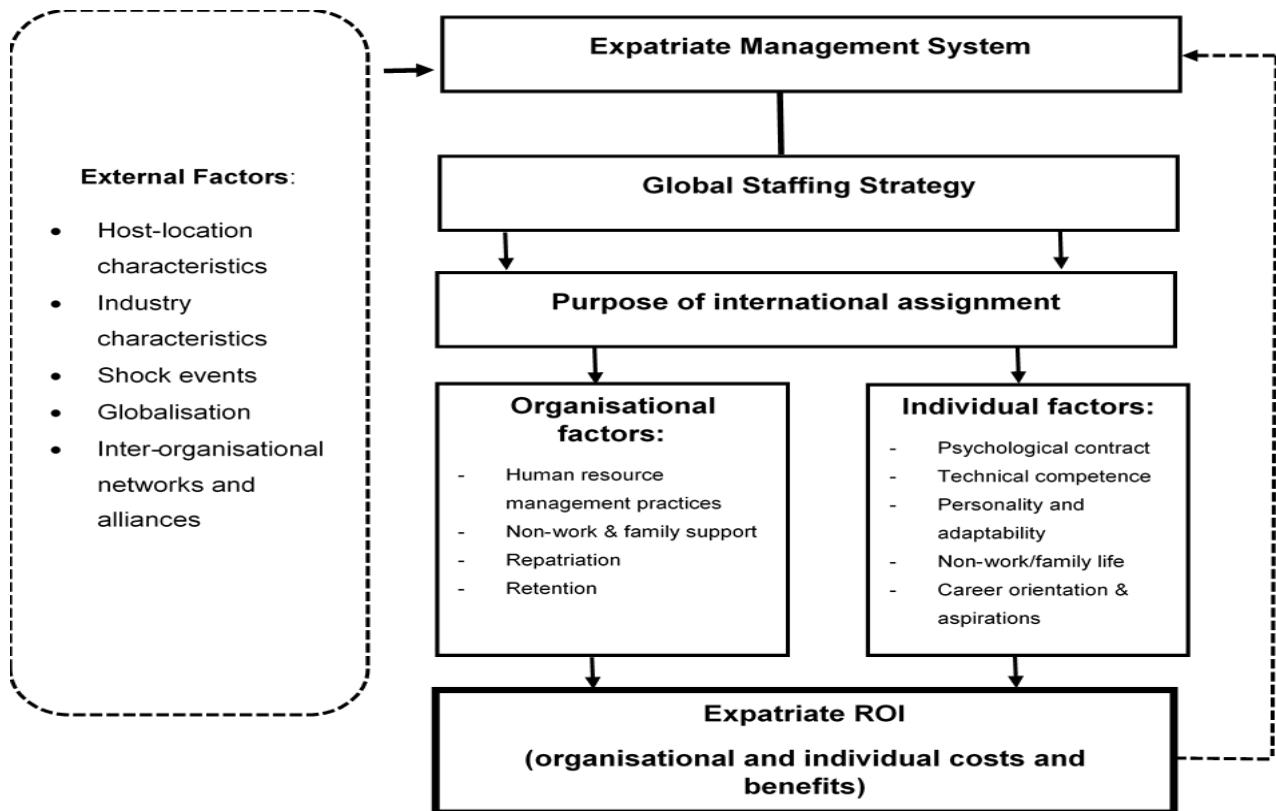


Figure 8: Expatriate ROI framework

Source: McNulty and De Cieri (2011)

The framework is anchored on the expatriation management system, which is loosely defined as a constellation of MNC's expatriation practices, policies and strategies (McNulty and De Cieri, 2016). This system has multidimensional factors that collectively and individually influence expatriate ROI for both the individual expatriate and the MNC. Significantly, the framework also recognises the influence of environmental factors such as host country characteristics (McNulty, De Cieri, 2016) in the success of the expatriation management system.

Having considered the various facets of expatriation, i.e. expatriation organising framework, expatriation strategy and determination of return on expatriation investment, it is evident that institutional context is intricately linked to the successful implementation of expatriation. It is significant that all these various facets recognise that institutional context is central to:

- i. the adjustment of the expatriate in the host country (Singh, 2010);
- ii. provides the foundation of the development of the expatriation strategy (Moreira, Noroes and Ogasavara, 2014); and
- iii. is an essential contributor towards assessing the value or return of expatriation investment (McNulty and De Cieri, 2016).

While these are valuable illustrations on the significance of institutional contexts, what remains unclear is the interface of the expatriates with the different institutional contexts and specifically, the differences that they experience relative to their home countries. In the next section, a discussion of institutional theory is presented. This is an important discussion as institutional theory is considered one of the preeminent theories in explaining institutions and their implications for internationalisation and expatriation.

2.3. Institutional theory

Internationalisation exposes MNCs to varied, at times complex international environments, and their related pressures (Salomon and Wu, 2011). The added challenge that MNCs potentially face is the possibility of what Björkman, Fey and Park (2007) call “contradictory pull”. Essentially, relates to an MNC being pulled to comply with parent company or international and local isomorphic pressures, which could be moving in different directions. From a host country perspective, isomorphic processes could be critical for earning the license to operate, thus increasing pressure on the MNC subsidiary. Lee (2017) argues that internationalisation is complex by its very nature and that the geographical dispersion of subsidiaries is an added complexity factor and yet important.

Understanding the differences in the institutional arrangements of host and home country is an area of keen interest in international business, leading to conceptualisation of institutional theory. The main thrust of institutional theory is acknowledgement of the significance of the MNCs within internationalisation context and the importance of institutional contexts in determining MNC strategies and conduct within different host country environments (Xu and Shenkar, 2010). The essence is thus exploring organisations and their interaction with and influence by the different institutional contexts Paik, Chow and Vance (2011).

Within the context of internationalisation, especially in emerging markets, Palepu and Khanna (1998) observed, rather interestingly, that the institutional arrangements are not always matured as those in developed markets, thus increasing transaction costs. This becomes more critical if any gaps or voids (discussed later) are in existence.

McCarthy and Puffer (2016) postulate that the institutions could be formal and informal in nature. Three pillars underpin the formal and informal nature of institutions, namely: regulative, normative and cognitive and exert different forms of conformance pressures on organisations (McCarthy and Puffer, 2016; Paik, Chow and Vance, 2011).

- a) Regulative: legal or regulatory framework
- b) Normative: societal values and norms
- c) Cognitive: national or societal culture

The pillars are used to determine the differences between institutional arrangements within parent countries of MNCs and their host countries. Confronted with these differences, MNCs face a mammoth task of determining their response (Paik, Chow and Vance, 2011). Do they avoid investing or committing to the market or is there a different response? Factoring the liability of foreignness into the equation (Salomon and Wu, 2011), does this result in the MNC being helpless or haemorrhaging and being unable to consider the opportunities that may be inherent in the different institutional contexts? How do MNCs gain legitimacy in such instances? These are some of the critical international business questions. For purposes of this study, the same questions could potentially be asked of the expatriates and these have largely not received adequate attention.

Santagelo and Meyer (2011) contended that institutions, especially within emerging markets, have an influence on the different strategic options that MNCs explore in either entering or staying within the markets. This raises a need for MNCs to develop the capability to understand and leverage the arrangements as opportunities instead of viewing them as impediments to their respective objectives. Phillips and Tracey (2009), in their provocative inquiry into institutional theory and MNCs, argued that one of the critical capabilities that MNCs require to remain competitive is institutional entrepreneurship.

This enables MNCs to move from being reactive towards their institutional context to being actively involved in managing and exploiting opportunities that these present. A poignant point to consider now is whether this could equally be applied to expatriates. Could it be that expatriates that are more open-minded to explore different institutional contexts would be more likely to realise the goals of their assignments, in spite of the different institutional contexts? This leads to the first research question:

Research Question 1: what is the nature of institutional differences that expatriates experience during their international assignments?

The discussion on the institutions has revealed the three main pillars of institutions, regulatory, cognitive and normative institutions. It is now necessary to discuss the institutional distance in more detail, as one of the important dynamics of institutions. The differences will be linked back

to expatriates to explore the interplay, laying the foundation for a later discussion on the mechanisms expatriates deploy in responding to the differences.

2.4. The role of institutional distance in expatriation

2.4.1. Introduction

Institutional distance is loosely defined as the dissimilarity or difference in the institutional arrangements between home and host country (Ando and Paik, 2013; Salomon and Wu, 2012; Ando, 2015, Aguilera-Caracuel, Fedriani and Delgado-Marquez, 2014). The most comprehensive definition has been proposed by Chao and Kumar (2010) who argue that institutional distance must be viewed as the extent or measure of dissimilarity of regulatory, normative and cognitive institutions between home and host country. It is one of the important institutional dynamics that has enjoyed extensive research attention broadly insofar as it influences internationalisation efforts and the staffing options that MNCs explore for their foreign subsidiaries.

Kostova, et. al. (2020) contend that the construct has gained tremendous prominence since it was first coined in the 1990s and that it is one of the essential elements of describing the dynamic nature of the international markets. In one of the scholarly attempts to make the construct more meaningful and comprehensive, Phillips, Tracey and Karra (2009) added another dimension to the extent of the dissimilarity. They argued that it is essential to add the extent of institutionalisation, that the called institutional uncertainty, which helps provide a holistic view of the nature of institutions and institutional challenges, faced by MNCs.

2.4.2. Institutional distance theoretical underpinnings

Institutional distance construct largely derives its existence from the preeminent work done in explaining the nature of institutions. It is based on institutional theory, which Xu, Pan and Beamish (2004) assert, view institutions as rules, norms and rituals that help define acceptable or legitimate behavior. It follows thus that institutional distance is construed using the three main pillars of institutions, viz. regulatory, normative and cognitive pillars (Salomon and Wu, 2012). While its institutional theory roots are generally accepted, Kostova, et. al. (2020) explored three schools of thought have been instrumental in defining institutional dissimilarity/distance:

- a) **Organisational institutionalism**: the main thrust of this perspective is to locate the dissimilarity between home and host countries within regulative, cultural-cognitive and normative institution and create legitimacy challenges for the MNCs (Kostova, et.al., 2020)

- b) ***Institutional economics***: this perspective centres on the differences in the formal and informal institutions that support economic activity and the impact on the transaction costs.
- c) ***Comparative institutionalism***: this strand of institutional theory focuses on the comparison between the collective, interdependent institutional arrangements, thus the “differences between the configurations” of the interdependent arrangements between host and home countries (Kostova, et.al., 2020)

The above three schools of thought help understand the roots of institutional distance beyond simply referring to them as grounded in institutional theory. Regulative and normative distances could, based on the above, be seen as related to economics and sociology (Xu, Pan, Beamish, 2004), thus enabling the understanding of the relevance of transaction costs concerns of regulative distance and the cultural/informal nature, or what Chao and Kumar (2010) simply call social aspects of institutional distance.

Perhaps an important question at this juncture is what this all means for expatriation and the lived experiences of the expatriates during their international assignments. The discussion now focuses on the various effects that institutional distance have on MNCs and in particular the expatriation efforts.

2.4.3. Effect of institutional distance on expatriation

The starting point is to acknowledge that institutional distance generate several effects on MNCs. One such effect is the level of uncertainty (Ando, 2015) institutional distance generates. Van Hoorn and Maseland (2016) argue that the uncertainty generated by institutional distance is problematic for MNCs and that it compounds their challenge of gaining legitimacy within the international environments where they have high levels of dissimilarity. This results in an assessment of the various options that MNCs may need to explore in respect of the market entry strategies. As illustrated shortly, the uncertainty does create challenges for expatriation or the broader international subsidiary staffing approaches as well.

Ando (2015) postulates that the uncertainty generated has two main elements, namely exogenous and endogenous elements, which influence which in turn influence their choice of staffing approaches, i.e. staffing with PCNs or HCNs. Exogenous uncertainty is mainly caused by formal institutional distance and the MNCs' limited knowledge of the host country formal institutions. In this instance, it is argued that MNCs rely more on HCNs, who have extensive experience and knowledge of the local dynamics and processes, thus enabling the MNC to

mitigate the risk of having limited experience and knowledge of local conditions (Ando and Paik, 2013).

The inherent risk with overreliance on HCNs is that it limits the capacity for MNCs to realise the goals of expatriation; transfer knowledge or technology, socialise the international subsidiary into its culture and systems and the management, control or co-ordination of the subsidiary (Dickmann, et.al. 2008). An even bigger risk is that this could result in HCNs what Ando and Paik (2013) refer to as information asymmetry, as PCNs may lack comprehensive knowledge of local conditions. It is notable however that this advantage that HCNs have, dissipates with PCNs gaining more knowledge of local conditions.

Endogenous uncertainty, on the other hand, relates to uncertainty generated from informal (normative or cognitive) institutional difference (Ando, 2015). These differences are not seen as being significant enough to warrant overreliance on HCNs and can be mitigated with deployment of PCNs and them spending time immersing themselves in local conditions. This relates to expatriates adopting what has been referred to as dual citizens (Sanchez, Spector and Cooper, 2000 and Richardson and Mckenna, 2006), a role where they adopt a bicultural posture by embracing both home and host conditions. Expatriates in this instance immerse themselves in local conditions and build the necessary networks and systems to broaden their knowledge of local conditions. It thus follows that from an international subsidiary staffing perspective; there would be stronger reliance on PCNs, which would help bridge the institutional distance effects (Gaur, Delios and Singh, 2007). There is of course no doubt that reliance on HCNs, while seen as posing some potential risks, remains one of the arsenals that MNCs can and ought to use to enhance legitimacy (Ando and Paik, 2013), thereby reducing impact of their liability of foreignness. (Salomon and Wu, 2012).

Gaur, Delios and Singh (2007) further argue that there is a correlation between expatriation and institutional differences and conclude that expatriation is a preferred staffing option in institutionally distant environments, which helps mitigate the risk of increased transaction costs and importantly help deliver the main goals of expatriation. Lee (2017) concurs that expatriation is a viable lever to manage within the complex and differentiated MNC network.

While this extensive literature provides valuable insights on the complex nature of internationalisation and expatriation as one of its vital levers, it does not extend far enough to explain how expatriates experience these institutional distances and the effects that they have on their roles. The impact in terms of acculturation (Richardson and Mckenna, 2006), adjustment to local conditions (Black, Mendenhall and Oddou, 1991, Singh, 2010) are clearly understood but

too generic to enable comprehension of implications for expatriates' lived experiences. This therefore leads to the second research question:

Research Question 2: *How do expatriates experience the institutional distance and what impact does the distance have on their roles?*

Institutional distance is but one of a number of dynamics of institutions. The next dynamic being explored is the construct of institutional voids, which is briefly discussed in 2.5.

2.5. Institutional voids

As noted from 2.3., institutional theory, is one of the main theoretical lenses explaining MNC activities and the different, complex institutional environments that internationalisation exposes MNCs to. While the context of internationalisation has changed significantly over the years, to include expansion by emerging market MNCs into developed market MNCs, the challenge of the different institutional environments remains a relevant international business scholarly concern. The different institutional arrangements in different countries (developed and emerging) highlights the extent to which the environments have developed institutions to enable transactions between MNCs and these environments.

In its classic sense, internationalisation initially involved expansion into emerging or developing markets thus resulting comparisons between developed and developing markets institutional environments (Bothello, Nason and Schnyder, 2019). Palepu and Khanna (1998) concur and identify the absence or weakness of institutional arrangements as one of the defining characteristics of emerging markets, otherwise known as institutional voids (McCarthy and Puffer, 2016).

Bothello, Nason and Schnyder (2018) sharply criticise the construct due to its application as comparison between western and non-western organisation. Their basic argument further extends to attempts to limit voids as being purely regulative, ignoring the cognitive and normative elements of institutional arrangements. Doh, Rodrigues, Saka-Helmout and Makhija (2016) hold a different view by defining voids as an absence or weakness that could either be regulative on the one hand or normative/cognitive on the other. This sharp critique is worth further exploration as voids could not simply be a function of comparing western and non-western organisation but rather markets and their relative development state.

Gao, Zuzul, Jones and Khanna (2017) and McCarthy and Jones (2016) highlight that one of the primary difficulties posed by the voids is uncertainty and therefore jeopardise investments especially in markets where the security of such investments cannot be guaranteed. Phillips, Tracey and Karra (2009) concur that institutional uncertainty (strength/extent of institutions), as discussed in 2.4 generates ambiguity and risk for MNCs. The absence or weakness of institutions could potentially scupper emerging markets' attempts to attract foreign direct investments and limit their attractiveness to MNCs. The voids however also present an opportunity for MNCs in their review of expansion strategies and their response to the different market environments.

Looking at international business literature, most sadly confine institutional voids to being challenges of transactions between sellers and buyers and fail to extend this to an alternative view, i.e. voids as an opportunity (McCarthy and Puffer, 2016). It is commendable that Doh, et.al (2016) also construe voids as an opportunity for competitive advantage especially for MNCs that possess the dynamic capability to navigate and address the voids. Learning from the dynamic capability and entrepreneurship frameworks of internationalisation to turn the voids into opportunities. Phillips and Tracey (2009) advocate for the use of institutional entrepreneurship as part of the toolset for MNCs operating within environments with institutional voids. The essence hereof, they argue, is to move from reacting to the environment pressures to proactively and intentionally turning the voids into opportunities. One concurs that this is potentially an important concept to consider for expatriates as they traverse institutional voids in their host countries.

The institutional voids thus have an impact on MNCs and the various strategies deployed to mitigate the increasing costs of transacting with environments with voids. In this regard, it is also necessary to explore the implications of voids on expatriates. McCarthy and Jones (2016) correctly point out that extensive scholarly work is still required to understand impact of institutional voids on individuals and their response to these voids. As highlighted earlier, the changing expatriation landscape indicates a shift that also includes expatriation from emerging markets to developed markets and within emerging markets. It is therefore conceivable that expatriates' home country institutional experience is likely to play a role in their interaction and response to host country voids.

2.6. Response to institutional differences

With the key dynamics of the institutional environments (institutional distance and institutional voids) having been disused, the next question to be explored relates to the responses or mechanisms deployed to address the risks or challenges posed, especially by institutional distance. The determination of mechanisms or responses is critical as these help address the

risks of uncertainty and the related ambiguity (Phillips, Tracey and Karra, 2009) and the risk in not deriving value from the internationalisation and expatriation goals (Dickmann, et. al., 2008, Xu, Pan and Beamish, 2004). It is for this reason that Xu, Pan and Beamish (2004) correctly propagate that MNCs devise strategies or mechanisms to address the differences between home and host countries.

Development and deployment of appropriate mechanisms to respond to the varied institutional differences is essential for enabling the MNCs to sharpen their capability to understand the complex international operating environments (Santagelo and Meyer, 2011). This a mammoth task that MNCs face (Paik, Chow and Vance, 2011) and it is critical that they are not found helpless or haemorrhaging and failing to maximise opportunities provided by internationalisation.

It is perhaps useful to contextualise the need for strategies from MNCs. Various scholars including Salomon and Wu (2012) and Xu, Pan and Beamish (2002) highlight one of the critical challenges that MNCs face as being the limited knowledge they have about the international environment and the benefit that local entities may have because of being domiciled in these environments. This is defined as the liability of foreignness. In view of this disadvantage, MNCs suffer from legitimacy distance that prompt them to devise mechanisms to gain legitimacy (Van Hoorn and Maseland, 2016).

One of the most common strategic responses by MNCs from institutionally distant home countries is called local isomorphism (Salomon and Wu, 2012), which essentially local company strategies as a way of gaining legitimacy. Isomorphism is thus one of the strategies that MNCs could adopt. It is argued that there are three main isomorphic responses (Björkman, Fey and Park, 2007; Pursey, Heugens and Lander, 2009; Paik, Chow and Vance, 2011), which either enable compliance or finding middle/common ground:

- i) Coercive: in this regard an MNC's compliance is enforced by government regulation or legal frameworks which enables them to earn their license to operate;
- ii) Mimetic : MNCs in this instance model or mirror what is perceived best practice (especially in comparison to similar players within the environment)
- iii) Normative: compliance enforced through pressure exerted by professional bodies or industry organisations

While this is a commonly known response, it poses several challenges to the MNC. One such challenge is the balance that needs to be maintained between following MNC prescript (internal alignment across MNC subsidiaries) and local isomorphism (Xu, Pan and Beamish, 2004), which

could potentially result in complex organisational approaches and strategies across the subsidiaries).

Björkman, Fey and Park (2007) add to this argument by demonstrating implications for international human resource practice for the MNC. It is conceivable that MNCs will vary their approaches relative to operating environments but still aspire to have common approach especially in common concerns across the subsidiaries. This does pose a challenge to this aspiration and could result in varied and potentially conflicting approaches, thus exacerbating what Xu, Pan and Beamish (2004) as the “dual pressure” of seeking legitimacy and internationalisation, namely; local isomorphism and isomorphism with other subsidiaries within the MNC.

A notable approach, grounded on what Phillips, Tracey and Karra (2009) call institutional entrepreneurship, is the typology of MNC host country strategies that is shown in figure 9. propose that MNCs have four strategic options, which are tested against the risk profile derived from host country institutional difference and institutional uncertainty. The options are shown in figure 1 below and can be summarised as follows:

- a) **Adapt**: this is a moderate risk quadrant given the low level of institutional uncertainty. MNCs on this quadrant would typically adapt their model and stay or enter the new environment;
- b) **Avoid**: high risk quadrant due to high levels of uncertainty and institutional difference, resulting in the possible investment being too risky and thus being avoided;
- c) **Transfer**: low risk quadrant thus MNC establish presence within a new environment;
- d) **Hedge**: moderate risk quadrant thus MNC finds ways to mitigate risk

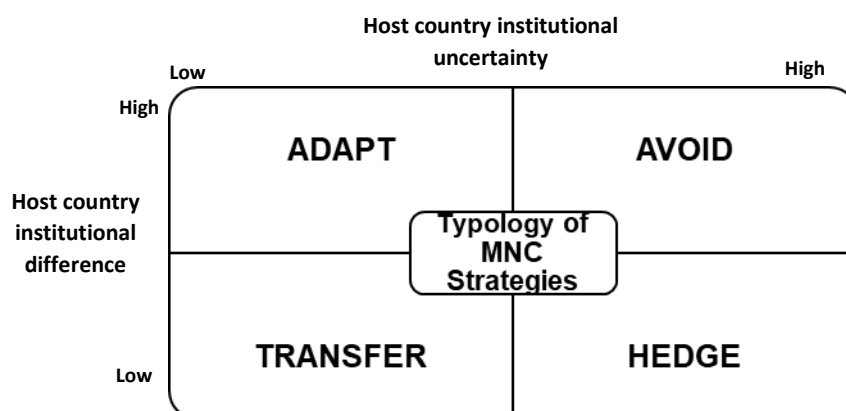


Figure 9: Typology of MNC host country strategies

Source: Phillips, Tracey and Karra (2009)

A key element of the strategies that MNCs consider using the above risk profile is staffing options for the host country subsidiary. This consideration is critical mindful of MNCs being complex structures with differentiated subsidiaries. As Lee (2017) points out, the complexity of the MNCs is multi-layered and requires differentiated strategies depending on the respective host country environments. The multi-layered analysis advanced by Lee (2017) inter alia considers the internal network structure of the MNCs and present the following structural features, which are critical for considering staffing options and specifically extent to which expatriation is deployed by MNCs:

- i) Breadth of MNC international activities nationally
- ii) Power distribution across subsidiaries; and
- iii) Extent of regional concentration of MNC activities related staffing.

In the end, it is essential that an MNC adapts and remains consistent with their institutional environmental contexts (Björkman, Fey and Park, 2007) without necessarily losing the essence of their existence. It is however notable that the liability of foreignness dissipates as the MNC gains more knowledge and experience of the diverse operating environments. This helps reduce overreliance on local isomorphism as the key arsenal to gain legitimacy (Xu, Pan and Beamish, 2004).

Having explored the various ways in which MNCs respond to the institutional distances, an important question to contemplate is whether these strategies apply universally to MNCs and expatriates. It is also worth exploring, if expatriates are rather well served by pursuing acculturation 2.2.4.3 by adopting the dual citizens eloquently positioned by Sanchez, Spector and Cooper (2000) and Richardson and McKenna (2006). Is the answer perhaps found in the adjustment process developed by Black, Mendenhall and Oddou (1991). It is evident that there remains an open question about how expatriates respond to the institutional distances, thus leading to the third research question:

Research Question 3: what mechanisms do expatriates implement manage the impact of the institutional differences between their home and host countries?

It is evident from earlier discussions that expatriation is central to internationalisation efforts by the MNCs thus it is critical that expatriates are able to deliver on the main reasons for having been sent on international assignments (Xu, Pan and Beamish, 2004). Evidently, they do within the context of complex international institutional environments. This leads to a further question that is worth exploring and this is research question four:

Research Question 4: *in what way does the expatriates' experience of the institutional distance and mechanisms to respond thereto influence the continuation of their international assignments?*

2.7. Chapter conclusion

The review of extant literature on expatriation reveals the significance of expatriation and thereby expatriates in the internationalisation efforts by the MNCs. Expatriates remain important for enabling the consolidation of the MNC subsidiaries, their socialisation and transfer of knowledge and technology. This is done within the context of complex institutional environments, necessitating exploration of (a) the nature institutional differences that expatriates confront, (b) how they experience these differences, (c) steps they are taking to manage the impact of the differences and (d) the extent to which all these activities influence continuation of their international assignments.

It is evident from the literature that due to the significant investment that MNCs make through sending expatriates to international subsidiaries, there is value in exploring all the questions that are proposed to be explored. This helps in understanding the context of expatriation and potentially in developing ways in which MNCs and expatriates could ensure that a return on the valuable expatriation investment. It is thus crucial to deepen the understanding of the interplay between institutional distance and expatriation but also that this deepened insofar as the experiences of expatriates are concerned.

The literature has further revealed that MNCs deploy several strategies to seek or enhance legitimacy within environments marked by high levels of institutional distances. This is being done to ensure that the goals of the internationalisation efforts are achieved and with time to build enough international experience and a pool of internationally qualified talent that enables any future internationalisation goals. These strategies together with acculturation and adjustment approaches provide valuable insights that may prove helpful in deepening understanding on expatriates' responses to the varied institutional distances they face.

CHAPTER 3: RESEARCH QUESTIONS

3.1. Introduction

The goal of this chapter is to present a summary of the research questions derived from extant literature review discussed in chapter 2. Table 2 presents the research questions formulated from the literature review

Table 2: Summary of research questions

Number	Research Question	Research Objective
RQ1	What is the nature of institutional differences that expatriates experience during their international assignments	Determine the nature of the institutional differences that expatriates experience during their international assignments in host countries
RQ2	How do expatriates experience the institutional distance and what impact does the distance have on their roles?	Elucidate how the expatriates experience the institutional differences and the impact that they have on their roles
RQ3	What mechanisms do expatriates implement manage the impact of the institutional differences between their home and host countries?	Identify mechanisms that are implemented by expatriates to respond to the institutional distances they confront in their host countries
RQ4	In what way does the expatriates' experience of the institutional distance and mechanisms to respond thereto influence the continuation of their international assignments?	Determine to what extent these distances influence the expatriates' continuation of their international assignments

CHAPTER 4: RESEARCH METHODOLOGY

4.1. Introduction

Pursuant to the research project aim of exploring and deepening understanding of the interplay between expatriation and institutional distance, an exploratory, qualitative research process was followed. This is deemed appropriate because of its exploratory nature that will enable rich description of the phenomena being studied and help surface the contextual elements (Doz, 2011) of institutional distance. Chapter 4 outlines the research design, population, unit of analysis, sampling methods, data analysis methods and limitations of this research project. Semi-structured interviews with participants commenced upon securing ethical clearance and approval of the research methodology outlined hereunder.

4.2. Research Design

4.2.1. Research philosophy

The primary goal of this study is to gain a deep understanding of the interplay between institutions and expatriation, with specific focus on how expatriates experience institutional distance within their host countries. Interpretivism philosophy was followed, in a quest to deepen the understanding of the expatriates' experiences of institutional distance and how they manage within these institutional environmental constraints. This philosophy was appropriate as truth and knowledge of institutional distance effects can only be located within expatriates' lived experiences. Gemma (2018) aptly posits that the main thrust of Interpretivism's main thrust is that truth is subjective and based on people's experiences and their understanding of such experiences. Thus, expatriates are best placed to help with exploring their experiences of and understanding of institutional distance and their effects.

Ontologically, it was assumed that there is a relationship between institutional and expatriates, which guided the choice of questions used during this study project. It was also assumed that expatriates are the best source of insights or experiences about their interplay with institutional distance. This is how the strength of Interpretivism was leveraged, through stepping into the how expatriates experience the institutional distance in their daily lives and meanings that the construct therefrom. Carminati (2018) points out that this is one of the great values of Interpretivism and the researcher's aim of exploring meanings to gain in-depth understanding of the expatriates' experiences of institutional distances.

4.2.2. Research approach

The primary aim of this study was to deepen understanding of the expatriates' experiences of institutional distance. While it has been acknowledged that both constructs, i.e. expatriation and institutional distance have enjoyed extensive scholarly attention, there is limited data on the experiences of expatriates of the institutional distance and the mechanisms that they employ to manage the impact of the distance. The data collected was thus not intended to test an existing theory or frame but rather to contribute towards theory development.

The approach adopted was thus inductive, whose main thrust is to allow theory to develop bottom-up or to emerge from themes inherent in raw data that has been collected (Thomas, 2006). The researcher iteratively worked through the raw data, derived initial codes, second order codes and themes, which helped new insights about the phenomena being studied. This means that the researcher read and re-read the transcripts several times and it is through this iterative [process that codes and themes were determined. Doz (2011) contends that this is how inductively; a researcher is able to progressively contribute towards theory development and importantly that this is one further benefit of doing qualitative research for international business scholars.

4.2.3. Research strategy

The study aimed to understand the expatriates' experiences of institutional distances within a number of contexts. The focus was on South African nationals that have been assigned to other international subsidiaries (TCNs), expatriates that are on assignment in South Africa as well as German national (PCNs) assigned to the international subsidiary in China. It was not possible to access the German nationals (PCNs) assigned to China for various reasons, which included time constraints and the reluctance of those that were approached to participate in the study.

Nevertheless, the sample that was drawn ensured sufficient diversity and maximum variation (Saunders, Lewis and Thornhill, 2016) to enable depth and breadth of the rich data that was collected. This was done through drawing the sample from different business functions (e.g. production, marketing and sales, accounting), different levels (e.g. from senior management to specialist/engineer levels), different expatriation experience, etc.

4.2.4. Time dimension

The study was conducted through semi-structured interviews with the participants over a period of 4-5 weeks. This was mainly based on the timeline for the completion of the research project.

It would not have been possible to conduct a longitudinal study and track any developments because (a) would have exceeded the available to complete the research project and (b) would not be practical especially in light of the sample that was drawn from several international subsidiaries.

4.3. Population

The target population for this study was the expatriate population within a global automotive manufacturer with operations throughout all major regions globally. It was specifically targeted at expatriate population assigned to the South African subsidiary and South Africans on expatriate assignments across the automotive manufacturer's several subsidiaries.

4.4. Sampling Method and Size

The approach to sampling was purposive, using heterogeneous variation. Vasileiou, Barnett, Thorpe and Young (2018) argue that purposive sampling enables researchers to target participants that can provide rich data that is relevant to the research project. It is for this reason that the researcher elected to use purposive sampling, which enabled selection of expatriates who shared rich data about their experiences of institutional distance between host and home countries. In addition to purposively selecting the participants, it was necessary to ensure sufficient diversity and maximum variation.

Sim, Saunders, Waterfield and Kingstone (2018) assert that qualitative research sampling has to consider heterogeneity in order to enable collection of information-rich data. The researcher intentionally ensured that the sample was diverse enough to enable maximum variation. The sample thus included Participants from different divisions (business areas such as production, marketing and sales), gender, age, expatriation experience, etc. This, helped enrich the data that the researcher collected.

The next key consideration for the researcher was the sample size. Sim, et.al. (2018), Fusch and Ness (2015), Vasileiou, et.al (2018) elucidate that sample size in qualitative research is a function of depth and richness of data and saturation. There are various guidelines drawn from past research projects, however it is critical that the size is determined based on saturation having been reached. It is therefore right to accept the guidance that sample size cannot be determined a priori (Sim, et.al. 2018) and that the researcher collects data until no additional new information

is derived from data being gathered, commonly called data redundancy (no new information being heard or received), one of the key elements of data saturation (Fusch and Ness, 2015).

The final sample included interviews with 30 participants. This included South African expatriates assigned to the global automotive manufacturer's international subsidiaries in China, United States of America, United Arab Emirates, Australia, Mexico, Germany and Singapore as well as German expatriates assigned to the South African subsidiary. The researcher approached the German nationals assigned to the Chinese subsidiary but it was not possible to secure their participation mainly due to the reluctance of those that were approached to participate in the study.

4.5. Unit of analysis

The unit of analysis was the expatriate population within the global automotive manufacturer. This population is spread across the multiple locations across the different regions where the manufacturer has international subsidiaries.

4.6. Data collection

The study was undertaken through semi-structured interviews conducted with expatriates purposively drawn from the target population. The interviews were audio recorded on Otter and were transcribed. Participants' consent for recording was sought through the consent forms signed ahead of the interviews. Additionally, the researcher confirmed with each participant at the start of each interview. Noteworthy that none of the Participants objected to recording and that there was only one instance where the participant sought reassurance that the recording was purely for purposes of the research project.

A semi-structured questionnaire (Annexure A), which included a number of themes linked to the research questions, was used as a guide to stimulate conversations with the participants and entailed themes that are related to the research questions derived from the literature review and summarised in chapter 3 of the report. Themes covered during the interview included:

- Participant's career
- Expatriate assignment experience
- Considerations for selection of location for assignment
- Differences between expatriate's home and host countries
- Impact of the differences on their roles
- How they are coping with the differences

It was important to have the questionnaire to avert the risk of data saturation being a moving target. Fusch and Ness (2015) caution that this risk is possible if researchers do not ask multiple participants the same question. All interviews were pre-booked and agreed with the participants and this included agreeing date and time that was convenient to both the researcher and the participants. At the start of the interview, the researcher requested confirmation that the participant was comfortable with the interview being recorded. The opening question with all interviews was the participant's work history, which (a) sought to settle the participant, i.e. get them comfortable to participate in the study and (b) understand their expatriation history.

The interviews enabled exploration of the expatriates' perspectives and their in-depth expatriation experiences (Evans, 2018). The flow of the themes was generally flexible and guided by the flow of the interview and responses from the Participants. This is in line with the Interpretivism stance that one adopted for the research project and supported by Saunders, Lewis, and Thornhill (2016), who assert that flow within Interpretivism stance is guided by Participants' responses.

In light of COVID-19 restrictions and the exorbitant travel costs, all interviews were conducted through Skype and Microsoft Teams. In a number of instances, it was to have video links with the participants, which enabled the researcher to observe non-verbal cues during the conversations with the participants. It was however not possible to have video interface in most of the interviews due to bandwidth challenges. All interviews were confirmed ahead of time and the necessary arrangements were made for the respective digital platforms used.

4.7. Data saturation and analysis

Fusch and Ness (2015) argue that data saturation is reached when enough information has been obtained and additional data gathered does not provide any new information or no additional codes are possible. The baseline was participant 1 and an assessment of any additional codes from the remaining 30 participants.

4.8. Data Analysis

The research approach adopted for the study was inductive as outlined in 4.2.2, which meant that the researcher did not have a pre-determined frame that he used and developed insights from the rich data collected from the participants. The researcher therefore sought to identify thematic patterns from the data. Neuendorf (2019) aptly observes this to be the source of qualitative

content analysis. The researcher immersed himself in the rich data that was collected by reading and re-reading the transcripts, which was followed by identification of patterns or initial codes. The most critical step though was ensuring the researcher is familiar with the data by reading and re-reading the transcripts.

The analysis approach thus entailed thematic analysis, which Braun and Clarke (2006) propagate as a useful qualitative data analysis tool. Evans (2018) argues that the analysis starts from the data collection and continues throughout the analysis process. The researcher notes that he only started the analysis process after completion of the data collection process.

The researcher followed the six steps that Braun and Clarke (2006) argue are important for a thematic analysis process:

- a) **Step 1:** the researcher immersed himself in the data that was collected by reading and re-reading the transcripts. This was done to ensure his familiarity with the data and prepare him for the subsequent steps of the thematic analysis process. The researcher used Otter to record all the interviews and due to its functionality, it was possible to generate a transcript directly therefrom (without having to send the recording for transcription). It was however essential for the researcher to listen to the recording and check against the transcripts to ensure accuracy of the transcripts. The first reading of the transcripts thus entailed reviewing accuracy against the voice recording. The subsequent readings helped to immerse the researcher in the data.
- b) **Step 2:** this step of the process entailed development of the first order codes. These codes were directly linked to the raw data from each of the 30 interviews that the researcher conducted. The primary goal at this point of the process was simply to generate these initial codes that presented the initial meanings that the researcher drew from the raw data;
- c) **Step 3:** the researcher started searching for themes that were emerging from the codes that were derived from the 30 transcripts. It is at this step, that the researcher started searching for patterns that were emerging from the initial codes, in other words, they (patterns/themes) were noted more than once from the dataset (Evans, 2018).
- d) **Step 4:** the researcher reviewed the themes that were generated from step 3. This was done to determine any duplications and to work towards having a set of themes that could be used for further analysis and development of a report. Braun and Clarke (2006) caution researchers ensure that themes are distinguishable from each other and that the data within each of the themes must cohere.

- e) **Step 5:** the researcher defined and named the final list of themes. It was important to ensure careful consideration of the naming, which would enable readers to make sense of the themes.
- f) **Step 6:** the last step of the process is to produce the report, which is discussed in chapter

Finally, it is noteworthy that inductive coding was applied throughout the thematic analysis process. Braun and Clarke (2006) and Neuendorf (2019) concur that this is appropriate for inductive studies and that themes or codes are not pre-determined or externally imposed. Rather the patterns are determined from having immersed oneself in the data, generated initial codes and identified themes. Patterns therefore only emerged from the researcher's iterative reading of the transcripts.

4.9. Reliability and validity

Reliability and validity are critical for any qualitative research project. They are part of the research lexicon and widely used across varied research disciplines (Guest, MacQueen and Namey, 2014). For this reason it is essential that appropriate measures are implemented to safeguard both reliability of and validity, thereby fostering credibility and trustworthiness of the findings and interpretations (Guest, et.al., 2014).

4.9.1. Reliability

Rose and Johnson (2020) purport that the main question that is posed by reliability is about consistency of the methodology and the conduct of research. This is also referred to as transferability (Daniel, 2019), meaning that the study could be replicated to other settings or population and achieve the same results. It is important that the rigor of the study is enabled by implementing measures that ensure consistency of both the methodology and the process of conducting research. Guest, McQueen and Namey (2014) aptly sum up the essence of reliability as "consistency when repeating or comparing assessments within a study". The researcher implemented a number of measures to ensure the reliability/transferability of the study:

- i) Themes and codes: these have been clearly defined to ensure consistency of their meanings (Rose and Johnson, 2020). Through the iterative process of coding described in 4.8, the researcher sought to ensure that the codes and themes could be tied back to the raw data and importantly that the names accurately described the message derived from the raw data

- ii) Detailed audio recordings and verbatim transcripts of the interviews have been kept. The audio recordings were done through Otter, which enabled direct transcription from the recordings. The researcher listened to all the recordings several times and compared with the transcripts to ensure accuracy of the transcripts. Both the audio recordings and the transcripts will be stored in a secure database
- iii) The semi-structured questionnaire (Annexure A) developed to guide the interviews was used consistently during all the 30 interviews. The same questions were asked of all the participants (Fusch and Ness, 2015) which enabled data saturation. This was also critical to ensure what Guest, et.al.(2014) refer to as structure, viz. ensuring same questions asked and in the same order without limiting flexibility of the research process

4.9.2. Validity

Validity, like reliability is a widely used concept and relates to the accuracy of the findings for the researcher, participants or readers (Rose and Johnson, 2020) or as Guest, et.al.(2014) argue - is the researcher assessing what they intend to assess and is it defensible. This infers that the tools used for data collection are collecting what they are meant to collect and the results of the analysis are what they purport to be. Put differently, are the analyses reflective of reality (internal validity) and comparable to other populations and contexts (external validity) (Rose and Johnson, 2020).

The researcher implemented the following steps to enhance the validity of both the analyses and the findings:

- a) Prolonged engagement – the researcher opted to pursue a bigger sample than what is generally guided for qualitative research. This enabled him to increase the opportunity for gathering more data and enhance the depth of understanding of the expatriates' experiences of institutional distance. Rose and Johnson (2020) argue that with prolonged engagement, it is possible to increase validity.
- b) The researcher was conscious at all material times of the familiarity that may have existed with some of the participants and it was necessary to mitigate the possible use of the personal lens (Fusch and Ness, 2015) in these instances
- c) Verbatim transcripts (Guest, et.al., 2014) of all the interviews have been kept and will be stored in a secure database
- d) The themes and codes are supported by verbatim quotes from interviews with the participants, which enable the generation of thick, rich descriptions from the data (Rose and Johnson, 2020)

4.10. Ethical considerations

All the participants in this study project signed consent forms that assured voluntary participation and confidentiality. The data collected during the interviews has been stored without identifiers to ensure the anonymity of the participants. This was particularly important because the researcher and the participants are part of the same global automotive company and it was necessary to reassure the participants that participation was purely for purposes of the researcher's academic program and the information will be kept confidential.

4.11. Limitations

While all the effort was made to ensure that the research is done in line with all the prescribed protocols and without any limitations, these could not be eliminated. The researcher noted the following possible limitations of the research project:

- i) The study was conducted amidst a dreadful COVID-19 pandemic, which limited the opportunity to have face-to-face interviews and given the technology/connectivity and bandwidth challenges, it was not possible to have video interviews with all the participants. This limited an opportunity to observe the non-verbal cues during the interviews;
- ii) The researcher is confident that the sample size was adequate and data saturation could be attained. Nevertheless, the study could have benefited from having the German expatriates that are assigned to the Chinese subsidiary. Their experiences would have been beneficial especially when compared to the experiences of their South African expatriate peers in China. It is however acknowledged that this may have unduly enlarged the sample; nevertheless, the perspectives and experiences of German expatriates in China would have contributed immensely to the study project;
- iii) The study focused on expatriates in China, USA, UAE, Mexico, Germany, Singapore, Australia and South Africa, which are not fully reflective of the global automotive manufacturer's expatriate population. The findings may therefore not be generalised to the different institutional where the global automotive manufacturer has international subsidiaries, neither can be the generalised to different industries

CHAPTER 5: RESULTS

Chapter 5 presents the results from the data collected using the research questions outlined in chapter 3. The results are presented in themes that were developed following the six-step thematic analysis process outlined in 4.8. It is noteworthy that the themes were linked back to the three institutional pillars, namely regulatory, cognitive and normative pillars that were discussed in chapter 2 (paragraph 2.3). The chapter starts with an overview of the sample, followed by presentation of the results for each of the themes.

5.1. Overview of the sample

The researcher conducted semi-structured interviews with 30 expatriates who positively responded to the invitation to participate in the study project. The participants are working as expatriates within the global automotive company and were on international assignments in Australia, China, Germany, Mexico, Singapore, South Africa, USA and UAE when the interviews were conducted. Table 3 shows the number of participants per host country and their home countries. It is noticeable that there was one South African shown as an expatriate in South Africa. This is because the participant originates from South Africa but has relocated to Germany following marriage and employed by the MNC's German organisation.

Table 3: Participant per host country

Nationality	Host Country	Number
German	South Africa	9
South African	Australia	1
	China	6
	Germany	6
	Mexico	1
	Singapore	1
	South Africa	1
	USA	1
	UAE	1
British	South Africa	1
Australian	South Africa	1
Japanese	South Africa	1
TOTAL:		30

Table 4 shows that 20 participants were on the first international assignments and 8 on their second assignments at the time of the interviews. These participants are spread across different fields of work and roles as depicted in table 5. Participants 6, 14 and 18 were on their second assignments in South Africa at the time of the interviews. They were on the total of second, fourth and sixth assignments. The table reflects the diverse profile of the participants, which as discussed in paragraph 4.4 was necessary to ensure heterogeneity and maximum variation

Table 4: Participant per expatriation period

Expatriation period	Number of Participants
1 st international assignment	20
2 nd international assignment	8
3 rd international assignment	
4 th international assignment	1
5 th international assignment	
6 th international assignment	1
TOTAL:	30

To ensure diversity of perspectives and experiences, participants were purposively drawn from different business areas and roles. Table 5 shows the different business areas and roles of the participants.

Table 5: Participant summary

Participant	Field of work	Role
1	Marketing and Sales	Senior Management
2	Accounting	Mid Management
3	Procurement	Senior Management
4	Accounting	Senior Management
5	Accounting	Senior Management
6	Accounting	Senior Management
7	Production Planning	Mid Management
8	Production Planning	Specialist
9	Production Planning	Senior Management
10	Accounting	Mid Management
11	Accounting	Senior Management

12	Marketing & Sales	CEO
13	Credit Risk	Senior Management
14	Production Planning	Senior Management
15	IT	Mid Management
16	Marketing & Sales	Senior Management
17	Marketing & Sales	Senior Management
18	General Management	CEO
19	Supply Chain	Senior Management
20	Engineering	Specialist
21	Financial Services	Specialist
22	Engineering	Mid Management
23	IT	Specialist
24	Accounting	Senior Management
25	Engineer	Mid Management
26	Accounting	Specialist
27	Project Management	Specialist
28	Marketing & Sales	Senior Management
29	Procurement	Specialist
30	Production	Mid Management

5.2. Detailed Results per theme

5.2.1. Nature of Regulatory institutions

Theme 5.3.1.1 assessed the participants' perspectives about the nature of the regulatory institutions in their home and host countries, which laid the foundation for a detailed discussion of the specific differences that they noticed in the institutions. This provided valuable background to the discussions on the specific elements of the institutions that they experienced and the impact they felt these had on them.

Table 6 presents a summary of the perspectives that the participants shared about their experience of the different regulatory institutions within their host countries. The table uses Harvey balls to depict the feedback provided by the participants regarding their experience of the different facets of the regulatory institutions. The South African expatriates noted that they experienced significantly different institutions in their host countries compared to their experience prior to their assignments.

They described their overall experiences with the institutions as being positive and without any challenges similar to those, they have back in their home country. There were therefore no notable differences that they identified in their host country regulatory institutions, as shown by the full Harvey balls on table 7. The only notable observation from table 7 is that the expatriate assigned to Mexico noted a number differences that will be discussed later in the report. This participant was on his second international assignment in Mexico, following a previous international assignment in Hungary. His reflections include his experiences from both Hungary and South Africa.

The expatriates assigned to the South African subsidiary, on the other hand highlighted a number of differences that they experienced between their host country South Africa and their home countries. These differences are depicted through the Harvey balls that generally half and two that depict major differences that the participants experienced. In instances where the Harvey balls are half, participants had mixed feelings about the nature of the regulatory institutions. The expressed that some of the institutions were in place however there were gaps in respect of the extent of institutionalisation and/or gaps that they experienced in their interactions with these institutions.

Table 6: Regulatory characteristics summary

Key Themes	Host Country							
	Australia	China	Germany	Mexico	Singapore	South Africa	UAE	USA
Governance	●	●	●	◐	●	◐	●	●
Regulatory Certainty	●	●	●	◐	●	○	●	●
Safety	●	●	●	○	●	◐	●	●
Government Services	●	●	●	●	●	◐	●	●
Infrastructure	●	●	●	◐	●	◐	●	●
Corruption	●	●	●	◐	●	○	●	●
Crime rate	●	●	●	○	●	◐	●	●

Legend:	●	◐	○
	No Concerns	Some Concerns	Major Gaps or Differences

The specific experiences that the participants in relation to each of the elements of the regulatory institutions are discussed hereunder

5.2.1.1.1. Governance

The governance sub-theme covers aspects relating to the extent of the host countries application of rule of law and overall management of the respective countries affairs. The results presented

hereunder show the different experiences between the South African expatriates assigned to different countries and the expatriates working within the South African subsidiary.

The study revealed that South African expatriates experienced their host countries governance institutions as well established and in a number of cases, there was reference to predictability of the governance institutions as well. The governance element that received most attention from the participants related to the rule of law being applied and followed in their host countries. This was according to the participants a shock to their system, to realise that there are countries where governance systems are in place, working and being followed.

Experiences of South African expatriates:

This feedback was received from a number of participant. Participant 1 who is on his first international assignment in Dubai noted that acceptance of the assignment was largely informed by personal circumstances and he experienced Dubai's governance framework/approach impressive compared to South Africa. He shared a number of his experiences such as the one below, which expressed the positive experience he had of the governance institutions in Dubai:

"The rules and regulations, I must say, are very strict. It's a very very organised country been very very driven by rules and regulations which I truly admire now, because you can see why this country has become a first world country at the end of the day"

The same experience of governance institutions being well established was expressed the expatriates assigned to China. Like the expatriate in Dubai, they expressed that they were pleasantly surprised with how well the governance systems are running. Participant 18, a South African expatriate in China who observed that his host country had good governance, which he experienced as being helpful for his integration. His observation was that:

"Even in the short period of time, I've seen massive improvements in governance and speed of government institutions for example and the way that work is done. There is a very very clear agenda of good governance and governance"

Another expatriate assigned to the Chinese subsidiary, Participant 19, expressed similar feedback his experience of the Chinese governance systems. He highlighted the extensive investment in the law enforcement measures such as the cameras that are in place across many areas in Beijing. He commented as follows on the enforcement of laws in China:

"you know, can be there hundreds and thousands of cameras in China and they check everything and when you drive, you don't go over a red light, you don't turn left on a right turn, because they will catch you everywhere people follow the rules, 100%"

The positive experience of governance institutions was also reported by expatriates assigned to Germany, many of whom communicated that the advanced nature of the institutions was one of the key considerations for their acceptance of assignments in Germany. Participant 28, assigned to Stuttgart, Germany highlighted that the state of governance was a key consideration in deciding on acceptance of the opportunity to go on assignment. She noted:

"In terms of the governance of the country, I mean it's a very stable country. The EURO is performing very well, the government at the end of the day is relatively stable, very supportive politics is here at least. I would say at the end of the day, not undermined it's respected in the country and they have a very strong foundation"

In respect of the expatriate in Australia, he similarly expressed positive feedback about his experience so the Australian governance institutions. Participant 17 is on assignment in Melbourne, Australia and he observed:

"I mean if you look at the economical side of the country, very clearly a stable economical environment, which makes it very, very, very different because we've come from, from a volatile, as you know, the word inflation was truly understood in South Africa here is literally no inflation, the GDP is on a good trajectory. When you look at the unemployment rate it's at its minimum. So I think when I looked at it from at least economical point of view that was a very big differentiator."

Participant 1 further noted a strong legislative focus in Australia and active implementation:

"I think the biggest learning was the legislation in the country. Very, very high focus on legislation on the legal side of the business. They sometimes call Australia the many states because everything is the cameras, cameras all over"

Experiences of expatriates assigned to South African subsidiaries:

Compared the south African expatriates, the expatriates assigned to the South African subsidiaries experienced a number of concerns with the governance institutions. As discussed in 5.3.1 they had mixed experiences about the governance institutions as depicted by the Harvey

balls in Table 6. The mixed experiences they had indicate that most of the challenges they experienced were not with the existence of the institutions per se but the extent to which these institutions are functional or the maturity of the institutions. It is noteworthy that the expatriates assigned to the South African subsidiaries are based in Pretoria and East London. The experiences for both locations were noted as being similar thus suggesting that the experience of expatriates across the South African subsidiaries were similar. To illustrate the experience about the deficiency, Participant 2 observed that the regulatory frameworks do exist and his experience was that the implementation of the frameworks was poor. He commented as follows when asked to clarify his experiences:

“I don’t think you had bad laws. The amount of laws and the content of the laws in South Africa is on that. But the implementation is not good. Following the laws, implement the laws in the country is a big deficit. You can see that I mean, you know, talk to the dti and talk to the municipality and so on”

Participant 7, South African national who has relocated to Germany, expressed the same feedback as participant 2 and further noted that there had not been any improvement since her relocation to Germany and return to South Africa on an international assignment in 2018. She commented that compared to her new home in Germany, there are vast differences in the functioning of the institutions:

“You know the same things that were broken before are broken still the same things aren’t working are still not working. So I think on that side that’s like what was for me like say, you know things haven’t really changed. We see other countries how they you know what they are capable to do in that timeframe of three years. Here not much has changed, at least not put it this way in the Eastern Cape”

5.2.1.1.2. Regulatory Certainty

Two participants on assignment in the South African subsidiaries experienced regulatory uncertainty because of distance that have been noted in the implementation of South Africa’s regulatory frameworks expressed in 5.2.1.1. These participants indicated that they experienced the effect of the regulatory uncertainty due to their roles being directly impacted by the distance that were experienced in the regulatory frameworks related to the department of trade and industry (the dti), which they interact with on a regular basis. The impact of their experience is discussed under 5.3.1.1.

The results of the expatriates' experiences in respect to regulatory certainty point to South Africa as a host country having differences that have morphed into distance that causing regulatory uncertainty, at least in the case of two participants. No other South Africa-based assignees expressed experience of regulatory uncertainty. Similarly, the South African expatriates did not have any experiences of regulatory uncertainty in their host countries.

5.2.1.1.3. Safety

Safety featured prominently in the interviews with the participants. The experiences in this regard are quite different between the South African expatriates and the expatriates assigned to the South African subsidiaries.

Experiences of the South African expatriates:

The South African expatriates assigned to countries other than Mexico communicated their positive experience of safety in their host countries. This was reported as remarkable because of their background coming from South Africa, which has safety concerns. The South African expatriates mentioned how they had to adjust to what they termed normal safety conditions and highlighted that one of their major anxieties about returning to South Africa is readjustment to the safety conditions. Participant 8, a South African expatriate in China observed:

“I must say that I’m really quite impressed about the topic of safety. My wife and I have been here throughout and we’ve never not a single day, while we’ve been here, felt unsafe, even when we’re out in the middle of the night, walking in dark streets we’ve never in a single day, felt we were unsafe.”

He further noted expressed anxiety about returning to his home country, South Africa:

“I can honestly tell you that this is the major pain point for me at the moment is that, oh no, am I going to readjust to the situation back home, where you know it’s this and that and here in China on several occasions I’ve forgotten to lock my car. I left things in there returned to find the things were still in the car. Honestly speaking, this is one of my, my biggest fears actually about coming back home because now I have been in an environment where I don’t have to think about this”

Participant 21 was on assignment in Singapore and expressed the same anxiety about returning to South Africa:

“As the place to live (Singapore), I think for me it’s the safety. Safety issue is just one of those that I am scared to go back now if I have to be on my own”

Participant 15 noted safety as one of the biggest differences between Pretoria and Stuttgart:

“I think one fundamental or really striking difference of being in Stuttgart versus being in Pretoria and I am sorry to say but anyway in South Africa and that is the aspect of safety. When I got to Stuttgart, learning to drive on the wrong side of the road, the amazing thing was every evening I would drive. Every traffic light that I came to, I would be quite on edge, I would be very nervous, because its, its desolate. It’s under a bridge. You know in South African terms you would look at the area and you’d say, oh ok, just be careful.”

Participant 16 similarly noted that he needed to adjust to the safe environment he had in Melbourne, Australia:

“I often laugh, fences (back home in Pretoria) are one, one and a half meters high. Here the fences, maybe, maybe two layers of brick to create a boundary. No real fencing. If you see a fence it’s more just to kind of create a boundary that that’s your space, but you know a two year old will jump over the fence. There is no security. Many people leave their doors unlocked especially if the kids are gone out in the evening when they come on the door just pop the door open. So from that point of view it is extremely safe.”

Participant 23 also noted safety as one of the positive elements of his experience in Beijing. He observed:

“There’s so many times that finding vehicle outside we don’t even lock the doors on all the time. One year we went on vacation and actually forgot to lock the door, came back three weeks later and said, oh the door is unlocked. I mean it’s very safe.”

Participant 18, a South African expatriate in Beijing, China sharply indicated that safety and security ought to be a critical priority for South Africa. He observed that:

“Nelson Mandela has a strong brand presence in China. But they (Chinese) would also say the security issue and the risks and the overwhelming communication around danger and lawlessness, is massive.”

He further noted that number one priority for South Africa ought to be safety and security:

“There is no future for south Africa in terms of growth and improvement if people’s safety is not put as number one agenda”

“There is no future for South Africa if people’s safety is not number one agenda”.

Experience of expatriates assigned to South African subsidiaries

A number of expatriates assigned to the South African subsidiaries experienced differences in safety during their assignments. The general concern that they expressed is about South Africa not being safe compared to their home countries, with some of them having experienced safety risks. Their experiences were completely different from the experiences of South African expatriates. The safety incidents that were experienced by some the expatriates include attempted hijacking, robbery at an ATM and attempted armed robbery. Participant 5 shared his experience pertaining to the attempted hijacking ordeal:

"I can speak from experience, I've never been hijacked in Germany in my first few weeks they tried to hijack us and my family was with me. It is something that you learned from the beginning you need to be careful"

Participant 14, who was on his second assignment in South Africa noted that there had been a deterioration in the safety element since his last assignment in the mid-1990. He observed:

“I think there’s like, in the first 3 months, like safety and security was a big issue for our family. The feeling that it isn’t anymore as safe as it was. Whatever the fences, or maybe 50% of all houses have big walls around them. Others still had normal fences. Now all the houses have big walls around them. So there is a different type of feeling of safety and security.”

Participant 17 was also on his second assignment in South Africa and highlighted several safety incidents he experienced in South Africa:

“I tricked the guy and made him follow me to realise that he was following me. And then the second time, I was robbed off an ATM by somebody who was asking for help and silly thing I would never, never that would happen to me now. But it was just naivety. And the third time was the most critical one I was doing my scuba diving pool session for my driving license. And we came up out of the water and there was a guy standing at the pool with a gun. Nothing happened at the end of the day we didn’t lose any substantial money or lives or anything.”

In summary, expatriates assigned to South Africa subsidiaries highlighted safety as a major concern compared to their home countries. A notable observation was they did not believe that the safety concerns pose any challenge to their roles and their assignments. In contrast, South African expatriates had a positive experience about safety and a number of them expressed anxiety about re-adjusting to South Africa with all its security concerns.

5.2.1.1.4. Government services

The government services theme encapsulates the experiences that expatriate had interfacing with different government service points. These include a wide range of services that participants spoke about such as experiences in health care, water and electricity supply, visa application processes, and applications for driver’s licenses, etc.

Experiences of South African expatriates:

The South African expatriates experienced the government services in their host countries positively. They highlighted that there are cases of excessive bureaucracy in a number of countries but this was moderated by the efficiency and predictability they experienced with these services. The comments about you know that the service will be delivered on the promised date featured prominently throughout the interviews and these expatriates relayed some of their experiences with the South African Home Affairs department to illustrate the differences they were experiencing in their host countries.

This theme also reflected on services such as electricity and water supply from the host countries. None of the South African expatriates, including the one in Mexico ever experienced load-shedding since taking up assignments in their host countries. They experienced the host countries to have stable, reliable electricity and water supply. The expatriate assigned to Mexico highlighted supply of safe, drinking water as a minor difference that was worth noting.

Participant 11 is a South African expatriate in Tuscaloosa, USA, confirmed that his experience was positive in spite of the slight efficiency differences between some of the utility companies in the US. Highlighted that even with these slight efficiency challenges, it was nothing compared to what he experienced in South Africa. He made the following observation about his experience of government services:

“And yeah, the paperwork I will say it depends on where you go, I mean the water board might not be the same efficiency as the electrical or gas company but all in all its pretty much organized ad some better than others but it’s okay”

Participant 19 remarked about his positive experience in China in spite what he observed as excessive red tape:

“China has got an incredible amount of red tape and they have incredible amount of rules and it is very difficult to understand the rules because they are not always clear sometimes they make up the rules a little bit as they go. But there are a few very very good things about that. They obviously follow the rules they will actually if they tell you the visa will take four working days and after four working days you get your visa. So they are extremely efficient and extremely good in following the steps that you, but they are having incredible amount of red tape”

Participant 8 confirmed his experience about the interface with the Chinese government services:

“You know and I will say, the one thing that I respect here is for example, if you go there for the government service with the traffic department of at what you call public security bureau to update something on your visa and your passport collection things like this. what is good is when they tell you, okay, this will be finished in one week on a certain day, you can be 100% sure that when you go on that day it will be there to collect it so this is the one thing that is actually quite impressive about here is that they, how can I say, they follow up, okay, its going to take a week. Not any shorter, not any longer. As a result it makes me personally not really have a headache when I have to go do something because I know when I go there I will get it done in a certain amount of time”

Participant 22 expressed same sentiment about the Chinese government services:

“When I went to get a driver’s licence, because I’m staying in an apartment. On the day that I register for the examination for the driver’s licence, on that same day, I have proof of my residence from some government organisation on the other side of the city and I went there. I

expected that there will be a battle from my experience in South Africa. I walked in there and it was so easy, so straightforward. So just tick this box and tick that box and do it and there you go”

Participant 1 similarly had positive sentiment about his interface with government services in Dubai:

“And I compared to South Africa, when I had to get my driver’s license. Okay, it takes no less than 15 minutes to get your card, your photo, your eye test and your driver’s license in 30 minutes. I mean I’ve never seen you know this comparing you know back home you’re gonna wait forever. You got to stay in queue”

Reflecting on his experience, Participant 15 highlighted the cumbersome bureaucracy in Germany:

“I think the first part of the bureaucracy is that there is a lot of manual forms that need to be literally, physically signed and posted. Fortunately in Germany, they have a postal service that works like clockwork so it’s quite fascinating to see that in operation”

Participant 28 confirmed her positive experience of the German government service, which she found predictable as well:

“I had to obviously go here to the German office as you would call it to get my permit, to get my residence permit and all of those topics and what’s the most efficient process I’ve ever been through probably in a week”

What was quite fascinating is also her reflection on the security of energy supply, which is a critical challenge in South Africa:

“I actually really feel very hard I think in the three years that I’ve been here. The only time power goes out, is for maintenance and not even for more than an hour, I can tell you exactly once in the three years that I have super stable energy supply”

Participant 21 also commented on the security of energy supply, which she viewed as one of the positive elements about her experience in Singapore. She quipped:

“There was one power station or something blew and they were without electricity for 12 minutes. 12 minutes, it was headline news. But you never have anything like that”

Participant 30, a South African expatriate in Mexico, had a somewhat different experience to the other SA expats. He noted that Mexico shared a number of similarities with South Africa. On the issue of services such as energy and water, he commented that Mexico had relatively stable electricity supply and depended on gas but that there were water challenges:

“The electricity supply is much more stable than South Africa. We don’t have blackouts that we are having frequently in South Africa. Water, water supply I will say the drinking tap water is not advisable to drink”

Experience of expatriates assigned to South African subsidiaries:

The experience for expatriates in South Africa is different and they have expressed several difficulties with their interface with government departments or services. Participant 29 lamented about the complicated and inefficient South African government services:

“Having all the things in place, having car registration certificate all the stuff in the organisation was quite difficult and took a long time. Just the small things like having internet and having a telephone and all this stuff was not so good. It was painful for me and my family.

“Ja with regard to government services, the visa process was really exhausting and kind of really, because I didn’t expect that it takes so long and its so complicated”

Participant 7 expressed similar concerns about the efficiency of government services in South Africa. As a South African who relocated to Germany and came back on an expatriate contract, she had the privilege of being able to compare the experiences in both countries. She highlighted the cumbersome bureaucracy of the German government service and that it worked once the manual processes have been completed, which was not her experience in South Africa. She illustrated her experience by means of the following example:

“I think one thing is with Home Affairs. I’ve had a long thing, I’ve actually, I still need to go back. But I still haven’t managed to change or update my passport and my ID to my new surname. It’s been now two years, over two years”

The inefficiency of the South African government services was also experienced by Participant 17, who remarked that the visa process was by far the most difficult he had ever experienced. His sentiment is notable as his current assignment was the fourth international assignment and the second back in South Africa. He commented that:

“So one thing from an assignment perspective was extreme difficult is actually in no means a representation of what the country in South Africa is like, is the visa process. There is no visa process in the world that is as complicated and bureaucratic as South Africa’s”

The participants had varied experiences of the government services. The cumbersome nature of the bureaucratic processes seem have permeated most of the host countries. The difference is however in the efficiency and predictability of the processes in the case of host countries such as China and Germany. Overall, the experience expatriates had with the South African government services has been negative as they found the services inefficient, unpredictable and cumbersome.

It is notable that in areas where distance have been identified, participants found ways of adapting and mitigating the impact of the deficiency. For instance, Participant 12 explained the steps that he took to address the unstable supply of electricity. He explained

“This is not a huge topic for sure we prepared some infrastructure at home, we are discussing with the landlord maybe putting in some solar panels, and in the meantime we bought a generator”

5.2.1.1.5. Corruption

Experience of South African expatriates:

Corruption has come up a critical concern for the participants. The South African expatriates assigned to the USA, UAE, Germany, Australia and largely China indicated that they were unaware of any corruption activities within their host countries. Some of the expats assigned to China indicated that they could not completely confirm that they were aware of any corruption, except to refer to anecdotal observations derived from either conversations with colleagues.

When asked about his perceptions regarding corruption in China, Participant 19 noted, anecdotally:

“But there is some very high level corruption and white collar crime. That happens also quite, quite big issues especially with for example with the, with the corruption or corruption what the word now you know when you’re sick even people who, through for example their electronic media scanning is stateless quite a high level of that happening, it’s well protected because you don’t see that”

Participant 18 held a different view. He asserted that because of the major changes and developments that China experienced, his perception was that corruption had been eliminated. He stated:

“This is more of a collective influence here, but I would say good governance, no problem, corruption and integrity compliance principles and theory clear agenda, very high expectations of government officials in the way that they act, how they improve their own processes and their own performance. Very very high expectations and this system is just getting better all the time”

Participant 13 is a South African expatriate assigned to Stuttgart, Germany which was his second assignment following a previous assignment in Malaysia. At the time of the interview, he had only been to Germany for about a month and therefore most of his feedback was based on his prior experience in Malaysia. He observed that corruption was quite rife during his Malaysia assignment. He observed:

“like South Africa, Malaysia was plagued with this opportunities were under the table deals. So you slip an envelope and things happen. This is what I found in the business area”

Participant 13 further commented that one of the traditions in Malaysia was focus on building relations first before discussing business and this was one of the opportunities for under-handed deals. This took the form of the potential partners insisting on having a meal and building a relationship ahead of any serious business engagement

Experience of expatriates assigned to South African subsidiaries:

Participants who were on assignment in South African subsidiaries noted that corruption is a significant challenge for South Africa. Participant 6 noted that corruption and crime were two “big negatives” for South Africa, in comparison to her previous assignments to Singapore and Germany. She further observed that there had been a deterioration since her initial assignment in South Africa in the 1997/8. Participant 6 highlighted that:

“to the company, I think there is everybody expects there to be corruption and crime in this country and you know when you hear of fraud going on. It is like well, what do you expect so look at the role models. Everybody is doing it. Why wouldn’t they steal from you as a company”

She further observed that because of corruption, it was necessary to have extensive measures in her role as CFO to mitigate the risk. Some of the measures she installed included “specialist positions that the MNC does not have in other countries.”

Participant 25 shared her experience that involved the attempts by traffic police to extort cash from her. She explained:

“I have to be honest I didn’t understand the guys. I didn’t understand what they want from me. I don’t know 45 minutes of discussions and bla blah blah. Eventually I think they got to the point that I’m not that long in the country and I don’t really understand what they want from me. So what they told me is okay, your final warning and go. Obviously after then speaking to other friends and most of my, my entire friend circle which I built up here in South African people, I understood”

Participant 29 indicated that he had also experienced attempts by traffic police to solicit a bribe from him:

“a situation where I’m uncomfortable. So far, corruption with the police. Sometimes, because they want to have some money that you can, that you can more or less, when you are traveling too fast”

While the expatriates assigned to the South African subsidiaries expressed concerns about the levels of corruption in South Africa, they did not experience corruption directly in their roles, except for instances where some of them were stopped by traffic police trying to extort bribes from them. In the case of the participants who had bribery attempts by traffic police, it has been found that they generally got their way out of these situations and they were uncomfortable to confirm if they had indeed succumbed to the pressure or just simply escaped without paying the bribes.

5.2.1.1.6. Crime rate

The last regulatory distance element that was highlighted by the participants is crime rate. This element was more evident in South Africa and Mexico and was found not to be a concern for the expatriates assigned to all other countries highlighted in tables 3 and 6.

Participant 30 who is on an expatriate assignment in Mexico indicated that crime was prevalent in Mexico and appeared more pervasive than in South Africa. He commented:

“When I say security here is that you find violent crime. Even more violent than in South Africa, it’s more violent. Police are heavily armed, it’s like military armed with automatic rifles. They work with the army so that means also the other side, criminal organisations are also really armed. The popularity of seeing on the news everyday people being killed, people being chased by police. Interactions between the cartels and the police, that’s on the daily basis. So the element of fear is visible, not only with us as foreigners but also in people who are locals. For me that is the biggest difference between South Africa and Mexico”

Participant 30 further highlighted that the pre-assignment training received helped create awareness about the risks with working in Mexico and that he is following applicable protocols to avert the risk of being exposed to risky situations and that the element of fear remains his lived reality.

Similar to Participant 30, the participants assigned to the South African subsidiaries reported that the pre-assignment training offered by the MNC was helpful in creating awareness about crime rate and the associated risks. While the training has been found helpful, the participants felt that it is only in being in the host country that there is full appreciation of the risk posed by the crime rate. Participant 12 noted that crime is not peculiar to South Africa and it was important to follow the rules or guidelines shared during the pre-assignment training. He explained some of the steps he has taken to mitigate the risk of being exposed to crime:

“For sure in some detail, let me use an example when I was traveling around to Germany with customers in Europe, often enough we were starting at midnight. We are running by car during the night. Four weeks ago, we travel to Cape Town by car because I said to my wife; you have to travel by car from Joburg to Cape Town. But what you are doing, you’re not starting at midnight. Starting four o’clock in the morning when the day is starting and it’s getting the sun the sun starts rising”

Participant 24 highlighted his increased alertness when driving around on South African roads due to past stories he had about people being attacked while traveling:

“that was really rather a bit unsettling also the fact that somebody else who lived here was also extremely got assaulted at the traffic light on the way to work a couple of months ago. He was robbed at gunpoint”

He indicated that this increased alertness was not necessary when he was on an international assignment in Australia. In light of the crime rate, he realised that he needed to be more careful and follow the guidelines received during training. He noted:

“You cannot move as freely and without having to just consider the security the way that we did it in Australia or the way we’re able to in Germany”

While crime rate has not been found to impede the participants’ roles, they have experienced that it causes them high levels of anxiety especially when having to be on roads or in the malls. It is notable though that the participants exposed to host countries with high crime rate have found ways of adapting which include following the guidelines and changing travel patterns as suggested by Participant 12 or increased alertness when traveling as explained by Participant 24.

5.2.2. Nature of Cognitive Institutions

This sub-theme focuses on the findings relating the cognitive characteristics highlighted by the participants. An interesting observation that will be discussed is the perspective by the South African expatriates assigned to the Chinese subsidiary, who held that their South African background has been helpful in understanding one of the cognitive elements of working in China.

5.2.2.1. Warm South Africans

The main observation that the expatriates assigned to the South African subsidiaries was that they found the South African society warm and receptive. This experience extended to their experiences both inside and outside of the subsidiaries. Participant 1 noted that South Africa was unfamiliar to him prior to the assignment and he had anecdotal cultural inferences about by colleagues that previously worked in South Africa. He observed that these were confirmed by his experience of South Africa and highlighted:

“The people here are very very friendly and also neighbourhood. So it’s really really supportive”

Several other participants intimated that they found South African locals generally warm and welcoming, which helped with their transitioning into their new roles. Participant 4 commented that “the people make it much easier to arrive here”, which together with his proximity to the subsidiary’s CFO (his direct supervisor) enabled his adjustment to the promotion role in South Africa. Participant 17 also had the same experience of South Africa. He intimated:

“the extreme friendliness of the people struck me more. If I wouldn’t have come from Germany because I was coming here from Germany which is potentially one of the least friendly people that you could envisage”

Participant 10 observed that one of the elements that helped with his transition was the fact that South African locals were welcoming. He commented that”

“I’ve not been here before on holidays or anything, but what I could say is the people were very welcoming and open and interested like honestly interested in me as a person. I feel here people were really interested and people really thoughtful whoever you dealt with”

The warmth of the South Africans was thus viewed positively by participants and seen as one of the elements that helped with the adjustment to the host country.

5.2.2.2. Relationships matter

Participants who were on assignment in China highlighted the importance of relationships in enabling performance of their roles. These participants have South Africa as their home country and they observed that their South African background helped them understand this element of Chinese culture. Participant expressed a strong view he held about how his South African background has helped him navigate the Chinese culture:

“This system here is a lot more relational. It is very much its first about the relationship and about knowing the person and having some kind of interest. You can do business. There’s no business without a relationship, its not possible, So having that context from South Africa as to understanding that there also is more relational says more about conversation and dialogue. These are more important themes for China that is different from Europe. So that is having that background is for sure for sure a strength.”

Participant 19 similarly expressed the above view about his experience of the relational nature of the Chinese environment:

“Connections is really really important, as I explained to you before if you have a good network and a good connection with somebody on a personal level, you definitely will get a quicker decision or a better decision that if you force it through the standard process. There is a word called Guanxi. Guanxi basically means a little bit like in South Africa, Ubuntu, we know one hand washes the other”

Participant 18 further highlighted the significance of the “Party system”, which essentially involves him having a Chinese partner working by his side, thus meaning he and the Chinese partner are co-leaders in the MNC subsidiary. The system is founded on the significance of relationships and the joint venture approach China has in structuring business relations with MNCs that operate in China. He summed up his perspective of the system:

“That’s one of the big leadership challenges you have in a system like this because essentially you have to create a very good relationship with a system and the system is a party system which is represented by the joint venture. You cannot deny it. You know you cannot ignore it. You cannot beat it.”

Participant 13 observed that Malaysia also had a strong cultural approach relating to building relationships and connecting with people prior to doing business. He made the following observation:

“So that was very strong at the time and culturally, how they do things is that you a meal together before you conclude anything. So depending on the kind of transaction that you’re working towards will determine how many meals you having together.”

Participant 13 further commented that it took a while for him and the team of expatriates that were assigned to Malaysia at the time to understand the significance of “a meal before transaction.” He confirmed that the meals before transaction tended to also create opportunities for the underhanded dealings highlighted under 5.2.1.1.5.

Interestingly, some of the German expatriates assigned to the South African subsidiaries battled with understanding the significance of relationships and highlighted this as one of the important elements that they need to adapt to. Participant 25 poignantly remarked:

“Is very very much different and I think the biggest difference is related to the culture and is definitely something which is, you have to adapt wherever you go. You always have to understand that people are coming from different backgrounds. But what is the biggest difference from Germany to here and sometimes we as expats really struggle is the personal level which is much too South African people compared to German people. Something which I had to learn that’s the personal touch is how I use not only a how are you like me say it in Germany, we say we still say how are you, that to be really honest nobody cares about the answer and nobody expects an answer. They’re just different. People want to tell you about

their family about their background about what's currently going on in order for them to be understood.

She further commented:

“In South Africa it's a bit different. It's a first have to have the people behind you and you get people behind you if you know their background, if you show that you understand them if you are just listening”

It is evident from the above perspectives shared by the participants that understanding the significance of relationships has helped with their transition. The South African background seems to have helped the South African expatriates assigned to China to navigate the significance of relationships and to build relationships that in turn enabled the success in their adjustment. Similarly, it is evident from Participant 13's experience that once they understood the significance of the meal before transaction, it enabled them to find ways of building relations and executing their mission.

5.2.2.3. *Conservative Germany*

The other notable finding under the cognitive theme relates to the conservative nature of German culture that the South African expatriates assigned to Stuttgart experienced. This experience contrasted the relational nature of South African culture that was discussed under 5.3.3.2. Participant 9 noted that one of the first things that struck him on arrival in Stuttgart was “how less friendly the people are.” Participant 13 reported a similar experience in Germany. His initial experience was that upon his arrival in Stuttgart, he had very little support was shown where his office was and left to figure things out on his own which was different from what he had back in South Africa and his previous assignment in Malaysia.

Participant 15 shared his experience when he had to be hospitalised in Stuttgart. While he acknowledged the positive element being good infrastructure and service in spite of the hospital having been a public hospital, he noted the cultural difference:

“In terms of comparison to South Africa in terms of the cultural part of it, the staff seemed a little bit cold to me that they were really, you were just a body that they needed to get out as quickly as they could. Versus my experience in South African hospitals were there's very much of, you know a feeling of calm, a feeling of comfort.”

Participant 9 indicated that in spite of the conservative and cold approach he experienced, he learnt that things got better with time and getting accepted:

“German culture would be related to it like a coconut, you know, really hard on the outside, but once you somehow go through it and then you get to the softer part inside the coconut. It takes time for people to accept you, to feel you are someone they can mingle with, unlike an African culture where, you know, I might not know you I’m more than happy to share a beer with you”

Notwithstanding what the participants explained as the coldness of the German culture, the participants viewed the assignments as a positive experience. It is notable that all the other positive elements seem to have outweighed the coldness of the culture.

5.2.2.4. *Language barrier*

The last finding under the cognitive theme is the language barrier. Participants assigned to the Chinese subsidiary and Stuttgart, Germany highlighted language is one of the key challenges they faced during their assignments. Participant 28 noted, “integration becomes a bit more difficult with the language barrier.” Participant 8, similarly observed that his biggest challenge in China was the language. He noted:

“First of all, the main thing was the language, because I mean English is not spoken well, spoken in other countries there’s very few countries that actually speak English. So the first thing that strikes you is the fact that nobody understands the English language and of course the things are written in a different alphabet completely”

The language barrier also posed a challenge for the participants in respect of accessing any services in both countries. Participant 15 explained that the biggest pain point for him during the hospitalisation process was not being able to communicate with the medical staff. He asked one of his colleagues to accompany him to the hospital:

“ so the one colleague that I worked with was kind enough to accompany me to the hospital to sit for the consultation, and they spoke to him German. And he tried to translate it through to me, and then there were about, I don’t know, 40, 50 pages that I needed to sign and acknowledge that, yes I can die on the operating table”

Participant 26 similarly acknowledged that one of his biggest challenges was the language, which made difficult to comprehend the rules and regulations in Germany. Participant 27 noted language

was a challenge and that she experienced some support initially with her colleagues but this changed with time:

“Everyone was, to some extent let’s say sympathetic and was okay to give me time to let the language get better but as time was going on, then that leeway was diminishing exponentially”

Language barrier notable as it was for the participants was not found to be inhibitory to their assignments. Most of the participants acknowledged the importance of learning German, which they saw as important for their assignments. Participants 9, 15, 22, 26 and 27 noted that learning the language was helpful and enabled their integration. Participant 30 also highlighted the importance of learning Spanish, which he saw as helpful for his integration in Mexico, and being able to interact with the locals and access services.

5.2.3. Nature of Normative Institutions

The main finding under the normative characteristics theme is what the German expatriates in South Africa observed as the high levels of inequality. Participant 4 observed that moving to South Africa was a positive experience for him and saw one of the benefits as being able to live in a secure, gated estate. He however noted that”

“living some people in the big big houses and you’re living two kilometres away in a small shack”

The above he explained was the concern that he had that while he is living comfortably, there are many who are living in squalor conditions in small shacks not too far from the secure estate he was living in. Participant 10 similarly noted the big income disparities and inequality in South Africa as a biggest challenge:

“when you then see compared to the prices that are in the shopping at Woolworths or something. A lot of people will never be able to afford to buy some stuff. So that is something, yeah that makes you think”

Participant 14 was quite critical of the deterioration that he argued was evident since his last expatriate assignment in South Africa in the mid-1990s. He commented that he had observed and increase in the number of informal settlements around the East London area and that this was a concerning development. Participant 17 also one of the things that struck him on his return to South Africa was the evident levels of inequality and poverty. He comment that:

“it’s obviously disturbing, depressing and leads to a certain amount of anxiety when you see the poverty around. The difference between rich and poor, is just unbelievably extremely extremely visual”

Most of the participants noted that this is one challenge that is contributing to the high crime levels and needed urgent attention. While this challenge did not influence their role or assignments, they viewed it as something that cannot be ignored and one that invokes concern about its possible implications for building a successful South Africa.

5.2.4. Impact of the institutional distance

Having presented how the participants experienced the nature of the institutions, focus shifts to the impact that they experienced from the distances that were identified in 5.2.3. It has been noted that the most impact that was felt by the participants relate to regulatory distance. The participants did not highlight any impact in relation to cognitive and normative distance. There are however various mechanisms that the participants have implemented to address the distances they experienced as will be discussed under paragraph 5.3. The expatriates’ experiences relating to regulatory distance are presented in 5.2.4.1.

5.2.4.1. Regulatory impact

Two participants noted a big challenge with regulatory uncertainty (paragraph 5.2.1.1.2) that is caused by the poor implementation or definition of the applicable regulatory frameworks they experienced. They highlighted that they experienced the uncertainty to create significant challenges to their roles and their assignment mission goals, which included the sustainability of the South African subsidiary. The participants further expressed deep concerns about the implications of the uncertainty for the broader South African automotive industry and opportunities for future investments. Participant 5 explained the risk that the uncertainty was causing for the subsidiary as being disastrous:

“There is a crucial factor and here in South Africa, especially the government must be very well aware of that this has from the outside view, a very bad taste. They changed the legislation. Last year or they wanted to change the legislation. The legislation could have caused the automotive industry, to leave the country because it would not be profitable to produce any more in South Africa.”

“Today is the 17th of November. Officially, we have a APDP2 in six weeks. The government gave us the date, gave us the title of the new law, but it did not give us the new law”

Participant 2 shared same sentiments about his experiences of South Africa's regulatory environment. He further commented on how the uncertainty was directly affecting his communication role in that he was facing the challenge of communicating conflicting and inconsistent messages to the Stuttgart HQ:

“When I came here in 2018 it was said that preferential procurement need to score 10 points. So suddenly it was not 10 it was 10.8 and many things did not count that previously did count. We do not have the possibility to plan these things and to work accordingly so it gets a bit erratic”

“Also in my message to headquarter, because I need to explain them, because they make ultimately a lot of decisions. I need to explain everytime a different story”

The other participant to express a direct concern emanating from a regulatory distance was Participant 12, who shared his experience relating to the unstable electricity supply. Participant 12 lamented the fact that South Africa had lost its previously held proud position of being one of the leading nations when it came to power supply. He highlighted that South Africa's potential was being eroded by a number of its challenges, chief among them being the inefficiency of the government services such as electricity supply. He stated:

“To be honest, the load-shedding topic. I think this load-shedding topic is spoiling the image of South Africa globally, quite strong. Many countries are looking into South Africa and say these guys cannot guarantee 100% energy supply. This is critical”

The feedback from Participant 12 was somewhat similar to the participants who shared their experiences about the impact of regulatory uncertainty. With regard to the crime situation, participants generally commented that they have more heightened alertness about safety topics in South Africa than they ever had anywhere else (if they have prior international assignment experience) or from their home countries. Participant 24 noted that he needs to be more alert in South Africa compared to his previous expatriate experience in Australia:

“In Australia when I was waiting for traffic lights and never looked at my side mirror to see if somebody approached my car from behind. The one thing that I do here”

Interestingly, notwithstanding safety concerns, which were highlighted by most of the expatriates based in South Africa, they did not believe that these concerns were insurmountable. It was noteworthy that the expatriates experienced their pre-assignment training to be helpful in preparing them for the conditions in South Africa. The safety concerns were moderated by the positive experience that the expatriates had about South Africa as a location and the fact that they

are generally better off in South Africa for instance with the quality of housing, weather and the tourism elements. Participant 5 reported that in spite the hijack attempts, he was determined not to have the experience instill fear and restrict him from enjoying the assignment and the host country. He stated:

“but you should never be driven by fear, never”

Similarly, Participant 12 highlighted the importance of acknowledging the safety challenge, find way of mitigating the risks and not get entrapped by fear. Like Participant 5, he expressed determination to continue with the assignment:

“I’m never anxious or I never fear going, going around with customers, meeting friends, this and that but all that stuff follows different rules”

5.2.4.2. Cognitive impact

No impact has been noted from the results in respect of the impact of the cognitive distance experienced by expatriates.

5.2.4.3. Normative impact

No impact has been noted from the results in respect of the impact of the cognitive distance experienced by expatriates

5.3. Response to the institutional characteristics

Following the presentation of the experiences of expatriates regarding the nature of institutions and the impact of the identified institutional distances, attention is now moving to discussing the various ways in which respond to differences or gaps that they observed in their host countries. It noteworthy that none of the participants expressed any views about the institutional distances and the challenges they pose to expatriates necessitating consideration of early termination of their expatriate assignments. It is also notable that none of the identified differences were found to be inhibitory to the continued assignments or stay in host countries.

Contrarily, it has been determined that the expatriates have generally found mechanisms to work around or confront the differences or distance that they identified. These responses are presented hereunder.

5.3.1. Response to regulatory distance

5.3.1.1. *Response to governance distance*

The most notable deficiency that the expatriates based in South Africa identified related to what Participant 2 and 5 explained as the erratic conduct by the government departments in either the development or the implementation of regulations and/or the law. Participant 5 explained that what he perceived to be the failure by the department of trade and industry to consider the implications of change to legislation could have caused irreparable harm to the automotive industry and that uncertainty was caused by the delayed clarification or communication of the changes to the APDP2. Participant 5 commented:

“Today is the 17th of November. Officially, we have an APDP2 in six weeks. The government gave us the date, gave us the title of the new law, but it did not give us the new law. Except, but they asked us to enact it. As for a European country and basically this is something you will not, you will not see. And this for an investor’s point of view, it’s critical that you have the long term stability”

What followed was the participant being asked how he felt about the uncertainty that explained. It is interesting that Participant 5 indicated that he was not allowing the uncertainty to cause frustration. He insisted that it was his role to find solutions and invest time and energy on that path. He responded as follows to the question about whether this was causing him frustration:

“I would not say that I’m frustrated because if you are frustrated you gave up. So number one, I do no never give up. Its very important if this is my mindset. So you can only be frustrated if you lost the battle. We haven’t lost it yet! So basically, in my role here, I have to fight for MNC subsidiary and not anything else. If you’re sitting in my role to go over and over and over to government meetings, and to convince them and by the end of the day, I had the honor to go to parliament of South Africa in Cape Town”

The Participant accepted the deficiency as a challenge that he had contribute towards resolving and thus not focused on this inhibiting the successful execution of his role. Participant 2 faced a similar challenge in respect of regulatory uncertainty. In his case, this related to what he referred to as erratic changes to the BBBEE (Broad Based Black Economic Empowerment) regulations and the impact thereof on the MNC subsidiary’s attempts to meet the specified goals or obligations. As indicated earlier, the participant highlighted the negative impact of these erratic changes on his communication role with headquarters.

Participant 2 similarly focused on exploring ways to address the uncertainty. He responded as follows about the steps he was taking to address this uncertainty:

“Well, I think that for a company or in my position there is many ways of doing things and I always think that there is an alternative way to do things you know. I mean, you need to be very adaptable to change and you need to be very creative and deploy, be able to deploy many, many strategies that are sustainable, strategies that are more reactive, improve, improvised and a lot of risks. I need to always have another crazy idea. I never give up. Never give up”

In both cases, the participants facing the uncertainty caused by regulatory distance, developed strategies to address the distance and resolve the problems. Their approach was to adapt their approaches. It has also been found that they focused their attention on finding solutions, implementing solutions and not allowing themselves to be defeated by the distance.

5.3.1.2. Response to safety & crime distance

As discussed in 5.2.1.1.3, expatriates assigned to South African subsidiaries noted distance in safety compared to their home countries. The safety concerns that the participants highlighted have not been found to result in the early termination of the assignments or cause expatriates not to achieve the goals of their respective roles. It has been found that participants adapted to the prevailing institutional characteristics. Participant 12 indicated that he adapted his driving patterns compared to when he was in Germany. He mentioned that whereas in Germany it was possible for him to drive in the evening without being concerned about safety, it was different in South Africa and as a result, he generally avoids driving at night and instead drives in daylight.

In addition to changed driving patterns that participant 12 explained, he also strongly held the view that it is important to avoid being restricted by the safety risks. He commented as follows:

“and if this is your living in this country so if you’re sitting at home or only joining the office because you are in fear, saying okay I cannot move around with customers and friends, or doing my hobbies. Then you should not join such a country because then you have them you are living a limited life”

Participants 4 and 5 also expressed the same view that they would not allow themselves to be entrapped by fear. Following the hijacking attempt, participant 5 did not decide to stop traveling or driving instead, he remarked, “*you should never be driven by fear, never.*” Participant 4

indicated that upon his arrival in South Africa, the first few months were difficult for him as he was conscious of the safety risks related to driving. He remarked that:

“but the first three four months was really how we drive, only when its light outside and don’t go anywhere where we don’t know the places. After three four months and you see okay if it cannot be the life for the next three years and things”

Like participant 5, participant did not allow himself to be trapped by the fear he had about driving around. Likewise, participant 24 also indicated that he had adapted to the South African environment and that he needed to be more conscious or vigilant when on the road, which was different from his experience during his previous assignment in Australia or when he is back in Germany, his home country.

5.3.1.3. *Response to government services*

As noted from the discussion about the government services earlier, the main concerns that the participants communicated relate to their experience of government services being inefficient and unresponsive. One of the main services that was highlighted is on loadshedding of unstable electricity supply that is primarily a concern for expatriates assigned to the South African subsidiaries. While this was highlighted as a major concern by the expatriates, there does not appear to be any serious impact for their roles and thus not many have taken any steps to address save for accepting that it is one of the realities of living in their host country of South Africa.

Only one participant, Participant 12 indicated that he had taken steps to implement measures to mitigate the impact of loadshedding. He indicated:

“this is not a huge topic for sure we prepared some infrastructure at home, we are discussing with our landlord maybe putting in some solar panels, in the meantime we bought a generator”

With regard to the inefficiency and cumbersome bureaucracy expressed by several participants, not steps were taken to address this, as it was not seen as inhibitory or posing serious challenges to the participants. It is notable that the participants found the organisationally provided relocation support that included support with most of the government services that the participants need to access from time to time.

5.3.2. Response to cognitive differences

The cognitive characteristics discussed under 5.2.2.2 highlighted that expatriates were exposed to the warm South African culture, the relational nature of the Chinese and Malaysian culture, which are collectively referred to as cultural differences hereunder (5.3.2.1) as well as the language barriers.

5.3.2.1. Cultural differences

The warm South African culture was experienced by most of the expatriates as a positive element contributing to the adjustment. Within the organisation, participant 25 indicated that she had to learn appreciate the importance of connecting with people and understanding them and that once she did this she found that the team would be willing to support her. She explained:

“if you show that you understand them if you are just listening, you know, and once you have done that, I have experienced that people are standing thousand percent behind you, they will do. They will even jump not 10 meters high, they will jump 20 meters high, you know, it’s not even ask but you need to have this personal level of understanding”

It is found that the participant understood that she needed to build relations, thus she understood that she could not apply the German approach to the South African environment. She is found to have adapted and assimilated the relational approach to managing her team,

The relational nature of Chinese and Malaysian cultures were also highlighted as a big difference but noted that for South Africans it was easier to understand and assimilate it due to expatriates’ South African background. It is notable that in the case of Malaysia, participant 13 highlighted that they “started schooling the new recruits and some of their other stakeholder, customers and dealers” on the MNC’s policies especially in respect of integrity code. This was done to help them understand the participant and the MNC’s concerns regarding excessive entertainment and to mitigate the risk of the “*meal before transaction*” morphing into corrupt activities.

Participants working within the Chinese subsidiary intimated that they assimilated the relational culture and accepted that it was a reality that could not be avoided. Participant 18 stated his strong view in this regard and indicated:

“you cannot deny it, you cannot ignore it, you cannot beat it. You have to think win-win at all times and you have to be willing to compromise and know what is important and what is not”

Embracing the “party system” and building strong relations is thus seen as the response that the expatriates assigned to China accepted. Participant 22 acknowledged the existence of the system and that he had a partner and did not find the relationship troublesome. Participant 20 stated he knew about the system as well and he had a Chinese partner. He further remarked:

“I wouldn’t be able to start my function already established without the local colleague, in terms of knowing the network and really helps a lot on the cultural aspects”

It is found that the participants accepted and assimilated the system, which enabled their adjustment and ability to deliver on their respective roles.

5.3.2.2. *Language barrier*

The participants highlighted the language barrier as a challenge to adjustment, acceptance within the organisation and ability to transact externally. The prevalent response that Participants 22, 26, 27, 28, 30, 9 and 15 had was to learn the language (German) and put an effort into speaking the language. This was found to be helpful in mitigating the impact of the language barrier.

5.3.3. Response to normative differences

The discussion in 5.2.3 highlighted that expatriates assigned to the South African subsidiaries highlighted high levels of inequalities within South Africa as the primary element that was deemed worrisome. This has not been determined to necessarily influence the performance of their roles but rather highlighted as a societal challenge that needs to be addressed. No specific responses to this challenge were observed from any of the participants.

5.4. Additional results:

5.4.1. Infrastructure

Infrastructure has come up as one of the important elements expatriates consider in deciding on their assignments and generally found to contribute towards their adjustment to host countries. In the case of South Africa, infrastructure was identified as one of the shortcomings confronting the country and the direct link with expatriate success was however not determined. Participant 4 noted the infrastructure in main cities which he observed upon arrival in South Africa:

“I think when you drive through Pretoria and Johannesburg; it looks more like first world countries, highways, buildings, downtown, whatever”

Participant 10 on the other hand remarked that the absence of dependable public transport infrastructure as well as the spatial settings of East London meant that he had to always use a car to access services such as restaurants. Participant 7 noted that the shortage of infrastructure such as public transport was somewhat of an impediment for her team, especially when they have to work late and that this results in her having to transport her team (using her car) to their homes.

Participant 30 noted that Mexico road infrastructure, albeit for main roads only:

“When it comes to roads, the roads are ok, the ones I often use your main roads or highways but the back roads are mostly neglected. So potholes, no repairs, sometimes you don’t even see the road they tell you there was a road here but you don’t even see it on the map, you can see there was a road but you don’t see it anymore”

South African expatriates in China, USA, UAE, Australia and Germany had a different experience. They reported that these host countries had extensive and well-developed infrastructure, which enables their adjustment. They further reported that because of the well-developed infrastructure, they generally have no requirement to use own cars to move around.

Participants 27 and 28 noted that Stuttgart public transport infrastructure was one of their considerations and that it is enabling their movement without the need to consider having own transport:

“Germany is definitely more developed infrastructure wise, we can take the train everywhere”
(Participant 27)

“I thought as a bonus or a benefit the infrastructure is a feel good. Yeah, especially when it comes to public transportation, you don’t even need a company car here, you know, the public infrastructure for transportation is so good that you can find yourself, almost anywhere in no time” (Participant 28)

Participant 26 expressed great comfort with the extensive infrastructure in Stuttgart:

“what I really admire here, is that they really put a lot of money on public transport, regardless of where you live there is always the connection between where you’re living and the to the city

centre or to your place of work. That is one think that means your dependence on a car is not so great, not so much needed. Second point of view is you could see that also from an infrastructure point of view is backed by the internet, you know, everybody has internet at home. There's WiFi hotspots all around. The other thing that I've also noticed here is that the hospitals, even though its private and public hospitals, they are really, really well kitted out"

Participant 15 shared his experience with the health infrastructure, confirming that both public and private hospitals are well resourced:

"I was put into first a public hospital, a wonderful example again. I don't know, but they didn't have the specialists in this hospital. So they transported me after two days to a public hospital, where I can tell you that it didn't matter whether you went public or private, the level of technology they had in these hospitals, was I could say far surpasses that of south Africa."

South African expats in China also had great experience of infrastructure, especially public transport infrastructure. Participant 20 reported that he frequently uses the infrastructure and found it very easy and that it was a better option than taking a car. He further commented:

"It is very easy to call a taxi and the taxis are cheap, even by South African standard, same for subway is extremely cheap and travels throughout the city. So it's a very impressive network, even within China, if I want to travel to another city. I would definitely take a train over an aeroplane because it's a high speed train and by the time you go to the airport or anything, think it definitely makes sense to take a train"

All participants found infrastructure to be an important element that enables their stay within host countries. None of the participants indicated any direct impact on their roles save for the participants who highlighted infrastructure as an enabler of their adjustment. Notable that in cases where infrastructure distance were identified, participants found ways of managing the impact of the deficiency. The absence or shortage of infrastructure has thus not been found to impede the participants from executing their expatriate assignments.

5.5. Chapter conclusion

Chapter 5 presented the results from the 30 interviews conducted with participants drawn from several areas and host countries. The results were linked to the theoretical frameworks and themes that were discussed in chapter 2. The results were assessed against the theoretical frameworks in respect of institutions and applied to the expatriation success framework discussed earlier in the report.

The participants observed several institutional distances, with regulatory distance being most prominent compared to cognitive and normative institutional distances. Within regulatory institutions, governance, regulatory uncertainty, safety, corruption stood out as the most challenging distances that the expatriates experienced in South Africa. It is notable that no significant cognitive and normative distances were experienced and that those experienced were addressed through expatriates adapting or finding alternative ways to address them.

The other notable observation from the results that have been presented the positive experiences shared by the South African expatriates. It has been noted that because they moved from the home country with institutional challenges, their transition to host countries with mature, well-established institutions appeared to have been effortless. They highlighted some of the bureaucratic challenges with some of the government services but these were moderated by the efficiencies they experienced with the services. An example being the participant who lamented the paper-based bureaucratic system in Germany and having to use postal services or one of the participants who had to adapt back to doing banking transactions through physically accessing the bank and not using online services. The predictability and efficiency of these services moderated the inconvenience of the processes the expatriates outlined.

The South African expatriate assigned to Mexico was about the only one out of South Africa that experienced some form of institutional distance, with safety being the primary concern that he faced. It was notable that his previous international assignment experience in Hungary provided a good base of comparison and that he found Mexico not as challenging as he expected because of the South African institutional challenges.

It is notable that none of these differences were found to have any meaningful impact in inhibiting the success of the participants in their expatriate roles. The distance identified as significant had the participants implementing several mitigating measures, adapting or assimilating host country characteristics. The South African background of the expatriates assigned to China, Malaysia and Mexico was found to have been helpful with their adjustment and understanding some of the cultural aspects of these host countries.

Finally, institutional characteristics are seen as important contextual factors for expatriates but none of them have been found to negatively influence expatriate performance. In spite of this finding, they remain important elements to be considered/understood by the expatriates and MNCs in their expatriation activities.

CHAPTER 6: DISCUSSION OF THE FINDINGS

6.1. Introduction

Chapter 6 entails discussing the results presented in chapter 5 against backdrop of the theoretical frameworks discussed in chapter 2 and the 4 research questions summarised in chapter 3. The consolidation of the discussion incorporating these 3 chapters is intended to help deepen the understanding about the how expatriates experienced and responded to institutional distance in their host countries. It has already been established that institutions provide valuable context for expatriation and thus the discussion about insights gathered from the results and how they relate to the theoretical frameworks and importantly the extent to which they are addressing the research questions is a worthy discussion to pursue.

6.2. Discussion of the Findings for Research Question 1

Research Question 1: What is the nature of institutional differences that expatriates experience during their international assignments?

Research question 1 sought to determine the nature of the institutional distances that expatriates in their host countries. This was intended to provide the base for in-depth analysis of the various elements of the institutions within host countries and the ways in which expatriates negotiate or navigate the different institutional environments. This is an important analysis to undertake in light of the significance of institutions as one of the main environmental factors that influence internationalisation in general and expatriation in particular, as one of the levers MNCs use from time to time. Undoubtedly, given the exorbitant costs involved in the expatriation efforts, there is strong case to be made for MNCs to understand how expatriates navigate the different institutional environments and most importantly that they are able to do so successfully. In order to explore how expatriates explore the different environments, it is critical that the nature of the institutional distances is understood and provide the necessary frame for determining the next important conversations relating to the impact of the distances and response mechanisms.

6.2.1 Institutional distance

The institutional differences was explored against the framework to the three pillars of institutions, namely regulative, cognitive and normative pillars (McCarthy and Puffer, 2016 and Paik, Chow and Vance, 2011), which provided a helpful base to understand the nature of the institutional differences between host and home countries. It was evident from the study that the expatriates

faced different forms of challenges in their host countries and that expatriates assigned to the South African subsidiaries faced the most challenges. Looking at the three pillars, the participants identified more distances within the regulatory pillar. This pillar entails all the legal and regulatory frameworks or what Kostova, et.al. (2020) call the institutional economics aspects of institutions. These elements are vital for the functioning of the economic institutions and for reducing transaction costs incurred by MNCs. Perhaps the most notable distance in this regard was in governance, where it was observed that South Africa has good frameworks that are poorly implemented or the frameworks are poorly defined and implemented.

As noted from chapter 5, the most startling observation related to the vacillation by the department of trade and industry in relation to BBBEE and APDP2 regulations, which had disastrous implications for the MNC and the South African automotive industry. This is a classic case of what Phillips and Tracey (2009) called institutional uncertainty. The distance that the participants observed in this regard led to a void that had to be filled and it was interesting to note that the expatriates opted not hemorrhage but to be part of the solution, resulting in positive outcomes for the MNC.

Another notable observation relates to host countries where distances were observed, namely South Africa and Mexico. None of the expatriates assigned to all the other countries experienced any significant differences with their home countries. In fact, the positive development for the South African expatriates was that they have to experience what “normal” could look like. South African expatriates in China and Germany bemoaned the dreadful bureaucracy, which they were able to moderate with learning the language in the case of Germany or the active support of the relocation support services. The South African expatriate assigned to Mexico, while he experienced safety concerns to be more pronounced, had minor difficulties adjusting to his host country and he attributed this to his South African background.

The formal and informal nature of the institutional characteristics is consistent with McCarthy and Puffer (2016) description of institutions and the organisational institutionalism lens proposed by Kostova, et. al. (2020). It is however argued that this may have limited a deeper understanding of the institutional differences and distance. It is for instance arguable that governance and government service distance are only regulative in nature. Arguably, the institutional economics lens could prove to be helpful to deepen the understanding of these two examples.

Regulative distance in the development and implementation of BBBEE and APDP2 regulations were reported to have caused uncertainty as (a) the participants could not assess what exactly was required of the MNC and (b) the regulations seem to have been changed erratically without

due consideration to their deleterious impact on the efforts to enhance automotive manufacturing in South Africa. Gao, et. al (2017) and McCarthy and Jones (2016) aptly postulate that distance cause MNCs great deal of uncertainty, which was proven to be the case with the two instances of regulative distance. The ambiguity (Phillips, Tracey and Karra, 2009) that followed the erratic changes to BBBEE requirements and the absence of well-defined APDP2 regulations had the potential of questioning the business case for the MNC's continued existence in the South African market.

It is notable that none of the distance or differences were observed to have any inhibitory effect on the expatriates' roles. It is argued that the absorptive capacity (DeNisi and Sonesh, 2016) enabled them to process the different institutional contexts and determine the ways in which they could respond to them and still deliver on their roles. What has also been notable has been the contextual performance (DeNisi and Sonesh, 2016) displayed by a number of expatriates. In several instances, they went beyond the call of duty to find solutions to a number of identified distance

A further key observation is that the expatriates were able to navigate the differences and distance because of their open-mindedness, tolerance of ambiguity, flexibility and curiosity. Avril and Magnini (2007) posit that these are some of the critical personal traits that enable expatriate success. It is argued that because of the personal traits that the expatriates had, they were able to make sense of the distances and importantly determine the best possible ways to navigate them. It is held that while home country background is helpful in several instances, it cannot be said to be the most critical element that enables understanding of and navigation of institutional differences and distance. Personal traits such as the ones highlighted above provide better prospects than simply relying on the similarity or dissimilarity of home and host countries.

6.2.1.1. *Conclusive findings for Research Question 1*

The nature of institutions and the differences between host and home countries have been found to be important external, contextual factors (McNulty and De Cieri, 2011) that could influence expatriate and their roles within MNCs. They must however be considered in the context of multidimensional factors that influence expatriation in general and expatriate performance in particular. Consistent with Gao, et.al (2017) and McCarthy and Jones (2016) arguments, regulative distance (BBBEE and APDP2) have been found to cause uncertainty and ambiguity that expatriates navigated. It was however not possible to confidently observe the inhibitory role of the distance on expatriates and their roles within the MNCs.

It has also been found that notwithstanding the distance, there did not appear to be any major differences between how expatriates from countries with well-established countries and those from countries with institutional challenges interfaced with the different institutional environments. While the country background may be somewhat helpful as noticed from examples of expatriates in China and Mexico, it is not necessarily an indicator of any successful navigation of challenging institutional environments. Lastly, expatriates' open-mindedness, curiosity and tolerance of ambiguity and not proximity of home and host country institutional background, is seen as having been critical to their successful navigation of the different institutional characteristics.

6.3. Discussion of Research Question 2

Research Question 2: How do expatriates experience the institutional distance and what impact does the distance have on their roles?

Research question 2 sought to explore the way in which the expatriates experience the identified institutional distances and any impact they may have on their roles within the MNCs. Drawn from literature on expatriation strategy (Moreira, Noroes and Ogasavara, 2014), institutional environments are part of the essential contextual factors that could influence the extent of success in delivering on the expatriation strategy. It is also evident that facing the challenging institutional environments, MNCs confront difficult choices on how they staff the MNCs (Ando, 2015). It is however unclear how these impact on the expatriate who is already on assignment in an institutionally distant country like South Africa and Mexico as determined in this research project.

As discussed in 6.2, most institutional distances were found in the regulatory element of the institutions, compared to the cognitive and normative elements. The distances found in cognitive and normative elements were not found to be significant enough to cause major concerns for the expatriates. In fact it has been determined that expatriates were generally able to navigate the differences and found mechanisms to manage these differences. While the regulatory element was found to have more distances, none of them had any significant impact on the expatriates.

What appears to have been helpful for expatriates, who faced the regulatory uncertainty distance, was their determination to work on finding solutions for the distance and opting to be part of the solution. These regulatory uncertainty distances, while significant and having directly affecting the communication role of one of the expatriates, cannot be said to have a negative impact. What has worked well has been the mitigating factors of the South African environment, such as the expatriates' experience of the warm, welcoming South African culture. It was also notable from

the findings, that none of the identified institutional differences or distance were inhibitory to the expatriates' success in their international assignments.

It is quite remarkable that expatriates appeared to have established mechanisms to navigate the institutional distances they identified or experienced in South Africa. As already discussed in paragraph 6.2, the experience for South African expatriates is more positive and they have highlighted a different challenge, namely; the anxiety about readjusting to South Africa at the end of their international assignments. This reverse culture shock is acknowledged as one of the critical challenges in the last step of the expatriation cycle, repatriation (Singh, 2010). It does raise an important question regarding the management of the expatriation cycle and the extent to which MNCs are actively supporting and preparing the expatriates for each step of the cycle. While the anxiety that the expatriates expressed is reasonable to expect, it is unclear whether active steps have been taken to prepare for their return.

The most notable impact on the expatriates has been the regulative the ambiguity caused by the regulative uncertainty and the impact on the communication role of one of the expatriates. It was stated that the ambiguity made it difficult for the expatriate to communicate or transfer knowledge (DeNisi and Sonesh, 2016) between the subsidiary and the HQ in Stuttgart. The regulative uncertainty has been found to cause challenges to the expatriate's communication or knowledge transfer (DeNisi and Sonesh (2016) role. It has been observed that the expatriate could not have consistent communication or transfer of knowledge about the BBBEE requirements to headquarters.

6.3.1. Conclusive findings for Research Question 2

Save for the regulative uncertainty that caused ambiguity (McCarthy and Jones, 2016) and therefore challenged the expatriate's ability to deliver on his role, no other distance was found to have caused any major impact on the expatriates' role. Instead, it is argued that expatriates deployed several personal traits that include open-mindedness, curiosity and tolerance of ambiguity, which Avril and Magnini (2007) argue are essential for expatriates. It can be argued that without these personal traits and the support that the expatriates appeared to have from the HCNs and the MNC, it may not have been possible for them to navigate some of the challenging institutional distances they faced.

6.4. Discussion of Research Question 3

Research Question 3: What mechanisms do expatriates implement to manage the impact of the institutional differences between their home and host countries?

Research Question 3 explored the mechanisms that expatriates deployed to manage the institutional distances where they were identified. It was observed that the expatriates deployed a number of mechanisms:

- i. In response to the regulative distance, expatriates opted to be part of the solution and to work on exploring possible ways the distance could be addressed. These included the extensive consultations they had with key stakeholders and their pursuit of delivering on their roles within the MNC's subsidiaries. It is notable that expatriates were determined not to be defeated by the distance and one of them strongly argued that he never gives up. In spite of the uncertainty induced by the distance, they had to effect in limiting the expatriates' pursuit of their roles;
- ii. With regard to the safety and crime challenges, expatriates adapted their normal behaviours and programs to ensure that they mitigated the risks of exposure to safety and crime risks. These included opting to drive during the day instead of at night and heightened alertness while on the road. It was notable that the expatriates found the pre-assignment training helpful in preparing for these two challenges;
- iii. Regarding the government services, expatriates highlighted that these did not pose any serious threat to the successful execution of their roles. In one instance, a participant communicated the steps he had taken to mitigate the risk of loadshedding. The expatriates noted that organisational support through the relocation service support provided good leverage for accessing government services. The distance in this regard were not found to negatively influence expatriate performance;
- iv. Cognitive differences: expatriates adapted to the different cultural contexts and found ways of embracing the differences where they did not pose any serious conflicts with the organisational rules. In instances where there was a risk of potential conflict, expatriates sought to assist their stakeholders and host country locals by providing training on MNC rules such as the integrity code. Furthermore, with regard to the language barrier, expatriates registered for language proficiency training which helped develop their ability to communicate and transact

Several observations are made regarding the expatriates' response to the institutional distance. Firstly, it is essential to get back to the argument about personal traits, which according to Avril

and Magnini (2007) critical for expatriates. The personal traits highlighted in 6.2.1 were arguably evident in most of the expatriates, which explains their ability to traverse some of the challenging distance (e.g. regulative distance) and adapt to the different cultural backgrounds of host countries. It is argued that the open-mindedness element was pervasive across all the expatriates, irrespective of proximity of their home and host country backgrounds. These personal traits constitute a critical part of the requisite KSAOs for expatriates (DeNisi and Sonesh, 2016) This is further consistent with the assertion by Canhilal, Shemueli and Dolan (2015) that personal traits constitute one of the two main groups of antecedents of adjustment.

Secondly, the choice of response seems consistent with the argument by Phillips, Tracey and Karra (2009) regarding the strategic options MNCs have when considering investment in countries. These options are tested against extent of institutional difference and institutional uncertainty. It could be argued that expatriates' choices involved adapting in instances of moderate risk and or hedging the risk by finding risk mitigating measures, thus making the typology of MNC country strategies somewhat applicable to strategic choices by expatriates.

Thirdly, it is plausible that the expatriates undertook what Sanchez, Spector and Cooper (2000) call a "profound personal transformation" in navigating and adapting to the different cultural characteristics of their host countries. It may further be argued that the personal transformation involved the expatriates essentially involved expatriates taking the posture of dual citizens (Sanchez, Spector and Cooper, 2000 and Richardson and Mckenna, 2006) in that they assimilated host country culture without necessarily having to discard or disregard their home country cultures.

Fourthly, expatriates reported that they received support from the MNC-sponsored relocation support service providers, their colleagues and the MNC's language proficiency training programs. This is primarily because the MNC recognised that it played a pivotal role in the expatriates' adjustment, which is consistent with the supposition by Canhilal, Shemueli and Dolan, 2015 and Singh, 2010) that organisational support is one of the critical antecedents of expatriate adjustment.

Finally, consistent with DeNisi and Sonesh (2016), the absorptive capacity of the expatriates deemed to have enabled their navigation of the complex institutional contexts of their host countries. Equally, it is believed that the general and relational adjustment (Davis, Fretwell, Schraeder, 2018; Li-Yueh and Sukoco, 2008) enabled their adjustment especially in instances where they had to adapt to being dual citizen (Richardson and Mckenna, 2006).

6.5. Discussion of Research Question 4

Research Question 4: In what way does the expatriates' experience of the institutional distance and mechanisms to respond thereto influence the continuation of their international assignments?

Beyond the potential challenges that the distances could cause to the expatriates and their roles, research question four sought to explore if the distances could influence continuation of the international assignments. It was patently clear from the results, that the expatriates were generally determined to deliver on their roles in spite of the effect of the distance.

Notably, the two expatriates who expressed concerns about regulatory uncertainty appeared more inspired to pursue opportunities to find solutions and not avert the effect of the distances. As discussed in 6.4, the expatriates' response to the distances pointed to their reliance on personal traits such as open-mindedness, tolerance of ambiguity and curiosity (Avril and Magnini, 2007) and adopted the dual citizen posture (Sanchez, Spector and Cooper, 2000). The expatriates assigned to China and Germany, equally adopted the dual citizen posture and opened up the opportunities that their assignments presented. It is fascinating to note how one of the expatriates assigned to China, embraced "the Party system", accepted that it is not a system to beat but rather to find win-win outcomes.

It can thus be concluded that institutional distances on their own could not result in expatriates considering implications for continuation of the assignments. In fact, it is argued that institutional distance remains an important contextual construct that must be considered in expatriation decisions. An even more important question, is to determine how the organising framework for expatriation, incorporates some of the personal traits that have been determined as crucial for expatriate when making selection decisions for assignments.

CHAPTER 7: CONCLUSION AND RECOMMENDATIONS

The increasing internationalisation of business activities across diverse institutional environments expose MNCs to the complex nature of institutions and necessitate requisite strategies to manage these complexities. Institutions provide the rules of the game (North, 1991) that guide behavior and interactions. This is done through the formal and informal (McCarthy and Puffer, 2016) elements of the institutions, i.e. regulatory, cognitive and normative institutions. The complexities of the institutional environments include the difference between home and host country's regulatory, cognitive and normative institutions, which Phillips, Tracey and Karra, 2009) called institutional distance.

Institutional distance necessitate MNCs to devise several strategies that enable continuation of their activities, mitigate the liability of foreignness and improve their adjustment to institutional environments. The dynamic and complex nature of the different institutional environments result in MNCs implementing strategies such as local isomorphism, which enables them to gain legitimacy within international subsidiary environments. This does not come without challenges as MNCs need to face the "contradictory pull" (Bjorkman, Fey and Park, 2007) between gaining legitimacy through local isomorphism and complying with MNC prescripts.

One of the critical challenges with managing the complexities of institutionally distant subsidiaries is to consider the best staffing options that enable mitigation of risks linked to liability of foreignness due to limited knowledge of local conditions. It has been determined that expatriation remains a viable proposition even in institutionally distant environments (Baik and Park, 2015; Gaur, Delios and Singh, 2007). This enables MNCs to co-ordinate their subsidiaries, knowledge and technology transfer and socialisation into MNC culture and operating systems.

With increased assignments to diverse institutional environments, expatriates are exposed to pressures caused by the differences between their host and home countries. (Canhilal, Shemueli and Dolan, 2015). The institutional environments of their host countries are an important contextual factor that could prove critical for their adjustment. Govind and Makwana (2016) posit that the expatriates' understanding of this critical contextual factor is vital for their successful execution of the expatriation missions. Equally important is the mechanisms that expatriate deploy to manage the impact of the institutional differences.

Expatriation comes at an excruciatingly high cost for MNCs both in terms of the costs of managing the assignees and attainment of the internationalisation mission. It is thus crucial that special care is taken to enable expatriates to start and complete their missions, amidst the complex institutional

contexts. Caliguiri (1997), Dave, Govind and Makwana (2016), Mills and Brewster (2008) are among several scholars that have attempted to expound the significance of successful execution of expatriation within challenging institutional environmental contexts. Similarly, other scholars have focused on cross-cultural adjustment (Black, Mendenhall and Oddou, 1991).

This study acknowledges this extensive work but and seeks to contribute towards filling a gap that exists in literature regarding how expatriates experience the institutional distances and various steps they take manage their impact. The study sought to explore the nature of the institutional distances that expatriates face between their host and home countries and the mechanisms they implement to manage the impact of these differences. It is seen as beneficial both scholarly and for application within MNCs.

Arguably, the study provides valuable insights that could enable contribution towards expatriation literature. Specifically, it offers contribution toward deepening the understanding of the expatriates' interface with institutional distances and strategies they implement to navigate them.

7.2. Principal Findings

It has been found that institutional distance remains one of the principal challenges that MNCs face in their internationalisation expeditions. In light of these institutional challenges, MNCs continue to view expatriation as a valuable lever, especially in managing institutionally distant subsidiaries. It is evident that the face of expatriation is shifting as well, with international assignments no longer being the preserve of PNCs transferred from MNC headquarters. MNCs will pursue internal labour market frameworks, which will enable their development global, internationally skilled expatriates that could be leveraged as part of driving their competitive advantage (Zhou, 2021). This means the MNCs are widening their pools beyond their primary home countries and now include TCNs and SIEs part of their internationally skilled labour pools.

It is notable that South African expatriates (TCNs) managed to transition to their host countries without any significant difficulties. They found the institutional environments well established, consistent, dependable and reliable. This enabled their transition and exposed into their roles. Their experience has however highlighted another challenge, the anxiety they expressed about readjustment to South African conditions, especially the institutional challenges. It highlights the need for MNCs to continually manage the full expatriate lifecycle and determine adequate measures to prepare expatriates for their repatriation.

Institutional environments remain a critical contextual factor for expatriation. Gleaning from various frameworks such as the organising framework for expatriation (Singh, 2010), framework for expatriation strategy (Moreira, Noroes and Ogasavara, 2014), Expatriate ROI framework (McNulty and De Cieri, 2011), the institutional environment and its facets such as institutional distance, play a pivotal role in shaping expatriation and thus work continued attention to ascertain their impact on expatriates. These necessitate development of appropriate organisational response to manage the pressures presented by these different environments.

The impact of institutional distance extends beyond the MNCs' determination of their expatriation strategies and frameworks. It has relevance for expatriates and their experiences within host countries. It has been found that the nature of the distance varies across the different institutional pillars and thus pose different sets of challenges for the expatriates. Expatriates were found to have experienced regulatory distance as the most challenging of the three pillar. Regulatory distance generated uncertainty and ambiguity (Phillips, Tracey and Karra, 2009) for expatriates, which could potentially be disastrous for their roles.

Expatriates were also able to traverse the challenging regulatory distance, primarily because of the personal traits that they deployed when confronting these challenges. It is also remarkable that faced with the safety risks, unstable supply of electricity, weak governance institutions, expatriates still persisted with their assignments and did not see these challenges as significant enough to warrant considering termination of contracts. This is pointing to the possibility that on their own, institutional distance or deficiencies are likely to result in significant impact that necessitate possible early termination and thus the failure of the expatriation mission.

It is argued that institutional distance could possibly provide opportunities for expatriates and MNCs to explore institutional entrepreneurship, that Phillips and Tracey (2009) advocate as one of the vital part of the toolset for operating in institutionally distant environments. It is also cause for raising the important question about the importance of personal traits propagated by Avril and Magnini (2007). Beyond answering this question about the personal traits, it is about determining whether as part of the expatriate selection processes, attention is given to looking at more than just technical competence and to incorporate these personal traits as key part of the selection processes.

Finally, it was remarkable that institutional distance was found to be a critical factor but the potentially disastrous impact it could have had was mitigated by the expatriates' deployment of mechanisms that mitigated this risk. The profile of expatriates who participated in the study is

notable and presents an opportunity for further exploration of a possible profile that enables expatriates to successfully traverse institutional distances.

7.3. Implications for Management

Expatriation remains a vital element of the internationalisation of MNCs and is undertaken under different institutional environments marked with challenges such as institutional distances. The distance, which is essentially the extent of dissimilarity between home and host country (Ando and Paik, 2013, Salomon and Wu, 2012, Ando, 2015) that must be considered as an important contextual factor for MNCs and expatriates. These distances are experienced across all the pillars of institutions – regulatory, cognitive and normative. The nature and extent of the differences may vary across the pillars, so does the possible influence that they may have.

The study enunciated some of the distances that expatriates may face and their possible impact. What has been insightful has been the way in which the expatriates embraced the differences, became dual citizens (in other words struck a balance between home and host institutional dynamics) and deployed strategies to navigate the distances. This highlights the significance of enhancing the expatriate selection processes to enable MNCs to mitigate the possible risk of the varied institutional environments having disastrous implications for expatriation.

The study has also highlighted the significance of preparation for each step of the expatriation process. This is necessitated by the re-adjustment/repatriation challenge that the expatriates highlighted, which may be indicative of possible gaps in the repatriation preparation element of the expatriation life cycle.

7.4. Limitations of this research

The researcher noted the following possible limitations of the research project:

- i) The researcher is confident that the sample size was adequate and data saturation could be attained. Nevertheless, the study could have benefited from having the German expatriates that are assigned to the Chinese subsidiary. Their experiences would have been beneficial especially when compared to the experiences of their South African expatriate peers in China. It is however acknowledged that this may have unduly enlarged the sample; nevertheless, the perspectives and experiences of German expatriates in China would have contributed immensely to the study project;

- ii) The study focused on expatriates in China, USA, UAE, Mexico, Germany, Singapore, Australia and South Africa, which are not fully reflective of the global automotive manufacturer's expatriate population. The findings may therefore not be generalised to the different institutional where the global automotive manufacturer has international subsidiaries, neither can be the generalised to different industries

7.5. Suggestions for further Research

The study has revealed some areas that are recommended for further research:

- a) Define a success profile of an expatriate. This is recommended in light of the study having revealed that congruence with suggestions of personal traits required for successful expatriation as well as the ways in which expatriates seem to have successfully managed the distances they experienced. While there are frameworks for expatriate success, this come short of defining a success profile for a successful expatriate
- b) In light of the study having been limited from a sampling perspective, it is recommended that further studies be considered which would especially include German expatriates assigned to the Chinese subsidiary and expatriates in a few more locations. This would help deepen the understanding of the complex institutional and their impact on expatriates

7.6. Conclusion

This research project sought to contribute towards filling a gap relating to the expatriates' experiences of institutional distance and measures they implement to manage the effect of the distance. It was deemed an important project in light of the continued reliance on expatriates for internationalisation activities of the MNCs and importantly the exorbitant costs linked to expatriation. The study has revealed that regulatory distance is more pronounced than cognitive and normative distances. It has also revealed that expatriates implement several measures to manage the distance, which include adapting to the host country environment by adopting the dual citizen roles and applying some critical personal traits. The study has thus exposed valuable insights about expatriates' experiences and their response to the institutional distances faced.

The insights derived from the study have helped deepen the understanding of the interplay between expatriates and institutional distance. It has also deepened understanding of the measurers expatriates deploy to manage the effects of the institutional distances. Significantly, it was remarkable that expatriates did not appear to have been inhibited by the distances. The study has therefore been found valuable and contributory toward institutional distance and expatriation

literature. It has enabled deeper understanding of the effect of institutional distance on expatriates as well as measures to mitigate these effects.

REFERENCES

- Abugre, J.B., Williams, K. & Debrah, Y.A. (2020). Dimensions of expatriate adjustment in distant subsidiaries: A field study of a sub-Saharan African institutional distance. *Thunderbird International Business Review*, 62(4), 371-384
- Aguilera-Caracuel, J., Fedriani, E.M. and Delgado-Marquez. (2014). Institutional distance among country influences and environmental performance standardization in multinational enterprises. *Journal of Business Research*, 67, 2385-2392
- Ando, N. & Paik, Y. (2012). Institutional distance, host country and international business experience, and the use of parent country nationals. *Human Resource Management Journal*, 23(1), 52-71
- Ando, N. (2015). Internal mimetic behavior of MNCs with respect to foreign subsidiary staffing. *Journal of global mobility*, 3(1), 46-61.
- Avril, A. B., & Magnini, V. P. (2007). A holistic approach to expatriate success. *International Journal of Contemporary Hospitality Management*, 19(1), 53-64
- Baik, Y. & Park, Y-R. (2015). Towards a better understanding of MNEs' local staffing decision: a multilevel analysis. *Management Decision*, 53(10), 2321-2338
- Bhatti, M.A., Battour, M.M. & Ismail, A.R. (2013). Expatriates adjustment and job performance: An examination of individual and organizational factors. *International Journal of Productivity and Performance Management*, 62(7), 694-717
- Björkman, I., Fey, C.F. & Park, H.J. (2007). Institutional theory and MNC subsidiary HRM practices: evidence from a three-country study. *Journal of International Business Studies*, 38, 430-446
- Black, J. S., Mendenhall, M., & Oddou, G. (1991). Toward a comprehensive model of international adjustment: An integration of multiple theoretical perspectives. *Academy of management review*, 16(2), 291-317.
- Black, J.S., Gregersen, H.B. & Mendenhall, M.E. (1992). Toward a theoretical framework of repatriation adjustment. *Journal of International Business Studies*, 23(4), 737-760
- Bonache, J., Brewster, C. & Suutari, V. (2001). Expatriation: A developing research agenda. *Thunderbird International Review*, 43(1), 3-20

- Bothello, J., Nason, R.S. and Schnyder, G. (2019). International Voids and Organization Studies: Towards an epistemological rupture. *Organization Studies*, 40(10), 1499-1512
- Braun, V. & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77-101
- Caligiuri, P. M. (1997). Assessing expatriate success: Beyond just. Being There. *New approaches to employee management*, 4, 117-140.
- Canhilal, S. K., Shemueli, R. G., & Dolan, S. (2015). Antecedent factors for success in international assignments: the case of expatriates in Peru. *Journal of Global Mobility*, 3(4), 378-396
- Carminati, L. (2018). Generalizability in qualitative research: A tale of two traditions. *Qualitative Health Research*, 28(13), 2094-2101
- Chao, M. C-H. & Kumar, V. (2010). The impact of institutional distance on the international diversity-performance relationship. *Journal of World Business*, 45(1), 93-103
- Collings, D.G., Scullion, H., Morley, M.J. (2007). Changing patterns of global staffing in the multinational enterprise: Challenges of the conventional expatriate assignment and emerging alternatives. *Journal of World Business* 42(2), 198-213
- Daniel, B.K. (2019). Using the TACT framework to learn the principles of rigour in qualitative research. *The Electronic Journal of Business Research Methods*, 17(3), 118-129
- Dave, D., Govind, B., & Makwana, K. (2016). A Study on Assessing Expatriate's Challenges during an International Assignment: International Human Resource Management Perspective. *International Journal of Marketing and Human Resource Management*, 7(2), 23-35.
- Davis, S. A., Fretwell, C. E., & Schraeder, M. (2018). Enhancing Expatriate Success: A Psychological Capital Perspective. *Organization Development Journal*, 36(2), 39-50
- DeNisi, A.S. & Sonesh, S. (2016). Success and failure of international assignments: A review and a proposed multi-dimensional model. *Journal of Global mobility*, 4(4), 386-407
- Dickmann, M., Doherty, N., Mills, T., & Brewster, C. (2008). Why do they go? Individual and corporate perspectives on the factors influencing the decision to accept

an international assignment. *The International Journal of Human Resource Management*, 19(4), 731-751.

Doh, J., Rodrigues, S., Saka-Helmhout, A. & Makhija, M. (2017). International business responses to institutional voids. *Journal of International Business Studies*, 48, 293-307

Doz, Y. (2011). Qualitative research for international business. *Journal of International Business*, 42(5), 582-590

Ellis, D.R., Thorn, K. & Yao, C. (2020). Repatriation of self-initiated expatriates: expectations vs. experiences. *Career Development International*. 25(5), 539-562.

Evans, C. (2018). Analysing semi-structured interviews using thematic analysis: Exploring voluntary civic participation among adults. *SAGE Research Methods Datasets*. SAGE Publications, Ltd.

Fusch, P.I. & Ness, L.R. (2015). Are we there yet? Data saturation in qualitative research. *The Qualitative Report*, 20(9), 1408-1416

Gemma, R. (2018). Introduction to positivism, Interpretivism and critical theory. *Nurse Researcher*, 25(4), 41-49

Gao, C., Zuzul, T., Jones, G. and Khanna, T. (2017). Overcoming institutional voids: a reputation-based view of long run survival. *Strategic Management Journal*, 38(11), 2147-2167

Gaur, A.S., Delios, A. and Singh, K. (2007). Institutional Environments, Staffing Strategies and Subsidiary Performance. *Journal of Management*, 33(4), 611-636

Guest, G., MacQueen, K.M. & Namey, E.E. (2014). Validity and reliability (Credibility and dependability) in qualitative research and data analysis. In: *Applied thematic analysis*. SAGE Research Methods Datasets. SAGE Publications, Ltd.

Harvey, M. Speier, C. & Novecevic, M.M. (2001). A theory-based framework for strategic global human resource staffing policies and practices. *International Journal of Human Resource Management*, 12(6), 898-915.

Harzing, A-W. & Christensen, C. (2004). Expatriate failure: time to abandon the concept? *Career Development International*, 9(7), 616-626

Hennart, J.M.A. (2012). Emerging market multinationals and the theory of the multinational enterprise. *Global Strategy Journal* 2(3), 168-187.

- Holopainen, J., & Björkman, I. (2005). The personal characteristics of the successful expatriate: A critical review of the literature and an empirical investigation. *Personnel review*, 34(1), 37-50
- Jackson, T. and Horwitz, F.M. (2018). Expatriation in Chinese MNEs in Africa: An Agenda for Research. *International Journal of Human Resource Management*. 29(11), 1858-1878
- Kostova, T., Beugelsdijk, S., Scott, W.R., Kunst, V.E., Chua, C.H. & Van Essen, M. (2020). The construct of institutional distance through the lens of different institutional perspectives: Review, analysis and recommendations. *Journal of International Business*, 51, 467-497
- Lee, L. Y., & Sukoco, B. M. (2008). The mediating effects of expatriate adjustment and operational capability on the success of expatriation. *Social Behavior and Personality: an international journal*, 36(9), 1191-1204.
- Lee, J.M. (2017). Managing complex multinational enterprises: internal network structure and expatriation strategies. *AIB Insights*, 17(3), 14-17
- Li, X., Troutt, M.D. and Knapp, D.E. (2009). Expatriate Management: An organizing framework using Phase and Reliability Theories. *Journal of Global Commerce Research*, 1(1), 9-33
- Li-Yueh, L. & Sukoco, B.M. (2008). The mediating effects of expatriate adjustment and operational capability on the success of expatriation. *Social Behavior and Personality*, 36(9), 1191-1204
- Lin, C.Y., Lu, T. and Lin, H. (2012). A different perspective of expatriate management. *Human Resource Management Review*, 22, 189-207
- McCarthy, D.J. and Puffer, S.M. (2016). Institutional Voids in an Emerging Economy: From Problem to Opportunity. *Journal of Leadership and Organizational Studies*, 23(2), 2018-219
- McEvoy, G.M. & Buller, P.F. (2013). Research for practice: The management of expatriates. *Thunderbird International Business Review*, 55(2), 213-225
- McNulty, Y. and De Cieri, H. (2011). Global mobility in the 21st century: Conceptualizing expatriate return on investment in global firms. *Management International Review*, 51, 897-919
- McNulty, Y. and De Cieri, H. (2016). Linking global mobility and global talent management: the role of ROI. *Employee Relations*, 38(1), 8-30

McNulty, Y. (2014). Modern expatriation through the lens of global careers, psychological contracts and individual return on investment. *Global Business and Organizational Excellence*, 33(3), 6-22

Moreira, M.Z., Noroes, J.L. & Ogasavara, M.H. (2014). Framework of the expatriation strategy in the sphere of the individual, of the organisation and of the international environment. *Revista Electronica De Negocios Internacionais*, 9(1), 83-102

Nery-Kjerfve.T. & McLean, G.N. (2012). Repatriation of expatriate employees, knowledge transfer and organizational learning: what do we know? *European Journal of Training and Development*. 36(6), 614-629.

Neuendorf, K.A. (2019). Defining content analysis. In: *The Content Analysis Guidebook*. SAGE Research Methods Datasets. SAGE Publications, Ltd.

Paik, Y., Chow, I.H. and Vance, C.M. (2011). Interaction Effects of Globalization and Institutional Forces on International HRM Practice: Illuminating the Convergence-Divergence Debate. *Thunderbird International Business Review*, 53(5), 647-659

Phillips, N., Tracey, P. and Karra, N. (2009). Rethinking institutional distance: strengthening the tie between new institutional theory and international management. *Strategic Organization* 7(3), 339-348

Richardson, J., & McKenna, S. (2006). Exploring relationships with home and host countries: a study of self-directed expatriates. *Cross Cultural Management: An International Journal*, 13(1), 6-22

Rose, J. & Johnson, C.W. (2020). Contextualizing reliability and validity in qualitative research: toward more rigorous and trustworthy qualitative social sciences in leisure research. *Journal of Leisure Research*, 51(4), 432-451

Salgado, J. F., & Bastida, M. (2017). Predicting expatriate effectiveness: The role of personality, cross-cultural adjustment, and organizational support. *International Journal of Selection and Assessment*, 25(3), 267-275.

Salomon, R. and Wu, S. (2012). Institutional distance and local isomorphism strategy. *Journal of International Business Studies* 43, 343-367

Sanchez, J. I., Spector, P. E., & Cooper, C. L. (2000). Adapting to a Boundaryless World: A Developmental Expatriate Model. *The Academy of Management Executive*, 14(2), 96–106.

Santagelo, G.D. & Meyer, K.E. (2011). Extending the Internationalization process model: Increases and decreases of MNE commitment in emerging economies. *Journal of International Business Studies* 42, 894-909

Saunders, M., Lewis, P., & Thornhill, A. (2016). Research methods for business students (7th ed.). Edinburgh Gate: Pearson

Sim, J., Saunders, B., Waterfield, J. & Kingstone, T. (2018). Can sample size in qualitative research be determined a priori? *International Journal of Social Research Methodology*, 21(5), 619-634

Singh, S. (2010). The journey of expatriates from pre expatriation to post expatriation. *Revista de Management Comparat Internațional*, 11(2), 308-315.

Tan, D. & Mahoney, J.T. (2006). Why a Multinational Firm Chooses Expatriates: Integrating Resource-based, Agency and Transaction Costs Perspectives, *Journal of Management Studies* 43(3), 456-484

Thomas, D.R. (2006). A general inductive approach to analyzing qualitative evaluation data. *American Journal of Evaluation*, 27(2), 237-246

Twinn, W. (2009). The Evolution of the Expatriate Assignment, *Journal of the International University of Geneva*, 2(1), 43-51

Van Hoorn, A. & Maseland, R. (2016). How institutions matter for international business: Institutional distance effects vs institutional profile effects. *Journal of International Business Studies*, 47, 374-381

Vasileiou, K., Barnett, J., Thorpe, S. & Young, T. (2018). Characterising and justifying sample size sufficiency in interview-based studies: systematic analysis of qualitative health research over a 15-year period. *BMC Medical Research Methodology*, 18(1), 1-18

Xu, D., Pan, Y., & Beamish, P. W. (2004). The Effect of Regulative and Normative Distances on MNE Ownership and Expatriate Strategies. *MIR: Management International Review*, 44(3), 285–307.

Xu, D. and Shenkar, O. (2002). Institutional Distance and the Multinational Enterprise. *The Academy of Management Review* 27 (4), 606-618

Zhou, Y. (2020). An empirical study on expatriation success of MNCs: evidence from Japan. *International Journal of Manpower*, 42(3), 394-408

Zhu, C.J., De Cieri, H., Fan, D. & Zhang, M.M. (2018). Expatriate management in emerging market multinational enterprises (EMNEs): reflection and future research agenda, *The International Journal of Human Resource Management* 29(11), 1787-1798.

Appendices:

Appendix A: Interview Guide

Interview Guide:

How do expatriates experience institutional distance in their host countries and what mechanisms do they implement to respond to the distance?

1. To start, can we talk about you and your country of origin
2. How long have you been on the current expatriate assignment?
3. Have you had any prior expatriate assignments and where?
4. What were your key considerations for current assignment – what were the main factors that made this a viable option for you?
5. What would you say are the main differences between host country and your country of origin?
6. How are you coping with these main differences? What steps have you taken or are you taking to adapt to the host country?
7. Have the gaps between your country of origin and host country had any impact in your role at (name of Company)?
8. Take me through some of the examples of how the gaps have affected your role?
9. What steps, if any, have you taken to manage the impact of the gaps?
10. If you had to choose all over again, would you still choose taking up an assignment in host country?

Appendix B: Informed Consent

INFORMED CONSENT

Dear Participant;

Thank you for agreeing to participate in my research project. I am conducting research on the impact of institutional voids on expatriate performance. The main aim of this study is to explore the ways in which institutional voids and institutional differences between home and host countries influence expatriate performance. Our interview is expected to last about an hour and will help us understand how expatriates navigate the institutional voids between their home and host countries and the impact of the voids on their performance.

Your participation is voluntary, and you can withdraw at any time without penalty. All data will be stored and reported confidentially and without identifiers.

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

Researcher name: Abey Kgotle **Research Supervisor:** Prof

Albert Wocke

Email: 11310032@mygibs.co.za **Email:**
wockea@gibs.co.za

Phone: +27814828442 **Phone:** +27824116526

Signature of participant: _____ Date: _____

Signature of researcher:

_____ Date: _____

Appendix C: Ethical Clearance

