International HRM in South African multinational companies

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ABSTRACT

With the paucity of published research on human resource management (HRM) policy and practice in the BRICS countries (Brazil, Russia, India, China and South Africa), the rationale for this article is to evaluate the nature of HRM practices, their development, application and diffusion in South African MNCs. It provides an exploratory analysis in a systematic literature review referring to qualitative case study research and research survey literature to better understand HRM strategies and practices developed and diffused by growing emerging market MNCs from South Africa.

The findings underline significant challenges of human resource development and controversies regarding host country issues alongside a degree of ‘sophistication’ in the HRM practices of firms analysed. An aim of the article is to identify areas for further research on business and HRM models of Emerging Market Multinational Companies (EMMNCs) in the African context and develop a set of seven research propositions.

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1. Introduction

1.1. Growth of South African emerging market MNCs

The main aim of this article is to address a gap in international HRM literature about HRM practice, strategies and host country controversies regarding EMMNCs from South Africa. For economic development and growth to be sustainable in the long term, there are significant human resource and infrastructural development challenges in most emerging markets. Their internationalisation has also not been without certain controversies in their host countries in Africa with a Pan-African business development strategies, aggressive purchasing strategies and standardization of employment practices Wood (2015).

An empirical question is whether the African continent is beginning to experience a sustainable renaissance and to identify what HR challenges need to be addressed, particularly by its own rapidly growing EMMNCs. Research on business models and strategies of Emerging Market Multinational Companies (EMMNCs) though embryonic, increasingly includes both theory development and empirical analyses (Demirbag and Yaprak, 2015, Madhok and Marques (2013), Wilkinson et al. (2014); examination of human resource management (HRM) policies and practices (Horwitz and Budhwar, 2016) and investigations of HRM in BRICS countries such as South Africa (Horwitz and Mellahi, 2009; Horwitz, 2012 and Horwitz and Budhwar, 2016). Much of this work reflects two theoretical perspectives; that of institutional theory (Wood and Horwitz, 2016, Wilkinson et al. (2014)) and secondly for cultural and cross-cultural frameworks (Jackson, 2014, 2002, 2016).

Emerging markets account for more than 50% of global economic output and emerging market MNCs from South Africa, such as the Anglo American Group, SABMiller, Naspers-Tencent, Nandos, Sasol, Sappi and MTN, have become global players (Horwitz and Budhwar, 2016). Notwithstanding their volatility, Van Agtmael (2007:10–11) predicts that ‘in about 25 years the combined gross national product (GNP) of emergent markets will overtake that of currently mature economies causing a major shift in...
the centre of gravity of the global economy away from the developed to emerging economies’. He posits (Van Agtmael, 2007: p. 12) that by the middle of this century, emerging markets in aggregate will be nearly twice as large as the current developed economies. Some 18 South African MNCs were amongst the top 200 emergent market companies (Morgan Stanley Capital International Inc., 2003), and more recently in the African context some 38 out the top 50 African companies in terms of turnover are South African EMMNCs (Smith, 2011).

South Africa is a member of the BRICS group of leading emerging market countries (Brazil, Russia, India China and South Africa) as a geo-political grouping of large economies from five regions, sometimes referred to as ‘transitional economies’ given their relatively recent political economy transformation; this especially being the case for South Africa. Whilst HRM research concentrates on the West and the East, initially on comparative Japanese studies and more recently on international HRM (IHRM) issues in China and India, the debate on HRM in Africa has languished somewhere between these two geographical spaces (Kamoche et al., 2004; Horwitz, 2015 and Horwitz and Budhwar, 2016). These are however complex, often socio-economically and politically volatile transitional societies with diverse demographic and ethnicity mixes and difficult challenges of human development, social stratification and inequality (Pelin et al., 2013; Horwitz and Mellahi, 2009). From this complexity and diversity emanate firms experienced in working with these issues. This arguably provides a measure of resilience and deployment of competitive capabilities which may position them adroitly in international markets, though not without criticism by host African countries for insufficient local capacity development and advancement and local product souring (Wood, 2015).

The article is structured in the following way: firstly exploring theoretical perspectives and HRM models in EMMNCs with a focus on Southern African firms, secondly providing an analysis of EMMNC HRM and associated labour market factors from an institutional theory perspective, thirdly considering the socio-cultural context for HRM practices. A key aim of this work is an assessment through a systematic literature review of HRM practice research and diffusion in South African EMMNCs using case study and empirical research evidence. The article discusses issues of hybridity and contingency approaches and finally provides a set of seven research propositions and conclusions aimed at advancing a research agenda.

2. Emergent Market Multinational Companies (EMMNCs) – theoretical perspectives, business and HRM models

Luo and Tung (2007:4) and Luo and Zhang (2016:334) define EMMNCs as ‘international companies that originated from emerging markets and are engaged in outward foreign direct investment where they exercise control and undertake value-adding activities in one or more foreign countries’. Thite (2016) identifies common features of EMMNCs as including a high degree of adaptability in overcoming uncertainties in the external environment; ability to overcome ‘institutional voids’ turning adversity into an opportunity (Khanna and Palepu, 2005); pursuing a ‘springboard strategy’ of simultaneous entry into developed and developing country markets (Luo and Tung, 2007); entry via global alliances and acquisitions (Sun et al., 2012); often deploying lower cost advantages (Madhok and Keyhani, 2012) relevant in the African EMMNC context, and building political connections using social networks and government support (Wood, 2015; Gammeltoft et al., 2010). Though grand theory seeking is illusive, there is potential for developing models and conceptual frameworks that recognize and incorporate indigenous or Southern African HR systems in studying EMMNCs (Thite, 2016, Jackson, 2014, Horwitz, 2012, Cooke and Lin (2012).

This theme is taken further through a literature review leading to a set of research propositions. According to Wilkinson et al. (2014), the recent surge of FDI by EMMNCs and their aggressive market-entry strategies has triggered a new debate around the rigour of existing theories of internationalisation (2014: 838). Madhok and Marques (2013) postulate that business models adopted or developed by EMMNCs are characterised by agility, risk taking, willingness to experiment and responsiveness to change is relevant to South African EMMNCs’ strategies as discussed in this article. The relative lack of sophisticated institutions in other emerging markets is not unfamiliar to EMMNCs, thus enabling quick entry and adaptation to similar institutional conditions and a local socio-cultural context.

Thite (2016) identifies a number of HR challenges for EMMNCs. Pertinent to Southern African EMMNCs, these include developing global HR competencies, developing innovation-centric mind-sets and global leadership pipelines rather than an over-reliance on home-grown talent moved abroad as expatriates, developing and managing talent in economies outside of the home-country base, increasing workforce capabilities and managing expectations of employees in foreign operations. Matthews (2006) posits a framework of linkage, leveraging and learning (LLL) in this regard. There is an emergent managerial belief in South African EMMNCs, that there is much to be learned from Indian, Chinese and Japanese managerial practices, particularly as these might have a higher likelihood of adoption in the African cultural context (Horwitz, 2012). This may, however, be a somewhat normative belief because there are fundamental differences between them (Horwitz, 2012). Thite (2016) argues in this regard the need to move away from static distinctions of convergence and divergence between HR practices and move towards cross-vergence models and from descriptive cross-cultural adoption to within cultural variables (Horwitz, 2012; Jackson, 2001; Chatterjee and Pearson, 2001). For example, the literature on HRM in EMMNCs seems to support the Afro-Asian nexus proposed by Horwitz (2012) and Indian MNCs (Cappelli et al., 2010a and 2010b). As Zheng (2013) argues existing IHRM models are inadequate in their application to EMMNCs given that motives for internationalisation and different institutional contexts are dynamic rather than static.

3. Institutional analysis – human resource and labour market critique

The context of HRM in EMMNCs in South Africa is important. Relations including employment relations often reflect the centrality of a social contract with EMMNCs, that is more of a socio-economic pact than an overtly politically motivated or driven
Table 1
Systematic literature review: human resource research themes in MNCs in Africa.

<table>
<thead>
<tr>
<th>Theme</th>
<th>Methodology</th>
<th>Researcher</th>
</tr>
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<tbody>
<tr>
<td>4. Cross-cultural issues and diversity, Indigenous thought systems, policy and practice, employment equity and discrimination</td>
<td>Comparative analysis, theory development, case evidence research</td>
<td></td>
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</tbody>
</table>


relationship (Wood, 2015; Horwitz, 2015) (see Table 1 theme 6). Economic rather than political motives of EMMNCs will likely have a different impact on HR decision choices. This ‘pact’ seeks export of Africa’s commodities which other emerging markets require such as oil, but with a ‘promise’ of social and human resource development; hence a different model from a traditional or pure commercial and instrumental exchange. Following a labour market mode of analysis referred to above, the literature on comparative political economy theory also offers a set of analytical frameworks. This includes institutional analysis of particular institutional contexts of different forms of capitalism (Asiedu, 2006; Boyer, 2002; Frynas and Paulo, 2007; Hall and Soskice, 2001; Hancke and Rhodes, 2007; Thelen 2001; Streeck, 2009 and 2012; Wood 2015; Wood and Lane, 2011; Wood and Frynas, 2006). The idea of particular competencies of the EMMNC itself such as experience in managing large, complex markets and infrastructural development such as telecommunications is consistent with Gugler (2008). Institutional and regulatory theory have been criticized by labour process theorists such as Braverman (1974), Thompson and Vincent (2010) and Pontusson (2005).

These critiques posit that the dynamic and complex nature of institutions and regulations is neglected in such analyses. In a critical vein, and sometimes using a labour process perspective, are evidence based exploratory/investigative analyses in the South African Labour Bulletin, a journal with analyses focusing on labour movements and trade unions in Africa. It often publishes work on labour practices in MNCs and the effects of foreign direct investment on labour standards and minimum wages. Jackson (2014) argues that trade unions in Africa are generally weak, given the lack of institutionalised regulatory processes for collective bargaining, dispute resolution and suspicion towards them. This enables MNCs to adopt low wage-low cost strategies which have often been controversial in terms of accusations of foreign exploitation of local workers. This is consistent with Wood (2015).

These analyses are augmented by work dealing with ‘harmful impacts’ such as the state of trade unions and employment losses affected by foreign direct investment in industries such as clothing, textiles and oil; and the impact of the AGOA (Africa Growth and Opportunity Act published in the US) on preferential access for certain African exports effects on employment and working conditions (Power, 2008). This has been followed by trade and investment agreements with the BRICS countries.

Labour market, employment and human resource effects of South African EMMNC investments are increasingly studied. Researchers such as Adisu et al. (2010), Bhorat (2007), Hanson (2008) Jackson (2014), Kaplinsky et al. (2007) and Wood (2015) critically evaluate these issues. Variously they found evidence of adverse impacts on wage levels, employment and skills transfer to the local population. Such trade and investment for example, squeezes local domestic markets and competition in external
markets from export oriented EMMNCs with cheap products and pricing structures which adversely affect local competitiveness; this given the considerably larger production base and economies of scale of MNCs from countries like China. A further variable in addition to these economies of scale and lower pricing is the associated lower production costs including the cost of labour (Tull, 2006; and various articles in the South African Labour Bulletin for example).

Using research case studies and other qualitative research methods, a second area of research considers impacts on local trade unions and domestic firms arising from the lack of skills transfer from foreign EMMNCs to the local work force, with little positive effects on HR development. Cheap imported and manufactured clothing and textiles have forced closure or take-over of local firms in South Africa. Adverse effects on employment standards have been found where long hours of work, pay below minimum regulatory wages and undercutting local pay rates have reduced employment with little pressure from the host country such as China and India (Akorsu and Cooke, 2011). This forms a further argument regarding the relative strength or weakness of local institutions and regulatory regimes affecting the HR policies and practices of South African and other EMMNCs in Africa, which may influence the degree of autonomy and flexibility these EMMNCs have in relation to local or regional employment relations laws and institutions; that is the extent to which they may circumvent, ignore or comply with local legislative regimes. The South African telecommunications EMMNC MTN (discussed later) in Nigeria has for example received a substantial fine for irregularities in relation to local commercial laws.

A detailed assessment of employment relations in Southern Africa, using multiple research methods, was published in a special edition of Employee Relations edited by Wood (2008). Both thematic and country analyses are made, although only some of this work explicitly evaluates employment relations and HRM in a MNC context. This SI critically assesses the general state of research on employment relations in Southern Africa considering the paucity of research a concern. In sum, the institutional environment and the following section on the socio-cultural contexts form an important analytical backdrop for evaluating HRM in South African EMMNCs.

4. South African EMMNCs, cultural context and HR practice

‘African management is cross-cultural management’ (Jackson, 2004:16).

A central theoretical lens or line of analysis is the potential for identifying a nexus of institutional and cross-cultural theory. Cultural and institutional context factors may limit or assist the adoption of HRM practices such as performance related pay and merit promotion (see Table 1 themes 3 and 4). Reference to seniority, service and age remain important in countries where family control of large enterprises remains strong for example in Malawi and South African retail firms. This supports Jackson’s (2004) framework and is based on historical racial and ethnic disparities. A controversial debate in this regard is the question of cultural sensitivity in relation to local markets with accusations of local food growers and suppliers being disadvantaged over accessing produce through supply chains directly from South Africa. Institutional perspectives add further insight to this debate given that in many African countries have public policies which aim to generate positive advantage and advancement of local labour and suppliers. South African institutions aimed at advancing previously discriminated Black employees, suppliers and businesses through Black Economic Empowerment (BEE) and Employment Equity (EE) legislation are discussed below. This raises important questions too regarding a politically acceptable mix of expatriate and local staff especially in middle and senior management positions.

In South Africa, such institutional interventions have begun to result in an emergent black middle class which has begun to occupy decision making roles. Class mobility is likely to have an impact on managerial culture and inform strategic choices about appropriate organizational culture, business and HRM practices in the African context. Organization and national culture in South Africa reflect considerable diversity and pluralism, with procedural regulation of conflicts in South Africa particularly. The latter lends support for the post-instrumental model in Jackson’s framework. The advent of democracy especially in South Africa, and ‘glasnost’ effect of global competition begs the on-going question as to the inevitability of HRM convergence and global hegemony of ‘best practice’ over local exigencies. In practice, hybrid or ‘cross-vergence’ models appear more likely in EMMNCs from these countries.

Hybrid forms of HRM may occur in nomenclature, design, content and implementation processes. In South African EMMNCs, indigenous African terms are now being given to adapted east-Asian practices, often in preference to using Japanese terminology, for example, the Zulu term ‘Indaba’ groups for TQM or ‘lean’ work process teams or ‘Sebenza’ problem solving teams. ‘Indaba’ refers to ‘debate in groups’. The former term means work or workplace. Human resource strategies need therefore to be firm specific. Though the African notion of ‘Ubuntu’ is not widespread in parts of modern Africa, some view it as a basis for fostering an Afrocentric managerial culture with aligned HRM practices (Horwitz, 2012; Jackson, 2016; Jackson, 2014). The notion of ‘Ubuntu’ literally translated means ‘I am who I am through others’; this in contrast to the Western tenet of ‘cogito ergo sum – I think therefore I am’. It is this contrasting of a form of communal humanism with individualism and instrumentalism, which has a normative appeal for advocates of an African economic and cultural renaissance.

An important allied theme is diversity management. It is erroneous to assume cultural homogeneity within South Africa too. Many African countries have diverse ethno-cultural communities (Kamoche et al., 2004: xvi). Many Zambian SOEs, for instance, have been bought by South African companies, whose managers apply employment practices based on those of the parent company. The Southern African region (in particular Botswana and South Africa) has emerged as a catchment area for talent from other parts of Africa, in particular East and Central Africa. As previously mentioned, South Africa’s employment equity and Black Economic Empowerment (BEE) legislation seeks enhance Black employee representation in middle and senior management.
roles, share ownership and other forms of employee empowerment. Industry charters are developed setting targets for BEE for example in insurance, mining, oil and energy (Horwitz, 2012).

The rationale for these policies is to redress employment skills and access to managerial, professional and economic opportunities by groups previously denied these opportunities. In South Africa the constitution permits policies aimed at redress of unfair discrimination based on race, culture and ethnicity and gender. Managerial styles, HRM practices and preferences for particular types of conflict resolution may be mediated by ethnicity factors, including the degree of cultural ethnocentrism, and tolerance or intolerance of diversity. Qualitative changes in workplace attitudes, institutional culture, and leadership styles are however equally important. Based on the experience of the above national contextual and regulatory factors More South African EMMNCs organizations have diversity training aimed largely at promoting expatriate cross-cultural understanding and integration adaptiveness (Bluen, 2014), though these have been criticized as unwittingly promoting cultural stereotypes.

An analytical framework within which the notion of an Afro-Asian nexus can be suitably framed is that posited by Jackson (2004: 20–22) - a typology of western instrumentalism and African humanism and east-Asian attributes. The latter concept reflects values such as sharing, adherence to social obligations, collective trust, deference to rank and seniority, sanctity of commitment and good social and personal relations. As discussed above, these arguably reflect a conceptual proximity to Confucian humanism and Chinese Guanxi, with social cohesion and cooperative rather than adversarial and competitive relations. However, there is a danger in presenting both African and east-Asian EMMNC organization culture and systems in this way. An unrealistic, idealized or indeed romanticized conception may not have significant empirical or managerial support. Second, there is a latent assumption of both homogeneity and unique distinctiveness, which obfuscates the reality of inter-regional, inter-country and inter-ethnic diversity. Hence a cross-vergence perspective may be more important for analysing EMMNCs.

5. Human resource practice research and HRM diffusion in South African multinational firms

This section analyses key themes in the literature regarding EMMNCs, providing a systematic literature review of HRM research in African and South African EMMNCs. Following the above discussion on the efficacy of business and HRM models, research on HRM policy and practice of EMMNCs in this case from South Africa, offers insight into the transfer of knowledge from home countries to host country operations and the issues and processes involved. According to Wood (2015) this area is not without its controversies as discussed previously, for example the accusation by some host African countries that local human resources are not being properly developed and advanced, and low utilisation of local product supply chains, Wood (op cit p. 235) also notes that this is also associated with a perceived historical baggage carried by South African MNCs. Extended from Horwitz (2015); the following section evaluates research conducted in this regard, identifying relevant themes and controversies in the development and diffusion of South African EMMNCs policies and practices.

These thematic challenges are both theoretically and empirically multi-faceted. EMMNCs increasingly both compete and collaborate (Luo and Rui, 2009) adopting LLL strategies (Matthews (2006) previously discussed. Given the diversity of the thematic HR challenges faced by EMMNCs, theorising has largely been derived from an eclectic composite of related subject disciplines or areas of study, such as international business, political economy, institutional theory and cross cultural frameworks or models.

Following the above literature review the section below presents a further analysis of HRM research themes on South African EMMNCs Pertaining to themes 1, 2 and 5 in Table 1 a study of four SA EMMNCs by Wocke et al. (2007) found a considerable degree of variance in corporate HR strategies due to differences in business model, the need to accommodate national culture, the type and role of organizational culture. This variance in turn influenced their ability to converge with international HR best practices. They also found that the more the cultural distance between the home and host countries, the more the divergence in HR practices. Another study found that according to the HR practitioners in SA EMMNCs, performance improvement, employment equity, training and development and managing trade union expectations were the most important workplace challenges (Grzeschke and Moehring, 2004). South African MNCs also consider workforce capability development, talent mix in host country operations and managing both expatriate and local employee expectations are key HRM challenges (Horwitz, 2014, Grzeschke and Moehring, 2004).

Wocke, Bendixen and Rijamampianina’s (2007: 829) study of four South African MNCs, namely Nando’s International (fast foods), Sasol (synthetic fuels and chemicals), SABMiller (beer) and MTN International (ICT) concludes that ‘focus on implementation of corporate HR strategies from the parent’s perspective shows that EMMNCs differ in:

(1) Scope and level of abstraction of their corporate HR strategies. This is primarily due to differing business models (emphasizing global integration or local market responsiveness).
(2) A need to accommodate national culture (extending from limited to very high levels of adaptation).
(3) Type and role of organizational culture, often transferred by deployment of expatriates in the MNC, which variously impacts on the level of convergence of HR practices, and.
(4) Degree of convergence of international HRM practices.

In all four cases a large degree of variance in these factors was found. Wocke et al.’s (2007) study found a range in the extent of convergence of international HRM practices from high convergence (Sasol) to low convergence with evidence of ‘crossvergence’ in Nandos. (op cit: 840–841). Their research also shows some measure of support for the construct of ‘cultural distance’, where implementation of HRM practices from parent to host country may vary inter alia, because of deep cultural differences. In all four cases a large degree of variance in these factors was found. Wocke et al.’s (2007) study found a range in the extent of convergence of international HRM practices from high convergence (Sasol) to low convergence with evidence of ‘cross-vergence’

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in Nandos. (op cit: 840–841). Their research also shows some measure of support for the construct of ‘cultural distance’, where implementation of HRM practices from parent to host country may vary inter alia, because of deep cultural differences. Sasol, South Africa’s MNC in the synthetic fuels industry converting coal into petroleum has become the world’s leader in this process, diversifying with operations in China, Europe, Nigeria and United States, with South African Breweries which bought Miller beer from the food arm of Phillip Morris has a large presence in other countries from Africa to Eastern Europe, Russia and China, in most cases through joint ventures or acquisitions, has become the second largest global brewer.

Following Table 1 theme 3 Wocke et al. (2007) above, cultural context factors may also limit or assist the adoption of HRM practices such as performance related pay and merit promotion, where deference to seniority, service and age remain important in Japan and countries where family control of large enterprises remains strong e.g. chaebols in South Korea and Malawian practices such as performance related pay and merit promotion, where deference to seniority, service and age remain important in Japan and countries where family control of large enterprises remains strong e.g. chaebols in South Korea and Malawi firms in Africa. In contrast, meritocratic values and individual goal orientation evident in Singapore (Chew and Horwitz, 2004), Hong Kong and to a slightly lesser degree in South Africa, would permit greater flexibility in adopting performance appraisal, merit pay and promotion, and financial incentive schemes.

Another study of HRM and business practice in South African EMMNCs found that they considered the following to be the most important factors to operate successfully in China: understanding the market complexity, important of joint venture partners, building Guanxi relationship networks, human capital formation and deployment, language and communications, both

<table>
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<tr>
<th>SAB Miller</th>
<th>MTN</th>
<th>Naspers</th>
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<tr>
<td>Organization culture</td>
<td>• “SAB Way” – entrepreneurial and performance driven culture; strong leadership driven values of responsibility, accountability and self-management with clear objective setting across international operations.</td>
<td>• Strong entrepreneurial culture, emphasizing local partnerships – like SAB Miller primary focus in globalising strategy has been other emerging markets especially in Africa (e.g. Nigeria) and UAE/Middle East.</td>
</tr>
<tr>
<td>HRM value proposition</td>
<td>• Clearly articulated as self-management in an empowering system that is diverse and performance driven; “tough but fair” culture, diversity management, developing people and strategic people resourceing.</td>
<td>• Learning/acquiring capabilities for establishing effective cross-cultural joint ventures.</td>
</tr>
<tr>
<td>Talent management</td>
<td>• Recruitment and development done on local country basis. Talent pipeline for succession, strong leadership direction from corporate centre.</td>
<td>• Recruiting “best fit” talent for identified markets; use of psychometric assessment to evaluate cross-cultural adaptiveness in different regional contexts.</td>
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<td>Expatriate staffing</td>
<td>• Over 200 executives from home country deployed in key positions globally, but increasing local talent identification and development.</td>
<td>• Broadening management team by deploying and relocating expatriates from home and international operations (similar to SAB Miller).</td>
</tr>
<tr>
<td>HR structures and systems</td>
<td>• Formal clearly articulated performance management system based on performance objectives, evaluation and development objectives.</td>
<td>• HR Systems and structures are increasingly geocentric considering local customs and practices, and institutions e.g. in recruitment and selection processes and structures for local representation of ‘voice’/empowerment.</td>
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The Centre contributes know-how and expertise to transfer knowledge and capabilities to new joint ventures and partnerships.

HR development contributes to identification and development of local talent in international operations at various levels.

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national and corporate culture, and the regulatory environment (Horwitz et al., 2005). Research participants indicated that the extent of cultural diversity in the home environment equipped South African managers to operate effectively in markets that are culturally dissimilar to them. Supporting this view, Wocke et al. (2007, p. 830) state that the competencies developed by South African firms to manage high degrees of complexity and ambiguity in the domestic market gave them an advantage when operating in different national cultures.

Considering theme 2 in Table 1, a significant number of Asian EMMNCs, particularly from China and India, are currently operating in South Africa, and several South African EMMNCs in China, India and the Middle East, Horwitz (2012, 2015) identifies an Afro-Asian nexus in tracing the evolution of HR function and practices in South African EMMNCs, which are similar to Jackson's (2001) humanistic versus the instrumentalist locus of values towards employees between the East and the West. Some of the common cultural traits that highlighted in the above two studies between African, Chinese and East Asian cultures are focus on internal stakeholders, collective solidarity, consultative and participative decision making and extended family orientations. This nexus explores how the HRM practice in the African continent is converging on East Asian firms but with its own distinct indigenous thought systems and contextual factors. This line of work has found evidence of cross-vergence or hybrid models of HR policy and practice. Further, a number of studies have been made of HRM and the global business strategy of SABMiller until recently the world’s second largest beer company (Bluen, 2014; Ashton, 2012; Human and Horwitz, 1992; Purkayastha and Fernando, 2006; White, 2012 and 2013; Wocke et al. 2007), Naspers (Harris, 2012, Horwitz et al., 2005) one of the largest emerging market media MNCs and MTN (White, 2012, 2013) The main findings from these studies identify and evaluate a number of key HRM dimensions of practice as summarised in Table 2 below: (See Table 3.)

From Table 2, there is there is some evidence of ‘reverse diffusion’ (Edwards 1998). SABMiller’s jointly owned breweries in the Czech Republic and Poland have successfully implemented best operating practices and management know-how on systems, process and technology based on Japanese practices and its experience in emergent economies, and South African restaurant groups in Singapore and the United Kingdom such as Nandos draw on home-country practices. Similarly, the South African based consultant firm Competitive Capabilities (CCI), using Japanese world class manufacturing and operations methodologies and building on its African experience, has extended these precepts into its work in Australia and Singapore. In the southern African context it appears that ‘as is’ adoption is rarely effective and that either some or extensive modification occurs, thus reflecting the need for sensitivity to local circumstances and support for the notion of cross-vergence. For example in most of the above cases where performance-based pay and variable pay were introduced, these tended to be work group or team-based schemes rather than individually based; this especially so in unionized firms. In over 85% of the cases reviewed, the HRM practices were of Japanese origin, though Malaysian and Taiwanese firms have also implemented home-based policies and practices. In the latter case however, managerial practices are somewhat traditional, based on low labour cost/cost reduction methods, and cannot be considered ‘high performance’.

Comparative research on performance management in South African and Uganda organizations identifies the need for a much higher level of ‘performance literacy’ at both organizational and public policy levels (Magoola and Horwitz, 2010, Horwitz, 2012). These studies using triangulated research methods of both qualitative and survey data from SAB Miller, the Rand Water Board and Uganda Revenue authority identified the following key success factors for raising ‘performance literacy’ and hence improvement in African organizations:

- Organizational member alignment: diffusion of performance management knowledge and skill. This is consistent with Matthews's (2006) LLL framework previously discussed.
- Mechanisms or processes for organizational and individual learning and human resource development
- Participative and effective maintenance of performance management systems
- Enabling institutional/regulatory mechanisms in both intra and pan-African diffusion of performance management processes.

This is frequently absent or poorly developed in African countries reflecting a significant barrier to effective performance management.

Table 3

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<tr>
<th>Literature review on talent management factors in the South African transitional economy context.</th>
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<tr>
<td>• Opportunity to recruit and develop and reward talent both in home and host country providing challenging work and international career opportunities (Bluen, 2014), Horwitz (2014), Bussin and Smit (2014), Skuza et al. (2016)</td>
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<td>• An ‘engaging’ culture with direct communications, collegial peer and managerial relations and stimulating, challenging work assignments (Bluen (2014), Horwitz (2014), Jackson (2016).</td>
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<tr>
<td>• Credible strategies for talent retention in South African emerging market MNCs is a particular challenge given the churn of marketable talent to developed countries (Bluen, 2014), Fakude (2014), Skuza et al. (2016).</td>
</tr>
<tr>
<td>• Finding a workable mix of expatriate and local host country talent especially at managerial and professional levels (Bluen, 2014), Briscoe (2016), Fakude (2014) A failure to do so effectively is variously a critique by African host countries of MNCs from Southern Africa (Wood, 2015).</td>
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Relating to theme 5 in Table 1, Grzeschke and Moehring (2004) investigated HRM practices in both foreign MNCs and South African EMMNCs; which HR practitioners considered the most important workplace challenges. These included performance improvement, employment equity, training and development, and managing trade union expectations. It is estimated that South African EMMNCs spend between 1.5 and 4.5% of the payroll on training compared to 5% of European, 5.5% of American and 8% in Japanese MNCs. The apartheid legacy in SA created a racial segmentation of the labour market in respect of access to higher level technological skills (Barker, 2007). Training and development are seen by both managers and frontline employees in the services industry as vital in addressing the skills gap and developing the capacity to meet competitive demands (Horwitz, 2012).

Van Agtmael (2007 op cit. pp. 227–247) refers to a revolution in ‘cheap brainpower’ in discussing emergent market MNCs. Yet the demand for qualified staff continues to outstrip supply in most emerging markets such as South Africa. Turnover is higher; poaching is rampant and pay packages often overheated. A recent World Bank survey also revealed that a shortage of skills was the factor most identified by management in the over 800 firms questioned as strongly retarding their further development (Economist, 2007; Horwitz, 2012). This is similar to a ‘systematic shrinkage of skills’, which may require importing certain high priority skills in the short term (Abedian, 2007). Poor knowledge and education about the opportunities for technical training together with perceptions that artisan and technical work is somehow of a lesser status to graduate qualifications, continue.

While improving the supply side production of graduates, technicians, artisans, and health care professionals from emerging market tertiary education institutions is critical, for corporate leaders the challenge lies in attracting, motivating and retaining intellectual capital. Talent management research in environments of uncertainty, complexity and ‘unknowability of transitional economies’ like South Africa and shows that professional workers at high skill levels in knowledge intensive industries rate the following as work motivation, effective utilisation and retention in MNCs host country operations and domestic markets (Table 2) (Bluen, 2014; Bussin and Smit, 2014, Fakude, 2014; Horwitz, 2014; Judge et al., 2009: 1746; Sutherland and Jordaan, 2004).

Skills requirements in organizations should also be closely aligned with an organization’s strategy (Bluen, 2014, Fakude, 2014, Horwitz, 2014). As positive indications of economic growth are now occurring, concomitant social development and service delivery is clearly dependent on an ability to motivate and retain scarce skills; this given the shortage of specialized and professional skills. Getting to this point though begins with understanding and addressing the unique needs of scarce skills knowledge and professional workers today, which include: market-related pay and benefits and employment practices; intrinsic work factors such as job satisfaction and peer group relations, recognition and reward; personal and professional development and work which might be at the leading edge in an industry or sector; (Horwitz and Mellahi, 2009: 273).

But a purely market driven approach to skills development is not likely to be effective in emergent market MNCs. The notion of a developmental state occurring in emerging markets such as South Africa and China committed to developing the country’s human resources in joined up partnerships with the private sector and organized labour can remove the many constraints to international competitiveness such as skills development and better education (Soko, 2007).

Cross-cultural variation (theme 4 in Table 1) in the labour market and skills supply for addressing market needs is an important consideration by EMMNCs in the decision regarding their own foreign direct investment (FDI). Most African countries have regional economies with an oversupply of manual, relatively unskilled workers, and dualistically a shortage of artisan, technical, financial and managerial skills. In South Africa this was exacerbated by the apartheid legacies, which until recently deliberately reserved access to skilled work on a racial basis.

Migrancy and the flight of knowledge workers from Southern Africa or between African countries is becoming critical as more South African EMMNCs seek to attract, develop and retain key skills to grow their economies and compete both domestically and globally. An allied issue is the widespread move towards labour market flexibility and an increase in sub-contracting and outsourcing as work is externalised. The casualization of the labour market is increasing even in countries with more regulated legal regimes such as South Africa. Numerical and temporal flexibility and even pay flexibility have a profound effect on employment security, the psychological contract and workplace arrangements.

Knowledge worker research in South African EMMNCs shows that professionals in knowledge intensive firms rate opportunity to plan and control their own work, challenging and stimulating work, sound workplace relations, work-life balance, personal development and growth more highly than remuneration (Bluen, 2014, Horwitz, 2007 and 2009). Good working conditions, career opportunities and competitive pay are vital. Retention of needed talent requires organizations to create a challenging and stimulating work environment, employee engagement, opportunities for personal growth and development, flexible and competitive remuneration, offering stretching and interesting assignments/projects and collegial, supportive peer relations (Bluen, 2014, Horwitz et al., 2006, and Horwitz, 2015).

Relating to theme 5 in Table 1 HRM practices, job evaluation, performance management systems and work process redesign are increasingly important facets of HR work in emerging market MNCs. Although Western managerial practices have prevailed for decades in African countries there is an increase in South African EMMNCs adopting Japanese and East Asian practices (Horwitz, 2009 op cit p. 465, Horwitz, 2015). These include lean manufacturing, just-in-time methods and other operations management measures to reduce product defects, stock holdings, inventory and waste. Quality and productivity improvement measures have sought to benchmark international standards in South African hospitality EMMNC’s, the Sun International and Protea hotel groups. As previously mentioned increasingly the ideas of lean thinking have gained currency in South African EMMNCs such as Bell Equipment, Nampak Management Services, SABMiller and Sasol Polymers. The motivation for these measures is primarily productivity and work process improvement.

Also pertaining to the diffusion of HR practices mentioned in Table 1 theme 5, research has found that functional types of flexible work practices have increased are less common (under 15%) in relation to use of cost effective numerical flexibility such as

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downsizing and outsourcing, and temporal flexibility types such as part-time, temporary and casual, short term work (Allan et al., 2001). But flexible work practices, including functional forms of flexibility such as multi-skilling and performance based pay, are more common in EMMNCs including South African EMMNCs than in local firms (Horwitz, 2012).

South African organizations tend to emphasize collective and procedural relations, in comparison with Asian MNCs which have more distinctive often diffused HRM practices based variously on group cohesion, individual relations and in cases of Chinese and Taiwanese clothing and textile firms low-cost work practices and employment practices. This supports the proposition that EMMNC influence on global integration and work practice standardization, may reveal cross cultural convergence of HRM practices within EMMNCs through adoption of ‘best global practice’, compared with a higher degree of divergence in local firms.

Pertaining to the cross-cultural theme referred to in Table 1 and the above literature review research on South African MNCs have also seen South African firms increasingly investing and doing business in China (Horwitz, Ferguson, Rivett and Lee, 2006). Several of these such as SAB Miller have joint venture operations, investments and growing market share in China. Horwitz et al. (2006) examined perspectives of 13 multinational corporations (MNCs) from South Africa (SA) in respect of variables considered important in labour and markets in China. These included how EMMNCs first interpret and understand cultural, human capital, regulatory factors and employment practices, before considering how they might adapt to or seek to influence them. A survey of thirteen SA firms operating or trading in these markets and interviews with South African EMMNC managers who had undertaken exploratory assignments in China, were done. Key factors were identified and evaluated based on relevant literature and research. The following six focus areas were found to be important for business effectiveness in this market: understanding its market complexity, importance of joint venture partners, Guanxi relationship networks, human capital, language and culture, and regulatory environment. Respondents were asked if or how their South African experience equipped them for working in China. The responses below are examples of tacit knowledge gained.

‘Perpetual change in the workplace over the last ten years has given South Africans the capacity to cope with ambiguity and non-closure. This means we’re well-positioned in a place like China, but you still need to work hard on fitting in.’ Roy Bagattini, SABMiller China.

‘South Africans are sought after employees globally, not just in China. One reason being is that managers who have worked through the change of regime in SA are more culturally aware and have the experience to work respectfully with sensitive nationals’. Penny Fisher, International SOS.

‘I think South Africans may have the advantage of being more used to working with cultures different from their own. South Africans seem to have a better idea about doing business in developing countries’. J.P. Mulder, Kumba Resources

South Africa has in recent years gone through a major transformation, economically, socially and politically. I felt I had an advantage as a result of our economic developments in South Africa. I could relate to the developments in the Chinese economy easier than expats from more developed economies. Richard Julius, One Stop Services (Pty) Ltd.

Respondents ascribe this to increased cultural sensitivity from experience in a multicultural society, business experience in a developing context, reasonable salary expectations and flexibility with regard to working conditions. However, these are generalizations, and there are likely to be exceptions. In sum these included how EMMNCs first interpret and understand cultural, human capital, regulatory factors and employment practices, before considering how they might adapt to or seek to influence them. Five HRM related focus areas were found to be important for business strategies in other emerging markets such as China this market: Understanding its market complexity, importance of joint venture partners, Ubuntu (African) Guanxi (Chinese) relationship networks, human capital, including developing local skills capacity, culture, employment relations regulatory and institutional environment, and language (Horwitz et al., 2006).

South African EMMNCs therefore perceive they have certain comparative advantages for operating in other emerging markets like China and elsewhere in Africa. This supports the springboard theory (Luo and Tung, 2007) and Guillen & Garcia-Canal (2009), and as with SABMiller, Naspers-Tencent (China) Anglo-American and Sasol (Fakude, 2014; Wood, 2015; Wocke et al., 2007), the use of global partnerships, alliances and acquisitions (Sun et al., 2012). These notions further reinforce characteristics identified by Thite (2016) and as ‘dynamic capabilities’ of emerging market firms. South African EMMNCs expecting to perform well in other emerging markets will therefore increasingly need to recruit and develop quality local staff and managers. The most effective way of achieving this is by offering a highly competitive salary and good career prospects. Economic reforms and the influx of other emerging market MNCs are bringing a more strategic approach to human resource management in China, with a greater emphasis on merit-based recruitment and career development. An important lesson is to ensure that employees recruited by a joint venture partner are often willing to receive incentive pay. EMMNCs may therefore have particular strengths, dynamic capabilities in operating in other emerging markets (Horwitz et al., 2005) or what Judge et al. (2009) describe as an ‘organizational capacity for change’ in transitional economies. These findings are also consistent with Wocke et al. (2007).
6. Contingency and hybrid approaches in South African EMMNCs

Relating to theme 3 in Table 1, SASOL, and South Africa’s MNC in the synthetic fuels industry converting coal into petroleum has become the world’s leader in this process, diversifying into chemicals, with operations in China, Europe, Nigeria and United States. South African Breweries which bought Miller beer from the food arm of Phillip Morris has a large presence in other countries from Africa to Eastern Europe, Russia and China, in most cases through joint ventures or acquisitions, has become the second largest global brewer and subject of a recent acquisition. The growth of South African EMMNCs raises the question of contingency approaches and mediating variables affecting organizational level application of HRM practices in different markets. In South Africa, whilst personal achievement is valued, group solidarity and identity strongly prevail. Whilst there is a paucity of empirical research on managerial culture in southern African firms a masculine dominance is evident across ethnic groups (Horwitz, 2000:217), underlined by individualized values and a relatively large power distance between groups. This supports Jackson’s et al. (2013) framework and is based on historical racial and ethnic disparities. However, an emergent black middle class has begun to occupy decision making roles. Class mobility is likely to have an impact on managerial culture and inform strategic choices about appropriate organizational culture, business and HRM practices in the southern African context. However, organization and national culture tend to reflect considerable diversity and pluralism, with procedural regulation of conflicts in South Africa particularly suggesting elements of the stakeholder approach in respect of the postulated framework of an Afro-Asian nexus. The advent of democracy especially in South Africa, and ‘glasnost’ effect of global competition beg the on-going question as to the inevitability of HRM convergence and global hegemony of ‘best practice’ over local exigencies.

In practice, hybrid models appear more likely. South African workplace practices are often more collectivist than individualist often with strong masculine and patriarchal cultures. This supports the cross-cultural and contingency features of the proposed Afro-Asian nexus typology. HRM practices such as team working based on group and collective behaviour and norms operate effectively, especially if reward systems are designed for group or team performance and performance management objectives. These issues reflect important concerns about the way people are managed and impediments managers have to overcome before HRM can come of age. Multinational corporations through their local managers are increasingly adopting contemporary management ideas and HRM practices. Given collective decision making and extended family orientations in many African, Middle East and Asian countries where South African EMMNCs have operations cultural adaptation of HRM practices and expatriates is expected to contribute to achieving organization objectives. These realities suggest that the application of standard management tools cannot always be expected to work, underlining the value of contingency approach.

But adoption of HR practices does not exist in a vacuum. It is important to understand host country social and institutional circumstances within which expatriate managers operate, the challenges they face, and how they respond to these. As mentioned earlier, this underlines the need to understand the African context and indigenous thought systems. Jackson (2004:18) argues that paradoxical cultural value systems – Western instrumental and individualist versus humanistic systems may be found in home and host countries and within a particular home country with diverse ethnic and cultural groups for example as found in African tribal and rural communities. But collective orientations can enable team-based practices and group incentive systems suggesting support for the contingency variable in the Afro-Asian nexus typology (Table 1 Theme 2).

7. Research propositions – a future research agenda

In terms of future research and theoretical directions on IHRM in EMNCs, the analytical lenses of national and organizational level culture discussed above, and the institutional regulation approach whilst often used, reveal a complexity of emerging markets which precludes over-simplified analysis. Given the controversies around strong versus weak institutions in various African countries the issue regarding mechanisms South African EMMNCs deploy to deal with regulatory regimes requires further research.

Other theoretical perspectives such as Perlmutter and Heenan’s (1979) framework of ethnocentric, polycentric and transnational MNCs are an instructive lens for analysis. But as Bjorkman and Welch (2015) observe, there are research boundaries between the various theoretical frameworks in the international HRM field for example, the overlap of related areas such cross-cultural management comparative employment relations. This paper has focussed on the MNC as a unit of analysis. Bjorkman and Welch (2015 op cit pp. 138–145) posit a broader multi-level framework of analysis within which future research might be located. This includes different (though potentially related) levels of analysis such a macro (country or region or industry/sector), HRM functional level and individual level (such as expatriate experiences and performance).

Proposition 1. Most South African EMMNCs adopt a mix or hybrid of polycentric, multinational and transnational human resource strategies.

Proposition 2. 2.1. Most South African EMMNCs have an over-reliance on ethnocentric home base driven strategies

2.2. This limits host country talent attraction, development and retention, and local product sourcing (Wood, 2015).


This construct sees practices of overseas subsidiaries flow to domestic operations or headquarters, or more recently where the new elite emerging market EMMNCs’ practices are introduced in their overseas markets, e.g. the Indian MNC Tata Steel’s
operations in South Africa. It appears that the adoption of east Asian HRM in southern African firms derives from both increased investment and consequent influence these firms have in Africa, and an emergent managerial belief in southern African firms, that there is much to be learned from Indian, Chinese and Japanese managerial practices, particularly as these might have a higher likelihood of adoption in the African cultural context. Whilst it may be argued that Chinese HRM other than in outside EMMNCs may tend to not be based on the ILO notion of ‘decent work’. South SAB Miller, until its recent take-over became the second largest brewing MNC globally with operations in Eastern Europe, China USA and elsewhere; and other South African MNC’s such as Kumba Resources (mining and iron ore) and Naspers-Tencent (China - media communications) have significant operations in China. Murray & Roberts a South African construction and property development EMMNC which has grown significant interests in the Middle East. This may however, be a somewhat normative belief. Whilst there are indeed some similarities between African and east Asian cultures, there are also fundamental differences between them. In this section we attempt to formulate a rationale for a more critical analysis of the diffusion of practices between these two regions.

A qualitative research approach can be adopted in seeking to fill a gap in the literature in respect of integrating both the importance of contextual variables and Afro-Asian comparative IHRM (see for example the case-study approach of Wood, 2015, Horwitz et al., 2002 and Horwitz et al., 2006). It is important to identify process implementation factors such as the extent to which HRM is introduced (1) “as is” – transplanted intact cross-culturally, or (2) with some adaptation based on local culture and factors such as labour relations institutions, or (3) whether these practices are significantly transformed because of local exigencies and (4) the nature and degree of convergence which may occur. Strategies may vary greatly with differing demands in the global environment. Conflicting demands may occur as EMMNCs attempt to enhance their capacity to be locally responsive while also maintaining influence over global corporate structures for example by fostering a global corporate culture with associated human resource practices (Horwitz and Mellahi, 2009).

**Proposition 4.** HRM strategies of most South African EMMNCs have a low level of alignment with business/organizational strategies and business models.

South African EMMNCs such as SABMiller, Naspers, Shoprite and Anglo-American can also be considered as making effective use of springboard strategies and first-mover advantage (Wood, 2015, Luo and Tung, 2007), as well as dynamic capabilities (Cuervo-Cazurra and Genc, 2008); the latter defined as ‘the ability of a MNC to integrate, build and reconfigure internal and external competencies to address rapidly changing environments’ (Teece, 2007, p. 516). This is done by leveraging organisationally learned relevant capabilities (Dixon et al., 2010) developed in a home country or regional context, for example in dealing with cross-cultural diversity, expatriate deployment and redeployment across global operations, working with complex regulatory regimes and managing through turbulent socio-political transitions. Therefore both the springboard and dynamic capability frameworks resonate conceptually and have explanatory value for research on South African EMMNCs.

**Proposition 5.** Contingency approaches and mediating variables affect development and implementation processes for organizational level application of HRM practices in most South African EMMNCs.

While there is anecdotal evidence of ‘reverse diffusion’ (Edwards 1998), further research is needed on whether and how EMMNCs transfer the best practices learned from their overseas subsidiaries to home countries and markets (Horwitz, 2014 and Horwitz, 2012, pp. 2940–2942). Given controversies in host African countries regarding the real commitment of South African EMMNCs to local talent identification, development and career advancement, utilisation of local product sourcing (Wood, 2015), a key research need is to determine and evaluate the extent and purposes for which expatriates from the headquartered home country are used and whether this undermines or simply avoids addressing the importance of local host country talent development. Much of the work on expatriates focuses on selection criteria, adjustment and integration of expatriate managers and re-adjustment when returning to their home environment, as well as on organizational and self-initiated expatriate work assignments (Arp, 2014, Cerdin and Selmer, 2014, Doherty, 2013, and Doherty et al., 2011). It is not necessarily a question of whether or not to use expatriate talent but to determine what type of mix and fit for purpose would be most effective for an organization in the context in which it operates. These needs are not static either and will vary too over time as the EMMNC develops and enhances its effectiveness in a host country.

**Proposition 6.** South African EMMNCs have increased the mix/balance of local talent appointments in managerial positions in relation to expatriate deployment.

Briscoe’s (2016) work emphasizes the importance of HR developing the ability to adapt to local talent pool needs and simultaneously co-ordinate and integrate these talent pools in addressing economies of scale, research and innovation needed in the host country. There is a real research gap in expatriate management by emerging market firms as they internationalise their operations - i.e., expatriate selection and deployment ‘in the other direction’ (Briscoe, 2016, Thite et al., 2012, Sim, 2012 and Sirkin et al., 2008). An emerging stream of international HRM research therefore identifies strategies and practices of EM MNCs’ deployment and integration of expatriates into new markets they compete in. (See for example Briscoe (2016)).

Hybrid forms of HR based on EMMNC and local firm practices may occur in nomenclature, design, content and implementation processes. Even firms in countries within the same market economic type will experience some degree of localization in HRM practices and policies and therefore need to adjust both the role and most importantly the configuration of global HRM strategy; HR structures and practices accordingly (Fakude, 2014, Bluen, 2014, Horwitz and Mellahi, 2009). The same HR practices for example, performance appraisal, or those pertaining to cross-border mergers and acquisitions, that could build trust in one
country context, may fail to do so in another - each HR practice that an EMMNC considers implementing should be filtered through a ‘localization mesh’ that identifies clashes with local values, resource capabilities (such as technical and managerial competencies), culture and institutional/regulatory environment. This analysis should allow for modifications that will render the practice ‘culturally fit’, given that ‘understanding the HR-performance relationship essentially requires exploring the heterogeneities of implementation’ (Khiili and Wang, 2006:1173). An Afro-Asian typology or framework would therefore appear to be relevant in analysing case examples of southern African EMMNCs given the pertinence of HR development, cultural diversity, need for adaptive contingency approaches to HRM and the increasing global influence of South African EMMNCs like SABMiller, MTN and Naspers-Tencent and Nando's in other emerging markets such as the Middle East, Central and Eastern Europe and Asian countries.

Proposition 7. Mid-range or hybrid theory development of South African EMMNC HRM is premised on identifying common themes from emerging market HRM literature and systematic literature reviews (see Horwitz, 2015).

8. Conclusion

South Africa has a diverse institutional and socio-cultural context and is still experiencing the legacy of the apartheid era for example in the paradox of an over-represented unskilled labour market and shortage of high level skills. Natural resources are its biggest national competitive advantage and the firm-specific advantages derive mainly from the ability of South African firms to deal with domestic turmoil and upheaval to act as a protective incubator against external economic sanctions in the 1970s and 1980s (Klein and Wocke, 2007). South African EMMNCs have seen rapid reorganization of conglomerates and strong ties with the European business community (Goldstein and Prichard, 2009). Considering this it is also debatable how long the paradigm of emerging markets and the developed/developing economy construct will be able to explain a global shift in the economic power balance.

This also underlines the merit of further work on identifying and developing business models of EMMNCs in general (Madhok and Marques, 2013, Madhok and Keyhani, 2012, Wilkinson et al., 2014) and in South African EMMNCs. HR strategies cannot be evaluated in isolation of the underlying business models and attendant strategies EMMNCs adopt. The interrelationship and alignment or fit of HRM strategy and practices and business strategies, whether the latter are deliberate or emergent (Lampel et al., 2013), or follow Perlmutter and Heenan’s (1979) typology, in emerging market MNCs is worthy of investigation; this in part with a view to (a) developing a theory(ies) of EMMNCs and (b) further understanding the relationship dynamics of IHRM strategies and business models underlying EMMNC internationalisation strategies. This article has identified gaps in the link between business models and HRM policies and strategies of South African EMMNCs. It has sought to foster further research through an identified research agenda. This agenda reflects a potentially rich tapestry of diverse South African EMMNCs in varied sectors operating in global markets. It also offers a valuable opportunity to conduct more comparative and cross-cultural studies between IHRM practices in emerging market multinationals companies from different countries.

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