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Exploring the Operational Challenges Encountered by Selected South African Multinationals in Nigeria

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Declaration For Dissertation Topic: "Exploring the Operational Challenges of Selected South African Multinationals in Nigeria".

I, in my capacity as Mr Sefatsanyane Karabo Kabelo Motaung MBA student at Wits Business School solemnly declare that the research project "Exploring the Operational Challenges of Selected South African Multinational Firms in Nigeria" is the ethical work produced through my own intellectual rigour and represents the work conducted through the leadership of my academic supervisor Dr Erasmus Kofi Appiah.

I declare that the study was conducted in an ethical manner that respects the privacy of my participants and that the paper followed the university's strict standards and codes of ethics and acceptance.

I confirm that no portion of the study has been submitted for approval or evaluation by any academic institution before, nor does it violate any intellectual property and ethical guidelines.

I certify that this study is true and honest.

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I stand at the pinnacle of achievement and success, not solely due to my efforts, but because of the unwavering support and encouragement I've received along the way. It is with profound gratitude that I extend my heartfelt appreciation to those who have been instrumental in my journey to obtaining my MBA degree.

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Abstract:

The report examines the operational challenges faced by South African multinational firms operating in Nigeria. The project aims to provide a detailed understanding of the state of South African multinationals' operations in Nigeria, with a specific focus on the impact of politics, culture, and logistics on their operations. Nigeria, being a significant economic powerhouse in Africa, offers lucrative business opportunities for foreign companies, including those from South Africa. However, operating in Nigeria presents a unique set of challenges, which this report seeks to explore. The research employs qualitative interviews with senior managers of selected South African multinational firms in Nigeria and a comprehensive review of existing literature. The interviews are designed to gather firsthand insights into the operational challenges encountered by these firms, allowing for a deeper understanding of the issues they face.

The findings of the study highlight the intricate relationship between politics and the operations of South African multinationals in Nigeria. Political factors such as regulatory hurdles, political instability, and the government's attitude toward foreign companies significantly impact their operations. Moreover, the report delves into the influence of cultural differences between South Africa and Nigeria on various aspects of business operations, including employee relations, customer engagement, and partner collaborations.

The relevance of theoretical frameworks such as internationalization, globalization, and entry modes of multinational corporations will be used in the context of the Nigerian retail sector (Chand, 2020). The applicability of these frameworks may need to be evaluated carefully to ensure they are appropriate for understanding the challenges faced by South African multinationals in this specific context (Chand, 2020). In essence the paper will try to link the intrinsic value that is key to the success of multinational firms in the retail sector venturing into the Nigerian market. The paper will attempt to find probable reasons for the failure of these South African multinational firms in Nigeria, and where possible, provide remedial recommendations that can be employed in the future to better grasp the comprehension of the Nigeria market.

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Chapter1

Introduction:

The objective of the research report was to understand the complex business environment in Nigeria. According to the United Nations, Africa had one of the youngest populations in the world (News, 2022), which meant that this demographic was a catalyst for advancing the continent's economic development (News, 2022). At the core of thriving and developing economies was a functional government and robust policies that enabled an environment where businesses could flourish. Despite the immense potential Africa had, Nigeria was one of the most complex and challenging markets to conduct business in, with very high barriers to entry (Ogunro, 2014). However, if multinationals could successfully navigate the landscape, they stood to benefit financially. The paper observed that selected successful South African multinational companies struggled and failed in penetrating the Nigerian market, ultimately having to exit despite the huge population with potential buying power and the market's potential.

Several factors contributed to these challenges, including political instability, a difficult regulatory environment, infrastructure deficiencies, and security concerns (ITA, 2021). South African conglomerates like Woolworths, Shoprite, Tiger Brands, and PicknPay experienced these challenges firsthand and ultimately decided to exit the Nigerian market due to complex supply chain processes and high rental costs (Madubela, 2020), although PicknPay remained in the market despite the hardships.

One of the primary challenges of doing business in Nigeria was political instability (ITA, 2021). The country had a history of military coups and political unrest, and there were ongoing concerns about corruption and governance issues (Oyedele, 2015). This created a challenging environment for businesses, as political instability led to uncertainty and unpredictability in the market (ITA, 2021). Additionally, the regulatory environment in Nigeria was difficult to navigate, with complex regulations and bureaucratic red tape, such as challenges in securing business licenses and protecting intellectual property (NA, 2021).

Another major challenge was infrastructure deficiencies. Nigeria struggled to develop its infrastructure, particularly in areas such as transportation, power, and telecommunications (ITA, 2021). This made it difficult for businesses to operate efficiently and effectively and increased costs. For example, unreliable power supplies led to higher costs for businesses, as they had to rely on generators or other backup power sources (Madubela, 2020).

Security concerns were another major challenge for businesses in Nigeria. The country experienced significant levels of violence and conflict, particularly in the northern and central regions (NA, 2021). This created risks for businesses operating in these areas and led to disruptions in supply chains and other business operations.

Nigeria was Africa’s biggest economy by GDP (Whiting, 2019), highlighting growth potential for retail companies and providing immense opportunities for companies looking to expand in Africa beyond their borders. The paper aimed to research and, if possible, find out how companies looking to penetrate the Nigerian market could customize their entry strategy considering Nigeria's conditions to succeed. Nigeria was challenging for a variety of reasons, including political instability, regulatory complexity, infrastructure deficiencies, and security concerns (ITA, 2021) as previously stated. Woolworths and Shoprite experienced these challenges firsthand, ultimately deciding to exit the market after struggling to gain a foothold. While Nigeria remained a potentially attractive market for businesses, companies had to be prepared to navigate these challenges to succeed in the market.

Due to time constraints, the paper focused on three key challenges for multinational retailers venturing into Nigeria. It examined the role of culture and its influence on the operations of multinationals in Nigeria. Secondly, it argued that for businesses to thrive, the government had to create an enabling environment. Therefore, the paper looked at the PESTEL analysis with a key focus on the role of politics. Lastly, it explored the concept of globalization in enabling the success of multinationals in Nigeria.

Problem Statement:

Despite Nigeria's immense economic potential driven by its young population and large market size, it remained one of the most complex and challenging markets for multinational corporations (MNCs) to operate in (Ali, 2022). These operational challenges hindered the ability of MNCs to operate in Nigeria's economy (Ali, 2022). The report on "Exploring the Operational Challenges Encountered by Selected South African Multinationals in Nigeria" was essential for understanding the complexities of the Nigerian business environment and identifying the specific operational challenges faced by South African MNCs operating in the country (Asongu & Odhiambo, 2019).

Existing literature highlighted the significance of Nigeria's economic potential driven by its youthful population, emphasizing the importance of creating an enabling environment for businesses to thrive (Ping, Liu, Gallagher, & Wu, 2018). While previous studies addressed the impediments of doing business in Africa, there was a gap in the literature regarding the specific operational challenges faced by South African MNCs in Nigeria (Ping, Liu, Gallagher, & Wu, 2018). A qualitative approach was employed to explore the operational challenges faced by South African MNCs in Nigeria. The outcome of this paper contributed to the body of knowledge on international business and cross-cultural management by providing a profound comprehension of the operational challenges faced by MNCs in emerging markets like Nigeria.

The primary research question will guide the research paper to understand and explore the challenges of multinational firms from South Africa within Nigeria. To address the primary research topic, secondary research questions will follow up which are as follows:

What is the state of South African multinational operations in Nigeria?

a) How do national policies impact the operations of South African multinationals?

b) How does culture impact the operations of South African multinationals in Nigeria?

c) How do logistical challenges affect the operations of South African multinationals in Nigeria?

1.1 Concepts to be used for the qualitative study:

1. Operational Challenges: This concept represents the difficulties and obstacles that the South African Multinational Companies face in Nigeria, including legal, regulatory, and cultural barriers (Ali, 2022).
2. South African Multinational Companies: This concept represents the selected

companies that will be examined in the study (Games, 2004).

3. Nigeria: This concept represents the host country where the selected companies operate and encounter operational challenges (Asongu & Odhiambo 2019).
4. Business Environment: This concept represents the economic, social, and political context in which the selected companies operate in Nigeria (Nachum & Ogbechie, 2022).
5. Culture: This concept measures the importance of culture for South African Multinationals in Nigeria (Ogbonna, 2010)

1.2 Significance of the study:

The findings would provide a deeper understanding of the operational challenges faced by South African Multinational Companies operating in Nigeria. This would be useful for other researchers, business practitioners, policymakers, and other stakeholders who seek to understand the complexities of doing business in Nigeria (Asongu & Odhiambo, 2019). "The African Continental Free Trade Area (AFCFTA) is a historic agreement aimed at creating a single continental market for goods and services in Africa" (Freund & Zeufack, 2020). The AFCFTA is expected to increased competition, economies of scale, and efficiency, leading to lower prices for consumers and increased opportunities for businesses to expand into new markets (Kende-Robb, 2021). Researching the operational challenges would be beneficial to implement the AFCFTA.

1.3 Definition of operational terms:

The paper will try to explain some of the key words found throughout the paper by detailing the definitions to help align what is meant in the paper.

1) **Barriers to entry** – Speaks to the challenges that make it difficult for a business to establish themselves in a market or industry (CFI, 2022).
2) **Economic policy** – Speaks to a government rules and regulations in the economy that intend to control or influence behaviour or conduct within the economy (Cliff, 2022).
3) **Foreign investment** – Is defined as the process of capital outflows, meaning that a company, institution, or people invest money in a country or jurisdiction outside their own home country to another country (CFI, 2022).
4) **GDP** – Is a measure of “the total goods and services produced in an economy within a specific period” (Bondarenko, 2022).
5) **Globalization** – A strategy to adopt multinational firm’s products and services to the environment they operate in (Nasrudin, 2022).
6) **PESTEL Analysis** – The Pestel analysis is an acronym meaning “political, economic, social, technological, legal, and environmental” (Reding, 2022). The tool was created by Francis Aguilar, an American scholar intended to help businesses scan the macro-economic environment (Reding, 2022).

1.4 Limitations of the study:

The paper will look at geographical delimitation, focusing only on the challenges faced by South African multinationals within Nigeria. The study focuses only on a specific group of South African multinationals within the retail sector in Nigeria, such as those in the fast-moving consumer goods industry. The paper will equally be limited to exploring the role of culture, glocalization and the political landscape as key challenges for doing business in Nigeria.

1.5 Study outline:

The paper will firstly introduce the thesis topic “Exploring the Operational Challenges Encountered by Selected South African Multinational in Nigeria”. The paper will provide the background of the topic and provide a justification for the need to study and explore the report. After having done this, the paper will provide a problem statement, determining the objectives, delimitations of the study and the contribution of the study to further the body of knowledge. Chapter two will comprise of a literature review, engaging empirical evidence that has been done within the field and through this, provide a summary of key findings and research gaps. The third chapter of the paper will focus on theoretical frameworks that will guide the study and explore the conceptual frameworks necessary for the study. The research design approach will also be a key component that underpins the study which the paper will engage in and highlight. The fourth chapter will illuminate the results of the research, which will be followed by a summary of the study and key findings.

1.6 Assumptions of the study:

1. South African multinationals face unique challenges in Nigeria: The study assumes that even though Nigeria is a complex market for any multinational, there might be specific challenges faced by South African companies due to factors like cultural differences or historical ties.

2. Culture plays a significant role in business success: The study assumes that understanding and adapting to Nigerian culture is crucial for South African multinationals to succeed in the market.

3. Government policies can hinder business operations: The study assumes that unstable or unclear government policies can create difficulties for businesses operating in Nigeria.

4. Logistical challenges are a major hurdle: The study assumes that poor infrastructure and logistical issues like unreliable power supply can significantly impact business operations.

5. PESTEL factors are important for understanding the business environment: The study assumes that political, economic, social, technological, legal, and environmental factors all play a role in shaping the Nigerian business environment.

6. Existing literature on African business challenges is limited: The study assumes that there's a gap in knowledge regarding the specific challenges faced by South African multinationals in Nigeria, even though there might be research on broader African business challenges.

7. The findings can benefit various stakeholders: The study assumes that the research on challenges faced by South African multinationals can inform not only other researchers but also business practitioners, policymakers, and anyone interested in the complexities of the Nigerian business environment.

8. The research is relevant to the African Continental Free Trade Area (AFCFTA): The study assumes that understanding the challenges of South African multinationals in Nigeria can be helpful for implementing the AFCFTA, an initiative aiming for increased trade within Africa.

Chapter 2

2 Literature Review

2.1 Lineage of research topic and the context of previous investigations

The research topic of exploring the challenges encountered by multinationals from South Africa within the retail sector in Nigeria built upon a growing body of literature on the challenges of doing business in emerging markets, particularly in sub-Saharan Africa. Previous research identified several factors influencing the success of multinational firms operating in emerging markets, including regulatory environments, cultural differences, market entry strategies, and social responsibility practices (CFI, 2023).

Several studies explored the challenges of doing business in Nigeria, focusing on issues such as corruption, infrastructure deficits, and political instability (Asongu & Odhiambo, 2019). However, there was limited research specifically focused on the experiences of South African multinationals in the Nigerian retail sector.

A study by Ismail and Abubakar (2019) explored the challenges faced by South African retailers in Nigeria, highlighting issues such as high costs of doing business, lack of local knowledge, and cultural differences. However, this study did not provide an in-depth analysis of these challenges or explore strategies for overcoming them.

Another study by Aremu and Adeyemi (2011) examined the challenges faced by multinational corporations in Nigeria, including issues such as government policies, infrastructure deficits, and socio-cultural factors. While this study provided insights into the general challenges faced by multinationals in Nigeria, it did not specifically focus on the retail sector or the experiences of South African multinationals.

The evolution of exploring the challenges encountered by multinationals from South Africa within the retail sector in Nigeria using the conceptual framework for this thesis was based on the following theories:

Internationalization Theory

This theory explained how firms internationalized their operations and expanded their business globally (Szunomar, 2020). It focused on the motives and patterns of internationalization and the factors that influenced firms' decisions to enter foreign markets (Szunomar, 2020). This theory was useful in understanding why South African multinationals entered the Nigerian retail sector and the challenges they faced in the process.

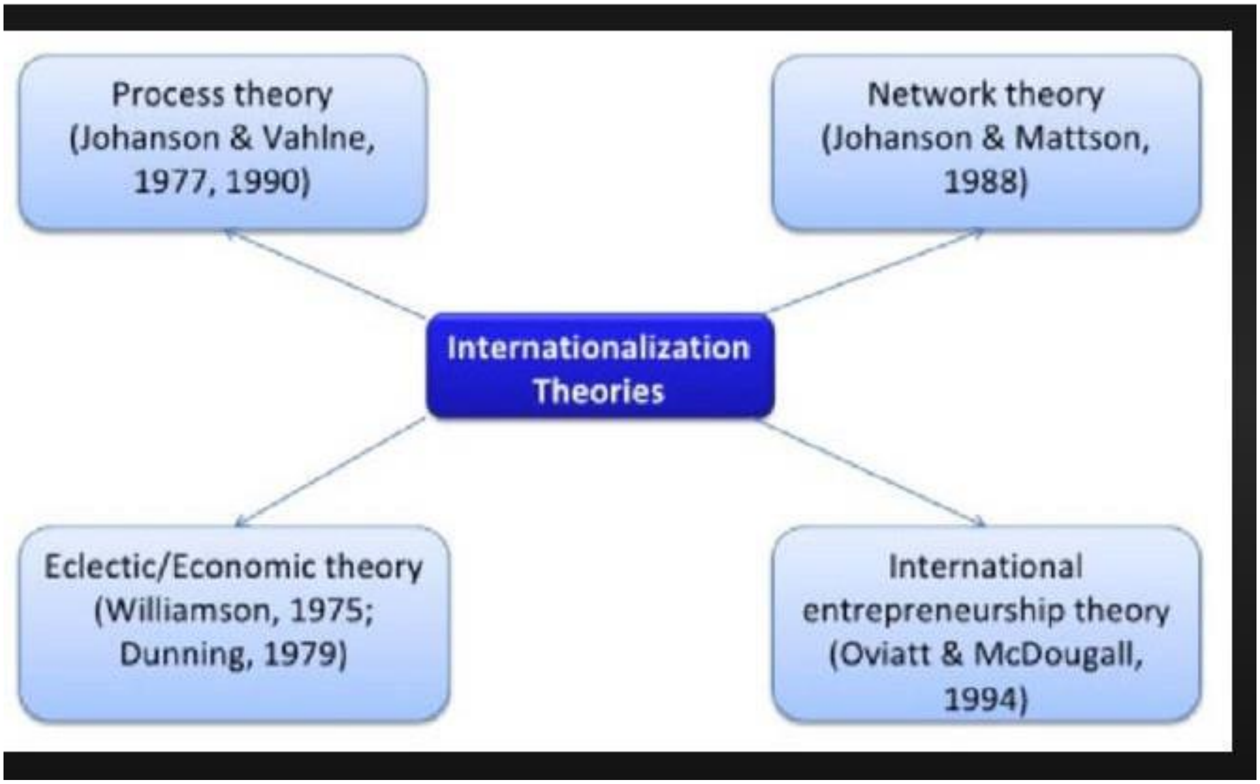

Figure 1: Internationalization Theory Explained (Szunomar, 2020)

Globalization Theory:

This theory explains the economic, social, and political factors that drive globalization and the implications of globalization for firms operating in different countries (Altman & Bastian, 2021). It will be useful in understanding the global forces that shape the retail industry in Nigeria and how South African multinationals navigate these forces.

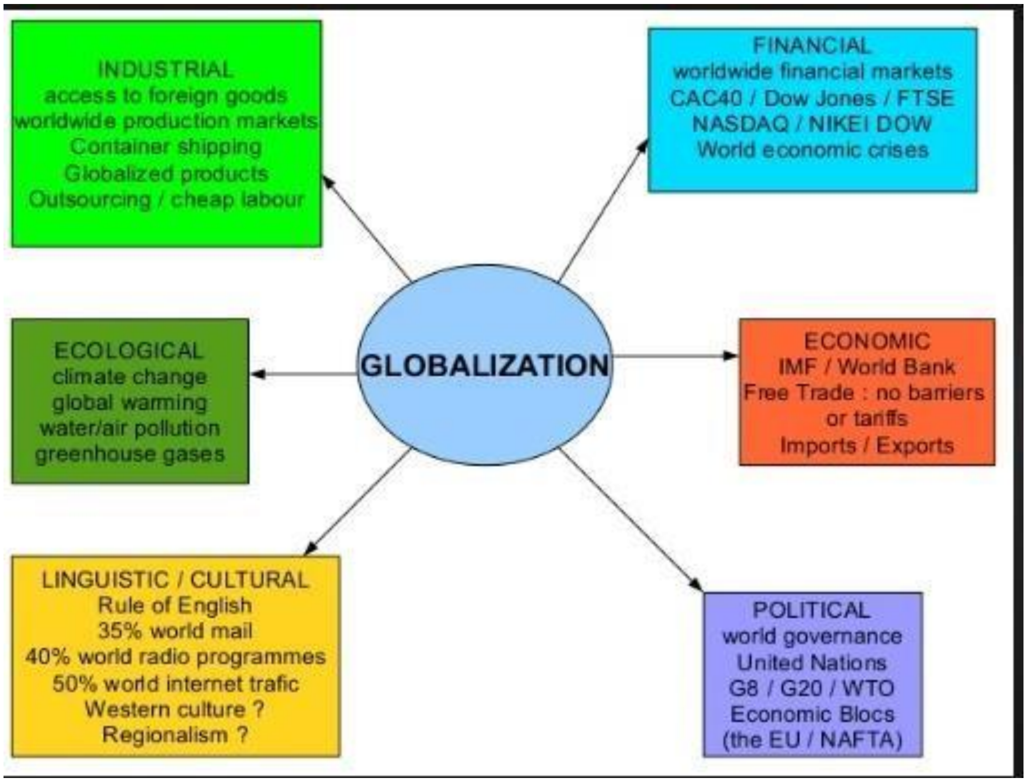

Figure 2: Globalization (Altman & Bastian, 2021)

Cross-Cultural Management Theory:

This theory explains how cultural differences can affect business practices and management processes in multinational firms (Sokolova, 2022). It will be useful in understanding the cultural challenges that South African multinationals face in managing their operations in Nigeria and how they can effectively manage these challenges.

By drawing on these theories, the thesis will provide a comprehensive analysis of the challenges encountered by South African multinationals in the Nigerian retail sector and provide recommendations for overcoming these challenges.

Figure 3: Cross cultural management (Sokolova, 2022)

Current state of theoretical debate

The current state of theoretical debate on the topic highlights the importance of cultural differences, social responsibility practices, and collaboration with local organizations in the success of multinational firms operating in emerging markets (Amdan, 2021). The institutional theory framework suggests that multinationals are influenced by institutional norms and values (David, Tolbert, & Boghossian, 2019), while the resource-based view framework emphasizes the importance of leveraging unique resources and capabilities (Jurevicius, 2021).

The identified limitations of past/current research include limited focus on South African multinationals in the Nigerian retail sector, lack of in-depth analysis of the challenges faced, and limited understanding of cultural differences and social responsibility practices. These limitations create knowledge gaps and point to the need for further research to explore the experiences of South African multinationals in the Nigerian retail sector.

In building on the strengths and avoiding the weaknesses of previous research, the proposed study will provide a more in-depth analysis of the challenges encountered by South African multinationals in the Nigerian retail sector, with a particular focus on cultural differences and social responsibility practices. By adopting a case study approach and utilizing qualitative methods, the study will provide a nuanced understanding of the experiences of South African multinationals in the Nigerian retail sector. The study has also explore strategies for overcoming these challenges and provide recommendations for policymakers and multinational firms operating in emerging markets where applicable.

2.2 Systematic Literature Review

This systematic literature review focuses on the analysis of journal articles related to the challenges and opportunities of doing business in Nigeria. The review aims to provide a comprehensive understanding of the Nigerian market and the factors that influence business operations in the country. These articles were analysed using a thematic approach, with a focus on identifying the major themes and sub-themes that emerged from the literature. The findings of this review provide insights into the opportunities and challenges of doing business in Nigeria and offer recommendations for businesses looking to enter or expand their operations in the country.

The article by News (2022) highlights the potential for economic growth in Africa and the opportunities for foreign investment in the continent. The article suggests that despite challenges such as political instability and infrastructure deficits, Africa is a region full of hope and potential (News, 2022). The article provides a broad overview of the African market, which sets the context for the subsequent articles in this review.

Whiting (2019) focuses specifically on Nigeria and identifies five key factors that businesses should know about the country. These factors include Nigeria's growing economy, youthful population, increasing consumer demand, a large and diverse market, and a thriving tech sector (Whiting, 2019). The article highlights the potential for growth and investment in Nigeria, but also acknowledges the challenges associated with doing business in the country.

Oyedele (2015) provides a comprehensive guide to doing business in Nigeria. The article covers topics such as the legal framework for business operations, the regulatory environment, taxation, and labour laws. The article also provides insights into the cultural and social factors that influence business operations in Nigeria (Oyedele, 2015). The author highlights the importance of understanding the Nigerian culture and values to succeed in the Nigerian market.

Reding (2022) provides an overview of the PESTEL analysis, a tool used to analyse the macro-environmental factors that influence business operations. The article applies this tool to the Nigerian market and identifies factors such as political instability, economic conditions, sociocultural factors, technological changes, environmental issues, and legal and regulatory frameworks (Reding, 2022). The article highlights the importance of considering these factors when entering or expanding operations in the Nigerian market.

ITA (2021) provides a country commercial guide to Nigeria. The guide provides insights into the Nigerian market and the challenges and opportunities associated with doing business in the country. The article identifies factors such as corruption, poor infrastructure, and security concerns as the major challenges of doing business in Nigeria.

The guide also provides recommendations for businesses looking to enter or expand their operations in the country.

Ogunro (2014) focuses on the business environment in Nigeria and identifies the challenges and prospects of doing business in the country. The article highlights the impact of corruption, infrastructure deficits, and policy inconsistencies on business operations in Nigeria. The author provides recommendations for improving the business environment in the country, including reducing corruption, improving infrastructure, and providing a stable regulatory environment.

Ogbonna (2010) provides insights into the cultural factors that influence business operations in Nigeria. The article highlights the importance of understanding Nigerian culture and values to succeed in the Nigerian market. The author provides insights into Nigerian culture, such as the importance of relationships and social networks in business operations. The article also provides recommendations for businesses looking to enter or expand their operations in Nigeria, such as building strong relationships with local partners.

White and Van Dongen (2017) focuses on the internalization of South African retail firms in selected African countries, including Nigeria. The article identifies factors such as cultural and language differences, regulatory frameworks, and supply chain management as the major challenges of doing business.

2.3 Operational Challenges encountered by multinationals:

Researching the challenges of multinational firms in the retail sector expanding to Nigeria could offer several benefits, equipping stakeholders such as the government and potential investors with valuable knowledge. Though Nigeria held great potential, the market's complexities, particularly in the highly informalized retail sector, presented significant challenges (Amdan, 2021). Nevertheless, the country had made progress by changing its shopping culture through the expansion and development of shopping malls (Idoko, Ukenna, & Obeta, 2019), which was especially crucial for South African multinational retailers like Woolworths and Shoprite, who required these infrastructure developments to unlock Nigeria's market potential.

The benefit of researching the challenges faced by multinational firms expanding to Nigeria lay in gaining valuable insights into the Nigerian market, including its size, potential growth, consumer preferences, and regulatory environment (Emmanuel, 2023). Identifying these key challenges built on existing knowledge and involved studying the experiences of multinational firms that had already attempted to expand to Nigeria. Researchers identified challenges such as cultural differences, infrastructure deficiencies, political instability, and legal and regulatory barriers (Games, 2004). Building this knowledge enabled the development of strategies for success. When multinational firms sought to expand into Nigeria, they could be armed with an understanding of these challenges and develop strategies for success (Nachum & Ogbechie, 2022), such as building local partnerships, adapting products and services to local needs (glocalization) (Nasrudin, 2022), and investing in infrastructure and supply chain improvements.

Given Nigeria's potential and considering that it had the largest economy in Africa and was the most populous nation on the continent (ITA, 2021), improving business performance and successfully navigating the challenges of expanding to Nigeria could lead to significant benefits for multinational firms. These benefits included increased revenue, market share, and profitability. The economic ramifications of venturing into Nigeria were undeniable for both the country and multinational firms. Foreign investment would contribute to economic development in Nigeria, while multinational firms would profit and expand their footprint on the continent. Job creation was a key driver of lifting citizens out of poverty, positively impacting the country by ensuring people were active members of society, contributing to and advancing the country through economic participation, whether by paying taxes or spending income, which would stimulate and grow the economy.

Several potential challenges could arise when exploring the challenges encountered by South African multinationals within the Nigerian retail sector using the conceptual framework for this thesis, based on international business and cross-cultural management theories. One potential challenge was the limited availability of data on the specific experiences of South African multinationals in the Nigerian retail sector (Ali, 2022). This limitation could hinder conducting a comprehensive analysis of the challenges faced and the strategies employed to overcome them.

The retail sector in Nigeria was complex and dynamic, with frequent changes in regulations, market conditions, and consumer preferences (Emmanuel, 2023). This complexity made it challenging to apply existing theories and frameworks to this context, potentially requiring the adaptation of these theories to the Nigerian market. Cross-cultural differences between South Africa and Nigeria could also pose challenges for analyzing the challenges faced by South African multinationals in the Nigerian retail sector (Ogbonna, 2010). These differences might include language barriers, variations in business practices and customs, and differing levels of economic development (Ogbonna, 2010).

The relevance of theoretical frameworks such as internationalization, globalization, and entry modes of multinational corporations might be questioned in the context of the Nigerian retail sector (Chand, 2020). The applicability of these frameworks needed careful evaluation to ensure they were appropriate for understanding the challenges faced by South African multinationals in this specific context (Chand, 2020).

2.4 Findings of empirical review:

The findings from the empirical review suggest that there are various challenges encountered by multinational companies from South Africa operating in the Nigerian retail sector. These challenges can be linked to international business and cross-cultural management theories such as the theories of internationalization, globalization, and entry modes of multinational corporations (MNCs) (Chand, 2020).

One key finding is that entrepreneurial skills and market diversification are necessary for the Nigerian retail sector (Ekankumo & Wariowei, 2021). Another finding is that managers of foreign and local banks perceive Nigeria's environmental resources differently, and therefore respond to them with different strategic choices that lead to different outcomes (Nachum & Ogbechie, 2022). Additionally, South African retail firms expanding into Africa must adopt various capabilities and approaches instead of a single standard approach in venturing into Africa (Ekankumo & Wariowei, 2021).

The findings also suggest that an enabling environment is a key driver for South African firms doing business in Africa (Asongu & Odhiambo, Challenges of doing Business in Africa: A systematic review, 2019). Furthermore, firms must pursue ambidextrous strategies including new business models, investment in technology, develop strategic alliances, and internationalization (Ochie, Nyuur, Ludwig, & Cunngingham, 2022). Economic development is linked to the ease of doing business, and channel strategies are predictors of marketing performance for selected consumer goods (Adesoga & James, 2019).

The infrastructure development of shopping malls has changed the culture of shopping, but the valuable role of informal traders should not be ignored (Idoko, Ukenna, & Obeta, 2019). Cultural issues also play a significant role in doing business in Nigeria, and the importance of dynamic capabilities in shaping international strategies cannot be overstated (Ogbonna, 2010).

2.5 The interplay of localization, globalization, and South African multinational operations in Nigeria

The paper has noted research gaps in the value of glocalization and how multinational firms particularly in the retail sector can use the strategy as an entry into the complex, tough and challenging Nigeria, given the highly informalized market (Ikadeh & Cloete, 2020). There are developments and infrastructure investment that are happening in Nigeria, with the concentration on shopping malls that provides an opportunity for multinational firms from South Africa within the retail sector like Woolworths, PicknPay and Shoprite to perhaps reconsider going into Nigeria again as this speaks to the standardization of the operating model in South Africa. With these positive developments happening, the need for these multinational firms to localize their strategy is still important and at the core of attracting the Nigerian consumer. Glocalization can be defined as the process of multinational firms customizing and adopting their products and services to the local culture and language of the host country (Nasrudin, 2022). Glocalization can be argued to be a necessary catalyst for winning in the Nigerian market and yield financial results for multinational firms in the retail sector by meeting the local needs and wants of customers within the market. For instance, jollof rice and garri are considered to be some staple food that feature in the Nigerian culture (Oyibo, 2020) and, if the likes of Shoprite, PicknPay and Woolworths were to customize their product offering in Nigeria to cater to the staple food and culture of the Nigeria community, one can argue that they might have the potential of success, given that those staple foods make up the shopping basket of households in Nigeria. The example provided at hand demonstrates the advantage of glocalization for multinational firms within retail and how it has the potential to drive sales for the retail firms.

Key to the success of multinational firms operating in Nigeria is to operate within the ambit of the set-out laws and regulations of the country. Glocalization provides a critical advantage to multinational firms because it enables them to adapt to local regulations. For instance, it can be argued that every country has set rules and standards about product labelling and packaging (Gronkvist, 2018), and that every product and service must comply with those regulations. Nigeria may have set standards for product labelling and packaging for goods found on the shelf of stores, and by multinational retailers like PicknPay, Woolworths and Shoprite adopting a glocalization approach to Nigeria, they would be adopting to Nigerian regulations, and more importantly providing customers with the necessary information they need in informing their decision-making process when they buy a product.

The paper has provided the context culture plays in informing buying and decision-making for most consumers. Culture is a key component that multinational firms must grasp and ensure they respect when seeking opportunities to expand to other markets. Respect and regulations equally are the cornerstone and foundation for success in foreign territory. Glocalization one might argue is at the core of responding and solving the challenge of acclimating to the trading conditions of that country, in this case Nigeria. When multinational firms adopt a glocalization strategy, meaning that when they localize their products and services to the culture, language and needs of the Nigerian market (Nasrudin, 2022), they are inadvertently ensuring that they are building trust and brand loyalty. As a result of glocalization, multinational firms may be directly communicating to the customers that they are committed to serving them and meeting their local requirements.

The paper has stated at length the complex environment of the Nigerian market, especially within the retail sector, considering the slow pace of development in infrastructure like shopping malls (Ikadeh & Cloete, 2020) which most South African retails need for their operations, because that is the standard business model they (Games, 2004). However, by adopting a glocalization approach, multinational firms can have a better understanding of local markets and preferences that govern decision-making. Because of this approach of implementing a glocalization approach, multinational firms may gain traction in the market as they would be able to compete with local firms, providing them with the necessary differentiating factor, which has the net effect of creating a competitive advantage.

In essence the paper has tried to demonstrate the intrinsic value that is key to the success of multinational firms in the retail sector venturing into the Nigerian market. Glocaization enables multinational firms to operate and understand the regulations and culture of Nigerian, whom multinational firms must cater to if they are to be successful in that market.

2.6 PESTEL and South African multinational operations in Nigerian

The PESTEL analysis is an important theoretical framework that is necessary for organizations to understand the macroeconomic factors that affect their operations (Emmanuel, 2023). The political element of the framework is premised on the political function of a country and whether the country has political stability that will enable business to operate without the intervention of government as an example (Emmanuel, 2023). Governments set trade policies and regulations within a country (ITA, 2021) which have direct impact on the operations of a country, and by having a clear understanding of the political landscape, multinational firms may be better equipped and informed on the strategies they may employ and decision-making process in how to venture into the Nigerian market.

The economic aspect of the theoretical framework engages and highlights key factors of a country’s economic performance like inflation rates, economic policies and exchange rates which have a huge bearing on the operations of multinational firms venturing into Nigeria (Cliff, 2022). Nigeria is classified as the biggest economy within the African continent (ITA, 2021) and this is evidenced by its GDP, which makes it an attractive investment destination for most multinational firms looking to expand outside their country. GDP shortly known as Gross Domestic Product is a measure of a country's economic activity considering the total output of goods and services produced within a specific time (Bondarenko, 2022). Having an understanding and knowledge of such statistics has a great influence on multinational firms seeking to venture into Nigeria given that they can determine if there is commercial value in expanding to the Nigerian market.

The social factor within the theoretical framework speaks to the factors that affect a country such as demographics, cultural norms, and belief systems. It is critical and very important for a multinational firm to know these values as they align to the decision-making process that consumers make. For instance, Christianity is the most dominant religion in South Africa (Scroope, 2019), while in Nigeria Islam is the dominant religion (Diamant, 2019) therefore having an impact on the value system and culture in a country. Multinational firms seeking to venture need to understand the nuances and respect the culture, which demonstrates the impact of knowledge as well and how understanding these factors is important.

Technology is argued to be fundamental for change in operations and industries as it informs new ways and processes that will have an impact on a company. Nigeria is no exception to the impact of technology, and it is therefore important for multinationals firms looking into expanding into the market, to grasp the technological developments as they will have a direct impact on the firm. Technological factors include factors such as access to the internet and telecommunication infrastructure (Emmanuel, 2023). For example, a multinational firm that is venturing into Nigeria offering digital payment solutions when internet access is only available for a few might experience challenges in gaining traction in that market. It is for this reason that the paper highlights and engages on the impact of understanding such factors has on multinational firms venturing into Nigeria.

It is of the utmost importance for a multinational to understand the environmental landscape of a country they are venturing into, as it has a direct impact on the operations and success of the multinational firm. The environmental factors are factors concerned with the environment such as perhaps weather conditions and waste management regulations within that country (Emmanuel, 2023). For instance, the paper will provide an example and assume that Nigeria does not experience winter. A multinational retailer must understand these environmental factors to avoid exporting winter clothes in Nigeria which would not probably sell given the assumption that the country does not experience winter. It is therefore critical for multinational firms to understand and be attuned to these factors as they have a direct impact on their operations and decision-making process.

Lastly, the paper will engage the legal factor within the theoretical framework to demonstrate the impact the element has on the operations of multinational firms looking to venture into Nigeria. The legal factors are made up of elements such as labour laws and the protection of property rights or intellectual property (Emmanuel, 2023). Multinationals must be informed by these factors as they govern the operations and have a direct impact.

The paper has attempted to discuss the value of the PESTEL analysis framework and how it has a direct impact on the operations of a multinational company. By discussing the theoretical framework, the paper has attempted to corroborate why it is important to in guiding the research study on exploring the challenges of selected multinational firms in the retail sector doing business in Nigeria.

2.7 Socio-Cultural dynamics and South African multinational operations in Nigeria

Understanding and respecting the cultural differences between South Africa and Nigeria is essential for multinationals to succeed in the Nigerian market. Nigeria is a diverse country with over 250 ethnic groups and different cultural practices, which have a significant impact on business operations (Ogbonna, 2010). Multinationals from South Africa need to understand the local culture, customs, and values to establish relationships with stakeholders and create a positive image in the market.

Moreover, having a diverse workforce that includes locals and expatriates can help multinationals from South Africa understand and navigate the local culture better. Local employees can provide valuable insights into the Nigerian market and help multinationals adapt their strategies to the local context (Ogbonna, 2010).

Cultural differences can also impact marketing and branding strategies, product design, and pricing strategies. South African multinationals must understand the cultural nuances that influence consumer behaviour and preferences to develop effective marketing strategies.

Furthermore, multinationals from South Africa need to be mindful of the social responsibility and sustainability practices that are culturally relevant to Nigeria (Games, 2004). Adopting socially responsible practices that align with the cultural values of Nigeria can help build trust and credibility with local stakeholders and create a competitive advantage in the market.

2.8 Research gaps identified:

Limited research on South African multinationals in Nigeria: There is a lack of research specifically focused on the challenges faced by South African multinationals in the Nigerian retail sector. Most existing research has focused on the general challenges of doing business in Nigeria or the experiences of multinational companies from other countries in Nigeria.

Limited understanding of cultural differences: While the importance of cultural differences is acknowledged in international business literature, there is a limited understanding of how cultural differences impact the operations of South African multinationals in the Nigerian retail sector.

Lack of focus on collaboration with local organizations: There is a lack of research on how South African multinationals collaborate with local organizations in Nigeria to navigate the challenges of operating in the retail sector. Collaboration with local organizations can provide valuable insights and support for multinationals operating in emerging markets.

Limited research on social responsibility practices: The research on the social responsibility practices of South African multinationals in the Nigerian retail sector is limited. Given the increasing importance of corporate social responsibility practices, there is a need to explore how South African multinationals adopt and implement these practices in the Nigerian market.

2.9 Conceptual framework for the study:

Theories of internationalization, globalization, and entry modes of multinational corporations (MNCs) are important for the research topic "Exploring the challenges encountered by multinationals from South Africa within the retail sector in Nigeria" because they provide a theoretical framework for understanding why South African multinationals enter the Nigerian market and the challenges they may face in the process.

Firstly, the theory of internationalization helps to explain why firms engage in foreign market entry. The theory suggests that firms internationalize to gain access to new markets, reduce costs, and increase profits, therefore, understanding this theory can help to explain why South African multinationals enter the Nigerian market and the potential benefits they seek to gain (Magdin, 2021).

Secondly, the theory of globalization helps to explain the interconnectedness of markets and economies across the world. The theory suggests that globalization has led to the integration of markets, and this integration has created opportunities for firms to expand into new markets (Altman & Bastian, 2021). Therefore, understanding this theory can help to explain the broader context in which South African multinationals enter the Nigerian market.

Lastly, the theory of entry modes of multinational corporations helps to explain how firms enter foreign markets. The theory suggests that firms can enter foreign markets through different entry modes, such as exporting, licensing, joint ventures, and foreign direct investment (FDI) (Chand, 2020). Therefore, understanding this theory can help to explain why South African multinationals choose specific entry modes when entering the Nigerian market and the challenges associated with each entry mode.

Figure 4: structure of multinational corporations' framework, source (Boso, Adeleye, & White, 2016)

2.10 Research framework

Related Theories and Conceptual Framework:

Theories of internationalization, globalization, and entry modes of multinational corporations (MNCs) are important for the research topic "Exploring the challenges encountered by multinationals from South Africa within the retail sector in Nigeria" because they provide a theoretical framework for understanding why South African multinationals enter the Nigerian market and the challenges they may face in the process.

Internationalization is a process through which businesses expand their activities across national borders (Magdin, 2021). There are several theories of internationalization that explain how and why firms engage in international activities. In this response, the paper discusses some of the prominent theories of internationalization, their core themes, and their importance.

1. Uppsala model: The Uppsala model, also known as the stage's theory of internationalization, was proposed by Johanson and Vahlne in 1977 (Thomas, Hult, Gonzalez-Perez, & Lagerstrom, 10). The model suggests that firms gradually increase their internationalization activities over time as they acquire knowledge and experience in foreign markets (Arvidsson & Arvidsson, 2019). The core theme

of this theory is that internationalization is a learning process that is influenced by the firm's past experiences and the level of psychic distance between the home and host countries (Arvidsson & Arvidsson, 2019). The Uppsala model is important because it provides a framework for understanding the process of internationalization and the factors that influence it.

2. Network theory: Network theory suggests that firms engage in international activities through their social and business networks (Ratajczak-Mrozek, 2017). The core theme of this theory is that internationalization is influenced by the relationships and networks that firms have with other firms, suppliers, customers, and other stakeholders in foreign markets (Johanson & Pao, 2017). The importance of network theory lies in its recognition of the importance of social and business networks in facilitating internationalization.

3. Eclectic paradigm: The eclectic paradigm, also known as the OLI framework, was proposed by John Dunning in 1977 (Huluman, 2022). The model suggests that firms engage in international activities based on three factors: ownership advantages, location advantages, and internalization advantages (Huluman, 2022). The core theme of this theory is that firms engage in international activities to exploit their competitive advantages and to overcome market imperfections (Huluman, 2022). The eclectic paradigm is important because it provides a comprehensive framework for understanding the factors that influence internationalization.

4. Institutional theory: Institutional theory suggests that firms engage in international activities to conform to the norms and values of the institutional environment in which they operate (Hanna & Hossain, 2017). The core theme of this theory is that internationalization is influenced by the regulatory, normative, and cognitive institutions that exist in different countries (Sahin & Mert, 2022). The importance of institutional theory lies in its recognition of the importance of institutional factors in shaping the behavior of firms.

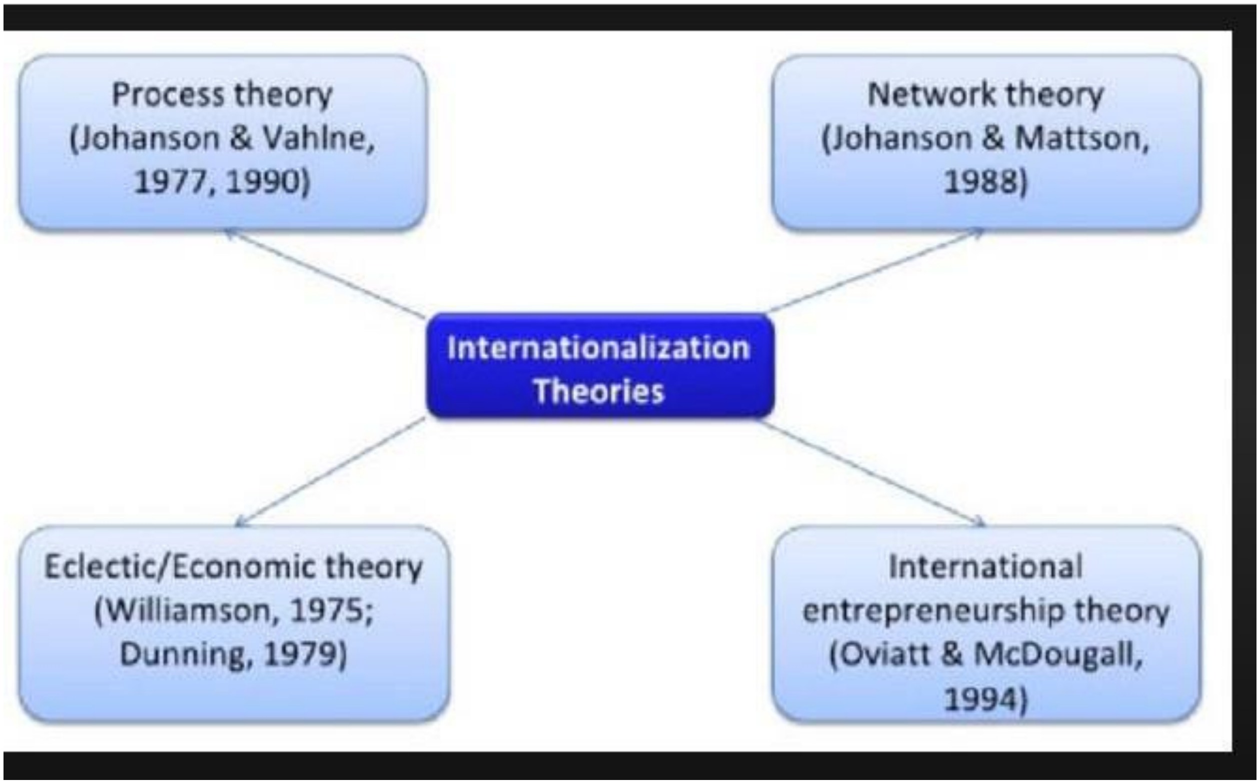

Figure 5: Internationalization framework concept Source: (Oyedele, 2015)

Globalization is a complex and multifaceted process that involves the integration of economies, societies, and cultures across national borders (Ekankumo & Wariowei, 2021). There are several theories of globalization that attempt to explain the causes, processes, and consequences of this phenomenon. In this response, the paper will discuss some of the prominent theories of globalization, their core themes, and their importance.

1. Modernization theory: Modernization theory suggests that globalization is a result of the spread of modernity and capitalist economic systems (Crossman, 2019). The core theme of this theory is that globalization is a positive force that leads to economic growth, technological progress, and cultural convergence (Crossman, 2019). The importance of modernization theory lies in its historical significance as one of the earliest theories of globalization and its influence on policies and practices in the post-World War II era.

2. Dependency theory: Dependency theory suggests that globalization perpetuates and reinforces the economic and political dominance of developed countries over developing countries (Parvati, 2018). The core theme of this theory is that globalization creates and perpetuates global inequalities, exploitation, and underdevelopment (Parvati, 2018). The importance of dependency theory lies in

its critique of the dominant discourse of globalization and its call for a more equitable and just global economic system.

3. World-systems theory: World-systems theory suggests that globalization is a result of the expansion and integration of a global capitalist world-system (Drew (PhD), 2023). The core theme of this theory is that globalization is a historical process that is shaped by power relations, economic interests, and cultural exchanges (Drew (PhD), 2023). The importance of world-systems theory lies in its emphasis on the interconnectedness of global processes and its recognition of the role of multiple actors and factors in shaping globalization.
4. Cultural imperialism theory: Cultural imperialism theory suggests that globalization leads to the homogenization and domination of cultural values and practices of dominant cultures over subordinate cultures (García & Birkinbine, 2018). The core theme of this theory is that globalization creates and perpetuates cultural hegemony and erodes cultural diversity (García & Birkinbine, 2018). The importance of cultural imperialism theory lies in its critique of the cultural dimensions of globalization and its call for cultural pluralism and diversity.

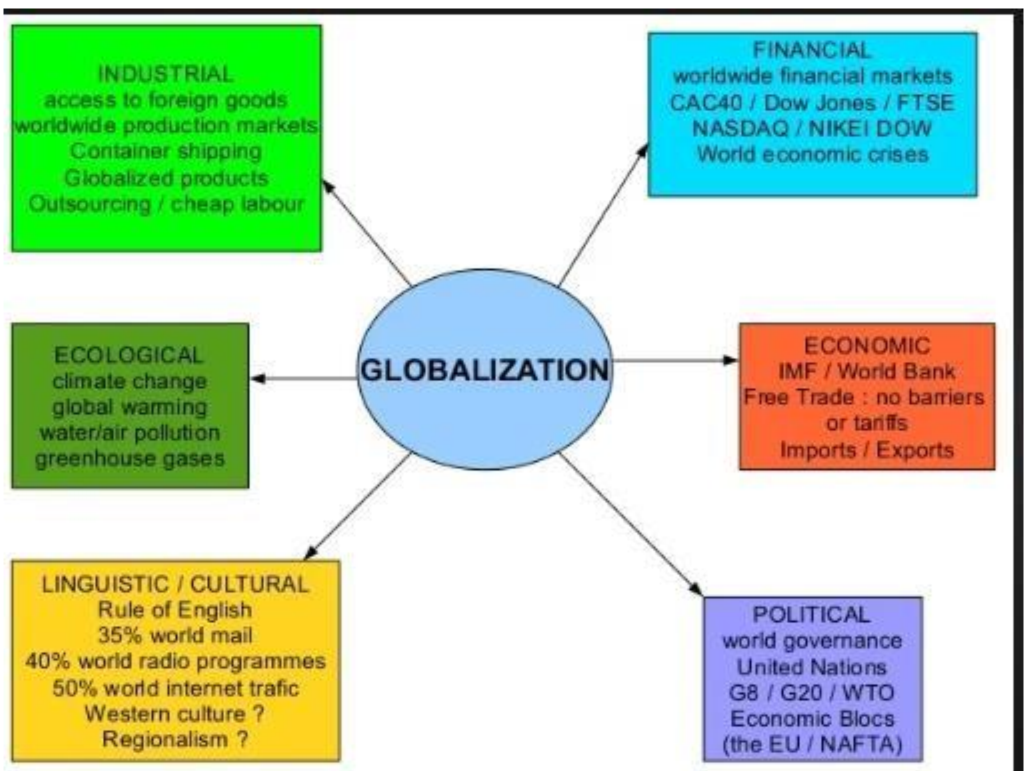

Figure 6: Globalization framework source: (Altman & Bastian, 2021)

Multinational corporations (MNCs) are firms that operate in multiple countries and have a global presence. The choice of entry mode is a crucial decision for MNCs as it determines the extent of their control over their foreign operations and the level of risk they assume (Chand, 2020). There are several theories of entry modes that explain the factors that influence the choice of entry mode by MNCs. In this response, I will discuss some of the prominent theories of entry modes, their core themes, and their importance.

1. Transaction cost theory: Transaction cost theory suggests that the choice of entry mode by MNCs is influenced by the transaction costs associated with different modes of entry (Dunn, 2011). The core theme of this theory is that MNCs seek to minimize their transaction costs by choosing the entry mode that is most efficient and cost-effective (Dunn, 2011). The importance of transaction cost theory lies in its emphasis on the economic rationale for the choice of entry mode and its practical implications for MNCs (Dunn, 2011).
2. Resource-based view: The resource-based view suggests that MNCs choose entry modes that allow them to leverage their unique resources and capabilities. The core theme of this theory is that MNCs seek to create value by leveraging their resources and capabilities in the foreign market. The importance of resource-based views lies in its emphasis on the strategic importance of resources and capabilities for MNCs and its implications for their entry mode choices.

3. Institutional theory: Institutional theory suggests that MNCs choose entry modes that conform to the norms, values, and regulations of the institutional environment in which they operate. The core theme of this theory is that MNCs seek to gain legitimacy and avoid institutional voids by choosing entry modes that are consistent with the institutional environment. The importance of institutional theory lies in its recognition of the importance of institutional factors in shaping the behavior of MNCs and its implications for their entry mode choices.

4. Exporting: Exporting involves selling goods or services produced in the home country to customers in the foreign market (Chand, 2020). This mode is suitable for MNCs that want to test the waters in a foreign market before making a larger commitment. The advantages of exporting include low entry costs, minimal risk, and quick entry (Chand, 2020). However, the disadvantages include limited control over the distribution process, and limited potential for growth (Chand, 2020).

5. Licensing: Licensing involves granting a license to a foreign firm to use the MNC's intellectual property, such as patents, trademarks, or technology (Chand, 2020). This mode is suitable for MNCs that have valuable intellectual property but do not want to assume the risk of operating in the foreign market. The advantages of licensing include low entry costs, minimal risk, and access to local knowledge and

networks (Chand, 2020). However, the disadvantages include limited control over the licensee's operations, and limited potential for growth (Chand, 2020).

6. Joint venture: A joint venture involves forming a partnership with a local firm to establish a new company that operates in the foreign market (Chand, 2020). This mode is suitable for MNCs that want to share the risks and costs of entering a foreign market with a local partner (Chand, 2020). The advantages of joint ventures include access to local knowledge and networks, shared risk and costs, and greater control over operations (Chand, 2020). However, the disadvantages include potential conflicts with the local partner, and limited potential for growth (Chand, 2020).
7. Wholly owned subsidiary: A wholly owned subsidiary involves establishing a new company that is wholly owned by the MNC and operates in the foreign market (Chand, 2020). This mode is suitable for MNCs that want full control over their operations in the foreign market (Chand, 2020). The advantages of wholly owned subsidiaries include full control over operations, the ability to leverage the MNC's resources and capabilities, and greater potential for growth (Chand, 2020). However, the disadvantages include high entry costs, high risk, and the need for local knowledge and networks (Chand, 2020).

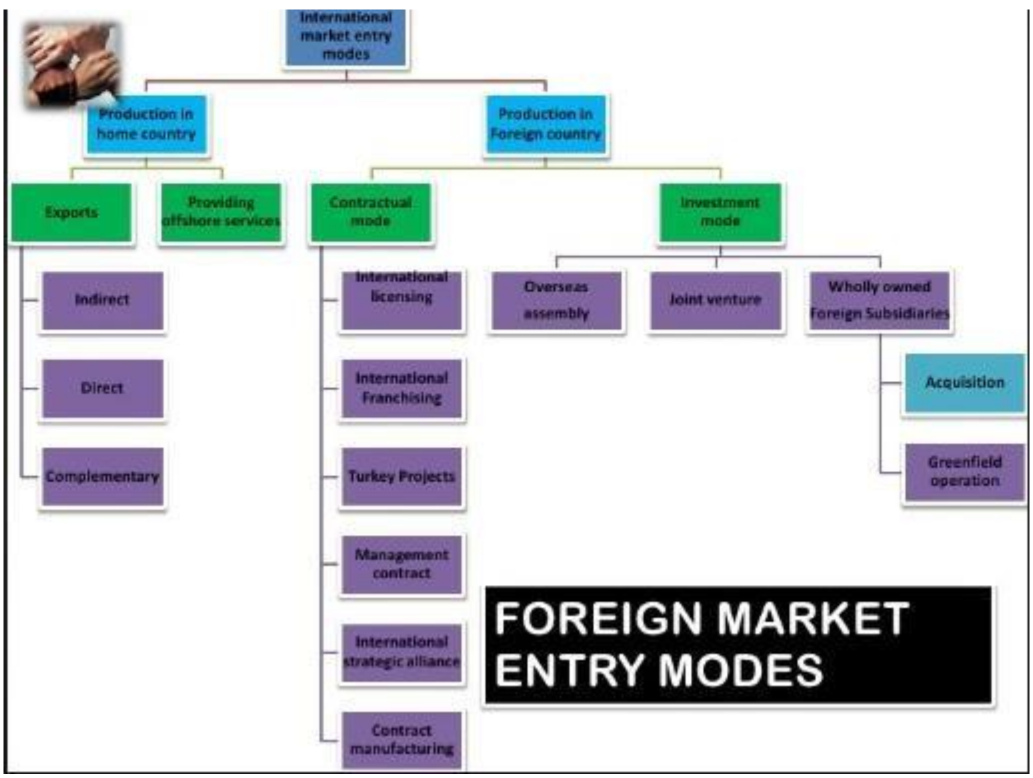

Figure 7: Entry modes framework source (Chand, 2020)

Porter's Five Forces model can be used to analyze the operational challenges encountered by selected South African multinational corporations in Nigeria. The Five Forces model provides a framework for understanding the competitive environment in which companies operate and the factors that impact their profitability and sustainability (HBS, 2008). The five forces identified in Porter's model are:

1. Threat of new entrants: The threat of new entrants refers to the potential for new companies to enter the market and compete with existing companies (HBS, 2008). In the case of South African multinationals operating in Nigeria, the threat of new entrants could come from local or foreign companies that enter the Nigerian market and offer similar products or services. This could increase competition and reduce the market share of South African multinationals.

2. Bargaining power of suppliers: The bargaining power of suppliers refers to the ability of suppliers to influence the price and quality of products or services (HBS, 2008). In the case of South African multinationals operating in Nigeria, suppliers could include local manufacturers, distributors, or service providers. If suppliers have significant bargaining power, they could demand higher prices or lower quality, which would increase operational costs for South African multinationals.

3. Bargaining power of buyers: The bargaining power of buyers refers to the ability of customers to influence the price and quality of products or services (HBS, 2008). In the case of South African multinationals operating in Nigeria, buyers could include individual customers or other companies that purchase their products or services. If buyers have significant bargaining power, they could demand lower prices or higher quality, which would reduce the profitability of South African multinationals.

4. Threat of substitute products or services: The threat of substitute products or services refers to the potential for customers to switch to alternative products or services that meet the same needs (HBS, 2008). In the case of South African multinationals operating in Nigeria, the threat of substitute products or services could come from local or foreign companies that offer similar products or services. This could reduce the market share and profitability of South African multinationals.

5. Intensity of competitive rivalry: The intensity of competitive rivalry refers to the level of competition among existing companies in the market (HBS, 2008). In the case of South African multinationals operating in Nigeria, the intensity of competitive rivalry could be influenced by the number of companies operating in the market, their market share, and their marketing and sales strategies. If the level of competition is high, South African multinationals may face lower profitability and increased operational challenges.

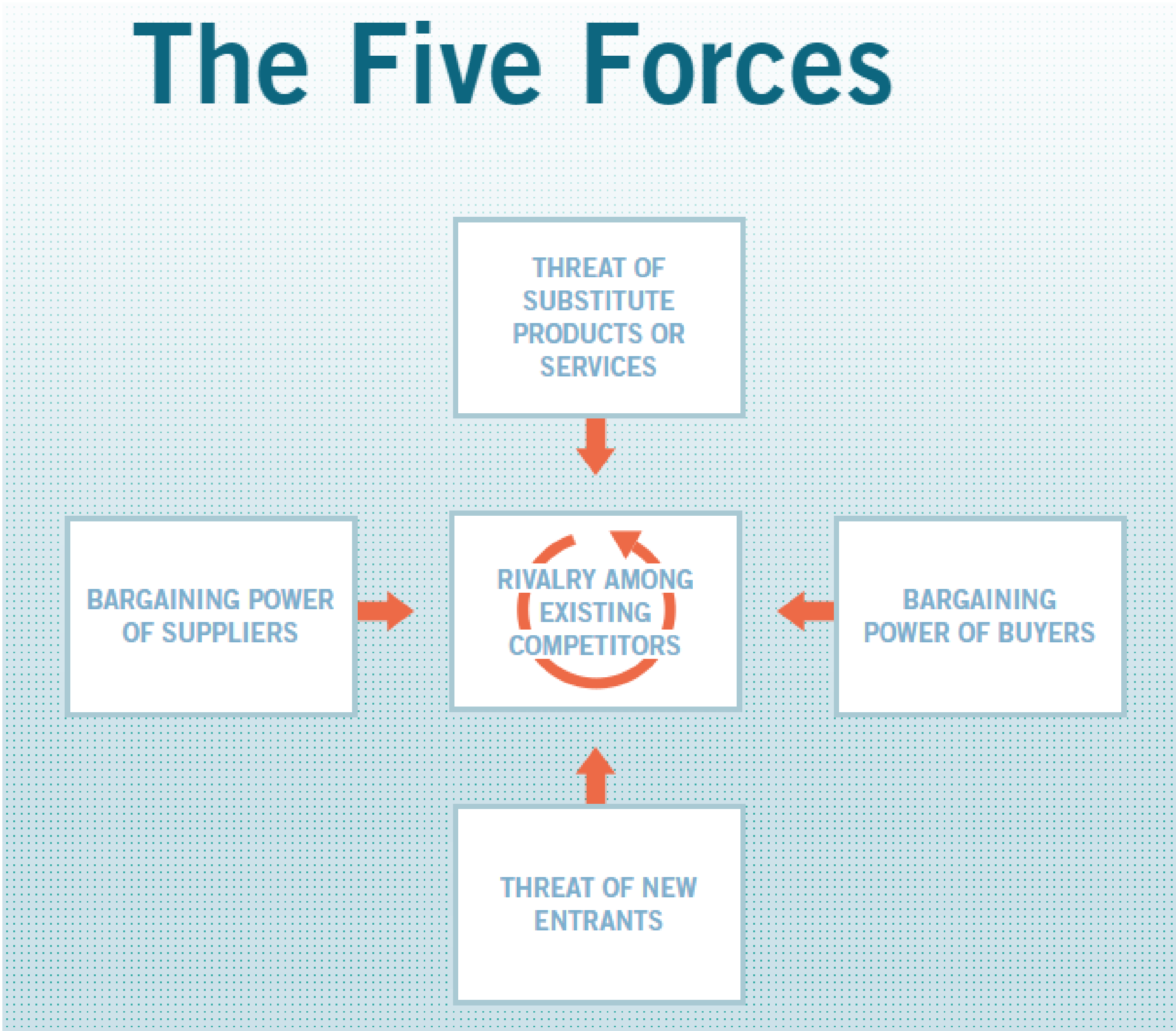

Figure 8: Porters five forces source (HBS, 2008)

2.11 Research question/problem:

The research topic of "Exploring the Operational Challenges Encountered by Selected South African Multinational in Nigeria" is an important area of study that requires a comprehensive investigation. The research problem in this topic is the need to understand the specific operational challenges that South African multinational corporations face when operating in Nigeria.

South African multinational corporations have been increasingly expanding their operations into various African countries, including Nigeria, due to the potential for economic growth and the need to diversify their operations (Boso, Adeleye, & White, 2016). However, operating in a foreign market presents various challenges that can affect the success of a multinational corporation. Therefore, understanding the operational challenges that South African multinationals face in Nigeria is important to identify strategies that can improve their operations and increase their success in the country.

The specific research problem can be identified as follows: What are the operational challenges faced by selected South African multinational corporations when operating in Nigeria, and how do these challenges impact their operational performance and success in the country? This problem requires a comprehensive investigation of the specific challenges that South African multinationals face, such as cultural differences, political and regulatory risks, competition, and market adaptation, to provide insights that can inform business strategies and decision-making (Reding, 2022).

Addressing this research problem can contribute to the existing body of knowledge on international business and provide insights into the challenges that multinational corporations face when operating in foreign markets. Additionally, it can inform policymakers and business leaders on the need to create an enabling environment for multinational corporations to operate effectively in Nigeria (Emmanuel, 2023), which can have a positive impact on economic growth and development in the country and for the South African firms expanding to Nigeria.

2.12 Justification for selected theories/frameworks:

The theories of internationalization, globalization, and entry modes of MNCs provide a theoretical foundation for understanding the challenges faced by South African MNCs operating in Nigeria.

Internationalization theory explains the process of a company expanding its operations beyond its domestic market and entering foreign markets (Szunomar, 2020). This theory helps to understand the reasons why South African MNCs may choose to enter the Nigerian market and the challenges they may face in the process (Szunomar, 2020)

Globalization theory provides insight into the broader trends and forces that are driving global economic integration, including the movement of goods, services, capital, and people across borders (Altman & Bastian, 2021). This theory helps to understand how the global economic environment may affect the operations of South African MNCs in Nigeria and the challenges they may encounter due to the interdependence of global economies (Altman & Bastian, 2021).

Entry mode theory helps to explain the different ways in which MNCs can enter foreign markets and the factors that influence their choice of entry mode (Chand, 2020). This theory helps to understand how South African MNCs may have entered the Nigerian market and the challenges they may face due to their choice of entry mode (Chand, 2020).

By applying these theories and concepts to the research question of exploring the operational challenges encountered by selected South African multinational corporations in Nigeria, the paper can develop a comprehensive understanding of the challenges faced by South African MNCs in Nigeria and the underlying factors that contribute to these challenges.

Chapter 3

Research Methodology

3.1 Background

This study explored the operational challenges encountered by selected South African multinationals in Nigeria. The study used a qualitative approach, with data collected through semi-structured interviews with senior managers from the selected multinationals. The interviews would be underpinned by themes as follows:

- Political instability: Nigeria is a country with a long history of political instability. This has made it difficult for MNCs to operate in the country.
- Economic challenges: Nigeria is a developing country with a relatively low per capita income. This has made it difficult for MNCs to sell their products and services in the country.
- Cultural differences: Nigeria is a country with a rich and diverse culture. This can make it difficult for MNCs to understand and adapt to the local culture.

Exploring this topic is critical because it seeks on building on the knowledge that is already available in growing intra African trade.

3.2 Research Approach

In research, the three common approaches used are quantitative, qualitative, and mixed methods. With a view to addressing the research objectives, the researcher anticipates the type of data required for the study. For instance, the researcher determines whether it will be necessary to have textual, numerical, or both types of data. Based on this analysis, the researcher selects one of the approaches mentioned above to carry out the study. The quantitative approach is typically used to address research problems that require numerical data, the qualitative approach to address questions that call for textual data, and the mixed methods approach to address questions that call for both numerical and textual data (Williams, 2007).

Quantitative research can be applied to respond to relational questions of variables in a study. This approach intends to establish, validate, or confirm relationships and create broad generalizations which contribute to theory (Williams, 2007). It is used to establish linkages between variables and outcomes and aims to test hypotheses of a generalized population (Rutberg & Bouikidis, 2018).

Qualitative research is explorative in nature and aims to describe, explain, and analyse data that has been collected. Qualitative research is less organized in its descriptions because it develops and generates new theories (Williams, 2007). It seeks to understand, explore, discover, explain, and clarify experiences, situations, attitudes, values, feelings, beliefs, and perceptions of people in a group (Williams, 2007). With a flexible research design that results in rich, compelling narratives, qualitative research investigates phenomena in-depth and holistically (Rutberg & Bouikidis, 2018). The mixed methods approach combines both quantitative and qualitative approaches. It draws on the strengths of both qualitative and quantitative research (Creswell, 2017).

A qualitative research approach was proposed for this study, as it allows researchers to explore and understand the operational challenges of South African multinational firms in the Nigerian market specifics, experiences, and opinions in depth. It provides rich and nuanced data that can be used to interpret the subjective aspects of the research questions. Because interviews allow for in-depth probing and observation of respondent reactions to queries as well as the ease with which answers are provided, qualitative research in this format was suggested.

Through qualitative research, underlying reasons, motivations, and complexities associated with the various aspects of the research questions can be uncovered. This approach enables them to capture the nuances and subtleties that may not be adequately captured through quantitative methods alone. Additionally, qualitative research allows for flexibility in data collection and analysis, allowing researchers to adapt their approach as new insights emerge.

3.2.1 Research Paradigm

Researchers' decisions are profoundly influenced by their philosophical underpinnings. In grounded theory (GT), a constructivist perspective guides the research (Creswell & Poth, 2017, as cited in Flick, 2022). This approach rejects the notion of a single, objective reality. Instead, constructivist GT emphasizes the co-creation of knowledge between researchers and participants (Teherani et al., 2015). Participants' lived experiences and interpretations of reality become the foundation for theory development.

A strong grounding in the constructivist paradigm is crucial for crafting realistic research proposals, securing ethics approval, and employing a rigorous yet flexible research design. This approach draws on symbolic interactionism, pragmatism, and the "constructivist turn" in epistemology (the study of knowledge). Social reality, according to this view, is continually constructed and reconstructed through everyday interactions and interpretations within and between individuals, groups, and communities.

Constructivist GT researchers reject the idea of completely objective, unbiased research. They acknowledge that data is always shaped by the perspectives of both the researcher and the participants, situated within a specific social and cultural context (Bryant, 2017; Thornberg et al., 2015, as cited in Flick, 2022).

Core Features of Constructivist Grounded Theory:

- **Critical Reflexivity:** Researchers constantly examine their own biases and how they might influence the research process.
- **Researcher Positionality:** Researchers acknowledge their own backgrounds and how they might shape their interpretations.
- **Early Literature Review:** Conducting a literature review at the outset helps inform the research but remains open to adaptation as new insights emerge.
- **Flexible Data** Collection **and Sampling**: Data collection methods and participant selection might evolve as the research progresses through theoretical sampling.
- **Meaningful Participant Involvement:** Researchers strive to involve participants in a meaningful way, potentially including them in data analysis or interpretation.

By embracing these core features, researchers employing constructivist GT can generate rich and nuanced theories grounded in the lived experiences of participants.

3.3 Data Collection

3.3.1 Population and Sample

Population and sample background

The population of and sample of those the paper is interested in is mainly senior managers who have had experience working on intra African trade and informing strategy and key decision-making on behalf of the firms they work for. The paper is seeking to engage senior managers especially from South African Multinational firms like Woolworths, Shoprite, PicknPay, and Tiger Brands. These are organizations that have explored the Nigerian market and have had challenges and from their wealth of wisdom, experience and expertise will contribute significantly to the body of knowledge and the study about the Nigerian market. If at least one senior managers from each of the mentioned brands can participate in the research, the study would be able to gather important insights that would build on the existing knowledge of the Nigerian market (Boso, Adeleye, & White, 2016), but most importantly, advance the mandate of the African Free Trade Agreement Area that seeks to improve intra Africa trade (Freund & Zeufack, 2020)

Population

1. For this research interview a purposive sampling method was considered, which involves selecting participants based on their knowledge, experience, or relevance to the research question. In this type of sampling the researcher selects a sample of participants from the target population, aiming to include a diverse range of participants based on factors such as gender, age, academic performance, and

personal experiences.

2. **Population**: Senior managers working at multinational firms who have had operations in Nigeria.

Recruitment: The method used by the researcher was through electronic contact with prospective participants and all were informed of the study's objective

confidentiality policies, and voluntary participation. It must be noted that in other instances human encounters can also be deployed to put the participants at ease, however, this depends on the availability of the participants and the urgency of the information. Since the introduction of the POPI act participants had to give their consent prior taking part in the interview.

1. Interview Guide: A semi-structured interview guide was created with free-form inquiries and directives pertaining to the research topic. The participant's sharing of their experiences and viewpoints was flexible under the guiding, it was expected to receive differences in the views of the participants. This is attributed to the different experiences that each participant had pertaining to the challenges students went through during preparation for the research proposal.

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3.1.2 Sampling Design

The Criterion Sampling approach was employed for this qualitative investigation. Criterion Sampling method falls under purposeful sampling methods, it uses a specific pre-established criteria such as qualifications or experiences, that are relevant to a specific research question by identifying a sample that possess the right attributes that can contribute to unpacking a specific research question (Pradhan et al., 2019).

Characteristics of the target respondents:

Senior managers	People who have had a decision in the strategic operations of the company in Nigeria.
Companies that have been in Nigeria	This study only focuses on companies that have had operations in Nigeria
Managers that can add value to the study	Managers that have significant experience in intra African trade
Time frame	The senior managers and companies must have tried to explore the Nigerian market in the last 5 years

The Criterion Sampling method was appropriate for this study because it uses pre-established criteria to select the right participants who have the right attributes such as the qualification and experiences related to the research question, which is the knowledge of guiding multinational firms expand outside the boarders of South Africa. This sampling strategy enabled in-depth investigation of the research problem by providing educated insights and informed perspectives from participants who satisfied the established criteria.

3.1.3 Research Instruments & Data Collection Procedures

Research Instruments and data collection procedure:

Qualitative open-ended questionnaires are appropriate for the study and data collection procedure because they reach a large sample. Open-ended questionnaires can reach a large sample of senior manager participants in a short amount of time, this allows for a diverse range of opinions to be gathered and analysed (McCombes, 2022). This reduces potential biases and errors that can arise in other forms of data collection. Open-ended questionnaires are easy to administer, as they can be sent electronically to participants and can be completed at the participants' convenience (Pitkin, 2020). This also eliminates the need for face-to-face interviews, which can be time-consuming and costly. Interview questions can be anonymous, which can encourage participants to provide honest and candid responses without fear of judgment or repercussions (Pitkin, 2020).

Design aspects of the Interview questions:

1. Clear and concise language: Use clear and concise language to ensure that participants understand the questions. Avoid technical jargon or complex terminology that may be difficult for participants to understand (Pitkin, 2020).

2. Short and focused questions: Keep questions short and focused to ensure that participants remain engaged and do not get overwhelmed. Use one question per item and avoid combining multiple questions into one item (McCombes, 2022).

3. Logical order: Organize questions in a logical order that flows smoothly and makes sense. Start with general questions and then move towards more specific questions (Balamurugan, 2023).

4. Avoid leading questions: Avoid using leading questions that may bias participants towards a particular response. Use neutral language and avoid using emotionally charged or suggestive language (Balamurugan, 2023).

5. Clear and visible instructions: Provide clear and visible instructions for participants on how to complete the questionnaire. Include information on how to navigate the questionnaire, how to submit it, and how the data will be used (Pitkin, 2020).

3.2 Data Analysis

A three-step approach was followed in formulating the themes for the data set, which involves coding, categorization and then identifying the emerging themes.

The three-step approach identified above. This approach was important to classify the challenges and themes according to the uniqueness of each assignment. This approach also enhances the trustworthiness of the results. In analysing the results, a thematic analysis approach will be used. This is a flexible method that is used to identify and analyse patterns or themes within qualitative data. It involves coding the data into categories and then developing themes that capture the essence of these categories.

As such, this section of the report will discuss the themes and findings of the responses separately. The structure of this section of the report is such that section based on the themes and findings on assignments and highlighting the similarities and differences in the challenges that the respondents experienced. The themes that emerged from the coding and categorization responses are methodological challenges, resource challenges, format and structure challenges, conceptual challenges, and understandability of the instructions.

Methodological challenges

The methodological challenges can further be analysed from a scoping, analysis and synthesis point of view. Scoping refers to assessing the quality of the literature review obtained, deciding which literature review is relevant to the topic and how many journal articles to include (Moswete, 2011). The challenges around scoping are clearly linked and may be interrelated to time constraint issues as the inability to clearly scope and define the literature to review resulted in respondents having to review too many journal articles and not having sufficient time to go through them (Moez, 2023).

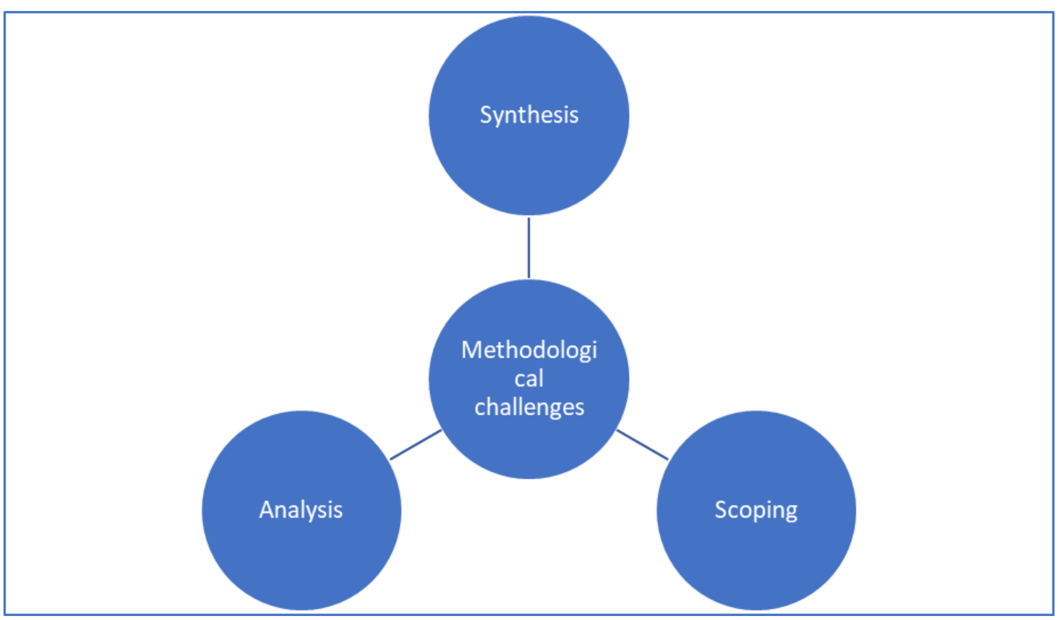

Figure 1 – *Methodological challenges (Moez, 2023)*

Analysis refers to the ability to understand literature and providing your own interpretation of the key findings (Moez, 2023). Analysing and interpreting data also involves being able to identify research gaps which was one of the challenges identified (Moswete, 2011). Synthesis refers to the ability to integrate all literature (Garrard, 2017).

3.3 Trustworthiness and ethical issues:

Trustworthiness involves ensuring the credibility, transferability, dependability, and confirmability of the research findings. To achieve credibility, researchers must utilize reliable sources, robust methodologies, and transparent reporting to establish the validity of their findings (Flemings, 2018). This ensures that that when writing, broad sources of information are consulted to build a paper that is supported by historical literature and other work done within the field to produce a body of knowledge. Ethical issues revolve around principles such as informed consent, confidentiality, avoiding harm, and managing conflicts of interest (Jenn, 2006). Informed consent requires researchers to obtain consent from participants, ensuring that they understand the purpose of the study, their rights, and any potential risks or benefits involved (Jenn, 2006). Confidentiality entails safeguarding the privacy of participants by anonymizing data, using pseudonyms, and securely storing sensitive information (Jenn, 2006). The Popi Act, within South Africa's context is a set of minimum prescribed rules and standards of how to deal with people's personal data ensuring that the data collected is used specifically for the intended purpose and that it is equally protected (Davy, 2021)

Chapter 4

Data Analysis and Result Discussion

4.1 Introduction:

In the ever-evolving landscape of global business, the expansion of multinational firms into foreign markets is a strategic imperative for growth and sustainability. This is particularly evident in the relationship between South African multinational companies and their operations in Nigeria. Nigeria, as the most populous country in Africa, presents both significant opportunities and unique challenges for foreign enterprises.

Over the past decade, South African firms, including retail giants like Shoprite and Woolworths, have ventured into the Nigerian market, seeking to capitalize on its economic potential. However, the success of these ventures has been intricately tied to the complex interplay of political, regulatory, cultural, and logistical factors.

Given the complexities involved in conducting business in Nigeria, a thorough understanding of the operational landscape is crucial for South African multinational firms. This research aims to delve into the experiences of these firms through qualitative analysis. By systematically examining the challenges and strategies employed by these companies, we seek to identify patterns, trends, and correlations that contribute to a comprehensive understanding of the Nigerian business environment.

Objectives of the Research:

1. **Political Environment:** Explore the perceived impact of the political environment in Nigeria on South African multinational firms and assess the specific challenges encountered.
2. **Regulatory Landscape:** Investigate the strategies employed by these firms to navigate regulatory and bureaucratic hurdles in Nigeria, focusing on effectiveness and areas of improvement.
3. **Cultural Dynamics:** Examine the cultural nuances between South Africa and Nigeria and evaluate how these differences affect relationships with local employees, customers, and partners.
4. **Logistics and Infrastructure:** Analyse the impact of logistics and infrastructure challenges on supply chain management and distribution networks, identifying bottlenecks and successful mitigation strategies.
5. **Security and Safety Measures:** Investigate the measures taken by firms to ensure the security and safety of operations, employees, and assets, especially in diverse cultural landscapes.

6. **Import/Export Regulations:** Assess the challenges related to import/export regulations and their influence on business operations.
7. **Information Sources:** Explore how firms stay updated on the changing political and cultural landscape in Nigeria and examine the role of this information in strategic decision-making.
8. **Recommendations:** Provide actionable recommendations to enhance operational efficiencies and success for South African multinational firms in Nigeria based on the identified challenges.

This report is organized into sections corresponding to the research objectives, with each section presenting a detailed analysis of the pertinent data. The findings aim to offer valuable insights for businesses, policymakers, and researchers interested in the dynamics of cross-border operations in challenging environments. This introduction sets the stage for the research, outlining the context, rationale, objectives, and structure of the report.

4.2 Participant profiles:

The interviews conducted for this research were with distinguished individuals who can be described as corporate titans, possessing a wealth of experience and expertise in steering the operational strategies of South African multinational firms, particularly in the Fast-Moving Consumer Goods (FMCG) sector within the Nigerian business landscape. The participants, drawn from executive leadership and strategic management roles, have not only shaped the trajectories of their respective organizations but have significantly influenced the broader dynamics of cross-border business.

These corporate leaders bring to the table a profound understanding of the intricacies involved in steering multinational enterprises. Having served in key decision-making capacities, including executive and managerial roles, they have been instrumental in formulating, implementing, and adapting operational strategies that align with the unique challenges posed by the Nigerian market. Their expertise extends beyond theoretical frameworks, rooted in hands-on experience navigating the complexities of doing business across borders.

The participants have a distinguished history of affiliation with South African multinational firms, which form the focal point of this research. Their tenure in these organizations provides them with an insider's perspective on the challenges, successes, and strategic imperatives that characterize the expansion of South African companies into the Nigerian market. This experience allows them to offer nuanced insights into the decision-making processes, policy formulations, and adaptive strategies employed by these firms.

A notable aspect of their professional journey is their involvement in guiding FMCG firms operating in Nigeria. As seasoned corporate strategists, they have played pivotal roles in shaping the operational landscape of these FMCG entities, contributing to their resilience and adaptability in the face of diverse challenges. Their strategic guidance encompasses areas such as supply chain management, regulatory compliance, cultural adaptation, and security protocols.

Beyond the confines of their organizations, these corporate titans have left an indelible mark on the industry. Through thought leadership, industry collaborations, and participation in policymaking discussions, they have actively contributed to shaping the broader narrative of South African multinational engagement in Nigeria.

Participating in this research signifies their commitment to knowledge sharing and the advancement of best practices in multinational operations. Their willingness to candidly discuss challenges, successes, and lessons learned underscores a dedication to fostering a deeper understanding of the intricacies involved in navigating the Nigerian business landscape.

Participant	**Gender**	**Years of experience in FMCG and foreign markets**
1	male	10>
2	female	10>
3	male	10>
4	male	10>
5	male	10>
6	male	10>

4.3 Empirical information:

Empirical data provides real-world, firsthand information collected from the field. This enhances the validity and credibility of the study as it is grounded in actual experiences, observations, and opinions of individuals involved in or affected by the phenomenon under investigation. This authenticity strengthens the overall trustworthiness of the research findings.

Empirical information ensures that the study is relevant to the specific context being examined. Nigeria's business environment, cultural dynamics, and economic conditions are unique, and empirical data allows for the exploration of challenges and opportunities that are contextually specific. This helps in tailoring recommendations and insights to the needs of multinational firms operating in Nigeria. In This instance, managers who have had experience within FMCG and have guided organizations into the Nigerian market were requested to participate because of their experiences and understanding of the Nigerian market.

Providing themes and linked codes in a qualitative analysis for "Exploring the Operational Challenges Encountered by Selected South African Multinational Firms in Nigeria" is important because themes and linked codes help in organizing and summarizing large volumes of qualitative data. They act as a concise representation of the key ideas, issues, and patterns identified during the analysis. This aids in making sense of the data and presenting it in a structured manner. To collect the data, a list of interview questions was emailed to the participant to respond to, and this was done intentionally to not waste anyone's time as it would eliminate dealing with conflicting schedules. The participants had substantial time to respond to the interview questions without feeling rushed and could respond to the interview questions in detail.

4.4 Table analysis of interview responses:

Interview questions:	**Themes identified:**	**Linked codes:**
1) How do you perceive the political environment in Nigeria and its impact on the operations of the South African multinational firms? 2) What specific political challenges have you encountered while conducting business in Nigeria, and how they affected the firm's operations? 3) Have you experienced any instances of political instability or unrest in Nigeria, and if so, how they influenced the firm's operations?	Political environment	• The political environment is perceived to have minimal direct impact on operations. • Challenges are noted during changes related to elections and governmental policies on Forex and trade. • There's a perception of insufficient government support for multinational firms.
4) How do you navigate regulatory and bureaucratic hurdles in Nigeria, and what strategies	Regulatory and bureaucratic hurdles	• Successful navigation through regulatory challenges requires an in-depth understanding of the environment.

have been effective in mitigating their impact on the operations? 5) How do you perceive the government's attitude towards foreign companies, particularly South African multinationals, and how does it impact the business operations in Nigeria?		• Delays and lack of clarity in bureaucratic processes, particularly concerning importing skills and moving money. • Use of agencies and specific banks to navigate regulatory challenges.
6) What are the major cultural differences you have observed between South Africa and Nigeria that posed challenges to the firm's operations? 7) How do cultural nuances and practices in Nigeria affect the relationship with local employees, customers, and partners? 8) What cultural adaptation strategies have been successful in enhancing the firm's operations in Nigeria and building positive relationships with local stakeholders? 9) How do you ensure effective communication and collaboration between South African and Nigerian teams, considering cultural differences and language barriers?	Cultural differences	• Nigerian culture is described as hierarchical, influencing decision-making and debate in meetings. • Adaptation strategies involve acknowledging and respecting local holidays, culture, and customs. • Challenges in communication and collaboration are attributed to hierarchical norms.

10) How do logistics and infrastructure challenges in Nigeria impact the supply chain and distribution networks? 11) Have you encountered specific logistical bottlenecks or issues that have significantly affected the operations, and how have you addresses them? 12) How do you navigate the transportation and logistics landscape in Nigeria, including issues such as poor conditions, customer procedures and port operations? 13) What strategies and partnerships have you implemented to optimize the logistics and supply chain management in Nigeria? 14) How do you manage the complexity of operating in multiple regions within Nigeria, and what logistical challenges arise from this?	Logistics and infrastructure	• Significant impact on the supply chain, especially when accessing remote parts of Nigeria. • Issues with transportation, logistics, and distribution networks, especially in the North. • Use of distributors to address logistical challenges.
15) How do you ensure the security and safety of the operations, employees and assets in Nigeria, considering the diverse logistical and cultural landscape? 16) What measures have you taken to address any	Security and safety	• Measures for security include threat assessments and mitigation plans. • Strikes have been a significant security concern, but they were managed peacefully. • The use of distributors to mitigate security risks during transportation.

security risks or incidents that have impacted the firm's operations in Nigeria? 17) How do you assess the reliability and availability of critical infrastructure, such as electricity and telecommunications, and how do they affect the operations of the firm?		
18) Have you encountered any challenges related to import/export regulations and how have the influenced the operations of the firm?	Import and export regulations	• Challenges include delays, changing rules, and paperwork related to importing equipment. • Delays and uncertainties in processing times for both imports and exports. • Impact on operations, especially during shortages of ingredients.
19) How do you stay updated on the changing political and cultural landscape in Nigeria, and how does this information influence strategic decision-making? 20) What recommendations and improvements would you suggest enhancing the firm's operational efficiencies and success in Nigeria considering the challenges discussed?	Market analysis	• Monitoring political and cultural landscapes is crucial, often relying on local partners and financial institutions. • Recommendations include building in more flexibility in operations and staying connected to navigate changes effectively. • Using a network and local publications to stay updated on the business environment.

4.5 Research Questions

4.5.1 How do you perceive the political environment in Nigeria and its impact on the operations of the South African multinational firms?

Political environment:

The linked code in the political environment is perceived to have minimal direct impact on operations indicates a recurring theme or pattern in the qualitative data. In the context of exploring the operational challenges encountered by selected South African multinational firms in Nigeria, this linked code suggests that the participants in the study consistently expressed the view that the political environment has a limited and direct impact on their day-to-day operations in Nigeria.

1. **Limited Direct Impact:** Participants in the study consistently conveyed the perspective that, “when considering the daily operations of South African multinational firms in Nigeria, the direct influence of the political environment is perceived to be minimal”. This implies that, at the operational level, the immediate effects of political factors are not as pronounced as other challenges or considerations.

2. **Operational Focus:** The emphasis on "direct impact on operations" suggests that the participants “primarily focus on aspects related to the internal functioning of their businesses, such as production, distribution, supply chain, and day-to-day activities”. Political considerations are viewed as having less direct relevance to these specific operational aspects.

3. **Election-Related Changes and Policies:** While the political environment is mentioned to have minimal direct impact, the linked code also suggests that the participants acknowledge some “influence during periods of elections and changes in government. Political transitions and policy shifts related to Forex and trade” are cited as instances where the political environment may indirectly affect operations.

4. **Currency and Trade Policy Considerations:** The reference to Forex and trade policies indicates that participants “recognize the potential indirect impact of political decisions on aspects like exchange rates and trade regulations”. Even though the direct impact is perceived as minimal, changes in these areas can still have implications for multinational firms operating in Nigeria.

5. **Lack of Sufficient Government Support:** The linked code also suggest a perception among participants that there is a lack of sufficient government support for multinational firms. While this is not a direct operational impact, the perceived absence of strong governmental backing might contribute to the overall operational challenges faced by these firms.

Impact on the Study:

Understanding that the political environment is perceived to have minimal direct impact on operations provides a foundational insight into how participants frame their experiences and challenges. This perception shapes the context in which other operational challenges are discussed. It allows researchers to explore further nuances in the relationship between political factors and the day-to-day functioning of South African multinational firms in Nigeria.

In the broader exploration of operational challenges, this linked code sets the stage for investigating other factors that participants may consider more significant in influencing their operational strategies and decisions within the Nigerian business landscape. It serves as a starting point for deeper inquiry into the specific challenges that are deemed more critical by the participants.

4.5.2 How do you navigate regulatory and bureaucratic hurdles in Nigeria, and what strategies have been effective in mitigating their impact on the operations?

Regulatory and bureaucratic hurdles:

The linked codes noted during changes related to elections and governmental policies on Forex and trade represents a recurring theme in the qualitative data, indicating that participants in the study have identified specific challenges that arise during periods of changes related to elections and governmental policies, particularly those related to foreign exchange (Forex) and trade regulations. This theme sheds light on how South African multinational firms operating in Nigeria perceive and navigate challenges associated with political transitions and policy adjustments.

Detailed Explanation:

1. **Impact of Political Changes:** The linked code suggests that participants “recognize and highlight challenges that coincide with changes related to elections and shifts in governmental policies”. These challenges are likely seen as specific to periods when there is a transition or transformation in the political landscape.

2. **Elections and Policy Shifts:** The mention of "changes related to elections" indicates that political transitions, such as the election of a new government or changes in key political figures, are significant triggers for the noted challenges. Elections often bring about shifts in leadership, and the linked code suggests that participants perceive these transitions as critical junctures that impact their operations.

3. **Forex Challenges:** The reference to "governmental policies on Forex" highlights the challenges associated with changes in foreign exchange policies. Participants may experience difficulties related to currency exchange rates, repatriation of

funds, and other aspects of Forex management. Such challenges can have direct implications for the financial aspects of multinational firms.

4. **Trade Policy Challenges:** Similarly, the mention of "governmental policies on trade" suggests that changes in trade regulations and policies contribute to the operational challenges faced by these multinational firms. Alterations in trade policies can affect the import and export dynamics, customs procedures, and overall supply chain management.
5. **Uncertainty and Planning:** Political changes and policy adjustments often introduce an element of uncertainty. Participants find it challenging to anticipate and plan for the impact of these changes on their operations. The linked code implies that the challenges are not constant but emerge specifically during periods of political and policy-related transitions.
6. **Operational Disruptions:** The phrase "challenges are noted" indicates that these difficulties are not hypothetical but have been observed or experienced by the participants. These challenges manifest as disruptions in the routine operations of South African multinational firms, requiring them to adapt and strategize in response to the changing political and policy environment.

Impact on the Study:

Understanding that challenges are noted during changes related to elections and governmental policies on Forex and trade provides a nuanced perspective on the temporal nature of operational difficulties. It prompts researchers to delve deeper into the specific nature of challenges faced during these critical periods and how South African multinational firms navigate and mitigate these challenges. The identification of these challenges contributes to a more comprehensive exploration of the operational landscape in Nigeria and provides insights into the dynamic interaction between politics and business operations in the context of the study.

4.5.3 What are the major cultural differences you have observed between South Africa and Nigeria that posed challenges to the firm’s operations?

Cultural differences:

The linked code Nigerian culture is described as hierarchical, influencing decision-making and debate in meetings. Adaptation strategies involve acknowledging and respecting local holidays, culture, and customs captures a significant theme in the qualitative data, shedding light on the cultural dynamics that South African multinational firms encounter in Nigeria. This theme emphasizes the hierarchical nature of Nigerian culture and the strategies employed by these firms to navigate and adapt to cultural differences.

Detailed Explanation:

1. **Hierarchical Decision-Making:** The mention of Nigerian culture as hierarchical suggests that decision-making within the business context is influenced by a structured and hierarchical organizational culture. This hierarchical structure can impact how decisions are made, the flow of communication, and the distribution of authority within the business.
2. **Influence on Meetings and Debates:** The linked code indicates that the hierarchical nature of Nigerian culture extends to its influence on decision-making processes and debates during meetings. Understanding this cultural aspect is crucial for multinational firms as it shapes the dynamics of professional interactions and organizational decision-making. It implies that there may be specific protocols and norms that influence how meetings are conducted and how debates unfold.
3. **Adaptation Strategies:** The theme suggests that South African multinational firms recognize the need for adaptation to the local cultural context. The adaptation strategies outlined include acknowledging and respecting local holidays, culture, and customs. This demonstrates a proactive approach by these firms to align their operations with the cultural expectations and practices prevalent in Nigeria.
4. **Acknowledging Local Holidays:** The reference to local holidays underscores the importance of recognizing and incorporating cultural and religious observances into the business operations. This may involve adjusting work schedules, production timelines, or marketing strategies to accommodate and respect local holidays.
5. **Respecting Cultural Norms:** The phrase "acknowledging and respecting local culture and customs" suggests that adaptation strategies go beyond a surface-level acknowledgment of holidays. It implies a deeper understanding and respect for cultural norms and customs in various aspects of business, including communication styles, negotiation practices, and employee relations.
6. **Enhancing Collaboration:** By acknowledging and respecting local cultural elements, South African multinational firms aim to foster a positive working relationship with local stakeholders, including employees, suppliers, and customers. This cultural sensitivity contributes to building trust and rapport, which are crucial for the success of international business operations.

Impact on the Study:

Understanding the hierarchical nature of Nigerian culture and the associated adaptation strategies provides valuable insights into the cultural dimensions of operational challenges. This theme contributes to the broader exploration of how cultural factors influence decision-making and organizational dynamics in the Nigerian business context. Researchers can further investigate how these cultural nuances impact collaboration, communication, and overall business performance, thereby enhancing the depth and richness of the study on operational challenges faced by South African multinational firms in Nigeria.

4.5.4 How do logistics and infrastructure challenges in Nigeria impact the supply chain and distribution networks?

Logistics and infrastructure:

The linked code has significant impact on the supply chain, especially when accessing remote parts of Nigeria. Issues with transportation, logistics, and distribution networks, especially in the North. Use of distributors to address logistical challenges encapsulates a crucial theme in the qualitative data, highlighting the challenges related to logistics and infrastructure faced by South African multinational firms operating in Nigeria. This theme sheds light on the complexities of supply chain management, transportation, and distribution networks, particularly in remote areas, and emphasizes the strategic use of distributors to overcome logistical challenges.

Detailed Explanation:

1. **Impact on the Supply Chain:** The mention of a significant impact on the supply chain implies that the challenges related to logistics and infrastructure have tangible repercussions on the movement and flow of goods and services within the operational landscape of these multinational firms. This impact could include delays, disruptions, and inefficiencies in the supply chain processes.

2. **Challenges in Remote Parts of Nigeria:** The specific reference to challenges in accessing remote parts of Nigeria highlights the geographical diversity of the operational environment. Remote areas may pose unique logistical challenges such as inadequate transportation infrastructure, poor connectivity, and difficulties in reaching target markets. This geographical dispersion contributes to the complexity of supply chain management.

3. **Issues with Transportation, Logistics, and Distribution Networks:** The broad challenges encompass transportation, logistics, and distribution networks, indicating that the logistical hurdles are multi-faceted. Transportation challenges may involve road conditions, regulatory issues, and the availability of reliable modes of transportation. Logistics challenges could encompass the coordination of various elements in the supply chain, and distribution network challenges may involve reaching customers efficiently.

4. **Focus on the Northern Region:** The specific mention of challenges "especially in the North" suggests regional variations in the operational landscape. The North

may present distinct challenges that firms need to navigate, and understanding these regional differences is crucial for effective operational planning.

5. **Use of Distributors as a Strategic Response:** The use of distributors is highlighted as a strategic response to address the identified logistical challenges. This strategy involves outsourcing certain aspects of the supply chain or distribution process to third-party entities, which can bring local expertise, networks, and efficiencies. Distributors can navigate the intricacies of the local market and help overcome challenges associated with remote locations.

Impact on the Study:

This theme contributes significantly to the study by emphasizing the real-world operational challenges related to logistics and infrastructure in the Nigerian context. Researchers can delve deeper into how these challenges impact the overall business operations of South African multinational firms, exploring aspects such as inventory management, order fulfilment, and customer satisfaction. Additionally, the strategic use of distributors as a response to logistical challenges opens avenues for further investigation into the effectiveness of such strategies and their implications for long-term business sustainability and success in the Nigerian market.

4.5.5 What measures have you taken to address any security risks or incidents that have impacted the firm's operations in Nigeria?

Security and safety:

The linked codes measures for security include threat assessments and mitigation plans. Strikes have been a significant security concern, but they were managed peacefully. The use of distributors to mitigate security risks during transportation encapsulate a critical theme in the qualitative data, shedding light on the security and safety challenges faced by South African multinational firms operating in Nigeria. This theme underscores the importance of implementing security measures, addressing concerns related to strikes, and strategically using distributors to mitigate security risks during transportation.

Detailed Explanation:

1. **Measures for Security:** The mention of "measures for security" suggests that security is a paramount consideration for these multinational firms. This could encompass a range of measures, including the implementation of security protocols, the use of security personnel, and the deployment of technology for threat detection. The need for threat assessments and mitigation plans indicates a proactive approach to safeguarding personnel, assets, and operations.

2. **Strikes as a Security Concern:** The acknowledgment that "strikes have been a significant security concern" implies that labour-related disruptions, such as strikes, pose security risks to the firms. Strikes can impact business continuity, disrupt supply chains, and potentially lead to conflicts. Understanding and managing these concerns are crucial for the firms' operational stability.

3. **Peaceful Management of Strikes:** The reassuring note that "they were managed peacefully" suggests that the firms have developed strategies or protocols for handling strikes without resorting to confrontations or escalations. Peaceful management could involve negotiations, communication strategies, or other conflict resolution mechanisms to address the underlying issues causing the strikes.

4. **Use of Distributors to Mitigate Security Risks:** The strategic use of distributors is highlighted as a specific response to mitigate security risks during transportation. This strategy involves leveraging the expertise of local distributors to navigate potential security challenges in transit. Distributors, being familiar with the local environment, can contribute to the safe and secure movement of goods, minimizing risks associated with theft, vandalism, or other security threats.

Impact on the Study:

This theme enriches the study by highlighting the multifaceted nature of security challenges in the operational context of South African multinational firms in Nigeria. Researchers can delve deeper into the specifics of security measures adopted by these firms, the effectiveness of these measures, and the implications for overall business resilience. The management of strikes and the role of distributors in mitigating security risks offer insights into the firms' adaptive strategies and resilience in navigating complex operational environments. Understanding how security considerations intersect with day-to-day operations and supply chain management contributes to a comprehensive exploration of operational challenges in the Nigerian business landscape.

4.5.6 Have you encountered any challenges related to import/export regulations and how have the influenced the operations of the firm?

Import and export:

The linked codes include delays, changing rules, and paperwork related to importing equipment. Delays and uncertainties in processing times for both imports and exports. Impact on operations, especially during shortages of ingredients encapsulate a key theme related to import and export regulations, shedding light on the challenges faced by South African multinational firms operating in Nigeria in navigating the regulatory landscape. This theme emphasizes the complexities, uncertainties, and operational impacts associated with import and export processes.

Detailed Explanation:

1. **Challenges in Importing Equipment:** The mention of delays, changing rules, and paperwork related to importing equipment points to the difficulties encountered by the multinational firms when bringing in necessary equipment. Delays can disrupt the planned timelines for projects or operations, changing rules may require constant adaptation, and paperwork can be a bureaucratic hurdle. These challenges collectively contribute to a less streamlined import process.

2. **Uncertainties in Processing Times:** The reference to "delays and uncertainties in processing times for both imports and exports" underscores the unpredictability and lack of clarity in the regulatory processes. Uncertainties in processing times can affect supply chain planning, inventory management, and overall operational efficiency. The firms may face difficulties in predicting when imported goods will be available, leading to potential disruptions.

3. **Impact on Operations, Especially During Shortages:** The acknowledgement of the "impact on operations, especially during shortages of ingredients" highlights a direct consequence of challenges in import and export regulations. Shortages of ingredients can have a cascading effect on production schedules, product availability, and, ultimately, the firms' ability to meet market demand. The interconnectedness of regulatory challenges and operational impacts is evident in this aspect.

Impact on the Study:

This theme contributes significantly to the study by providing insights into the regulatory challenges that influence the operational landscape of South African multinational firms in Nigeria. Researchers can explore the specific regulatory bottlenecks faced by these firms, the implications for supply chain resilience, and potential strategies employed to navigate these challenges. Understanding how delays, changing rules, and paperwork in import and export processes manifest in operational disruptions provides a nuanced perspective on the intricacies of doing business in the Nigerian context. The theme invites further investigation into the regulatory environment, exploring whether improvements or adaptations are needed to enhance the ease of conducting international business in Nigeria.

4.5.7 How do you stay updated on the changing political and cultural landscape in Nigeria, and how does this information influence strategic decision-making?

Market analysis:

The linked codes of monitoring political and cultural landscapes is crucial, often relying on local partners and financial institutions. Recommendations include building in more flexibility in operations and staying connected to navigate changes effectively. Using a network and local publications to stay updated on the business environment collectively represent a theme related to market analysis. This theme underscores the importance of continuously monitoring and adapting to the dynamic political, cultural, and business landscape in Nigeria for South African multinational firms.

Detailed Analysis:

1. **Crucial Role of Monitoring Political and Cultural Landscapes:** Having a lens on political and cultural landscapes is crucial because it emphasizes the significance of understanding the socio-political and cultural context in which the multinational firms operate. Political stability or instability, cultural shifts, and changes in public sentiment can have profound impacts on business operations. This aspect suggests that a keen awareness of the external environment is essential for strategic decision-making.

2. **Reliance on Local Partners and Financial Institutions:** The inclusion of relying on local partners and financial institutions highlights the collaborative approach taken by the multinational firms. Partnering with local entities can provide insights, establish credibility, and facilitate smoother operations. Financial institutions, being attuned to the local economic nuances, can offer valuable support in navigating financial landscapes and mitigating risks.

3. **Flexibility in Operations and Connectedness:** Building in more flexibility in operations and staying connected to navigate changes effectively suggests that adaptability is a key strategy for addressing the uncertainties present in the Nigerian business environment. Firms that incorporate flexibility into their operations are better positioned to respond to unforeseen challenges, making them more resilient. Staying connected, both internally and externally, enables timely responses to changes, fostering agility.

4. **Utilizing Networks and Local Publications:** Using a network of local publications to stay updated on the business environment points to the proactive measures taken by the multinational firms to gather intelligence. Networking provides access to information, insights, and potential collaborations, while local publications serve as valuable resources for staying informed about market trends, regulatory updates, and competitive landscapes.

Impact on the Study:

This theme contributes significantly to the study by shedding light on the strategies employed by South African multinational firms to conduct effective market analysis in Nigeria. Researchers can delve into the specifics of how these firms establish and maintain connections, the role of local partners, and the types of information considered crucial for decision-making. Additionally, exploring how flexibility is integrated into operational frameworks provides insights into adaptive strategies that can be employed by other multinational firms entering similar markets. The theme prompts further investigation into the effectiveness of market analysis strategies in mitigating operational challenges and enhancing overall business performance.

4.5.8 Summary

1. **Political Environment:**
    - **Linked Code:** Minimal direct impact on operations.
    - **Impact:** Despite minimal direct impact, changes related to elections and governmental policies on Forex and trade pose challenges. The perception of insufficient government support is noted, adding a layer of complexity to operations.
2. **Regulatory and Bureaucratic Hurdles:**
    - **Linked Code:** Successful navigation requires an in-depth understanding.
    - **Impact:** Delays and lack of clarity in bureaucratic processes, particularly concerning importing skills and moving money, can impede operational efficiency. Using agencies and specific banks helps in navigating regulatory challenges.
3. **Cultural Differences:**
    - **Linked Code:** Nigerian culture is hierarchical, influencing decision-making and debate.
    - **Impact:** Adaptation strategies are essential, involving acknowledgment and respect for local holidays. Challenges in communication and collaboration arise due to hierarchical norms, influencing business dynamics.
4. **Logistics and Infrastructure:**
    - **Linked Code:** Significant impact on the supply chain, especially in remote areas.
    - **Impact:** Issues with transportation, logistics, and distribution networks, particularly in the North, can disrupt the supply chain. The use of distributors is a strategy to address these logistical challenges.
5. **Security and Safety:**
    - **Linked Codes:** Measures for security include threat assessments and mitigation plans.

- **Impact:** Security concerns, such as strikes, are noted. However, effective management and the use of distributors contribute to mitigating security risks during transportation.

6. **Import/Export Regulations:**
    - **Linked Code:** Challenges include delays, changing rules, and paperwork.
    - **Impact:** Delays and uncertainties in processing times for both imports and exports impact operations, especially during shortages of ingredients.
7. **Market analysis:**
    - **Linked Code:** Monitoring political and cultural landscapes is crucial.
    - **Impact:** Recommendations include building flexibility in operations and staying connected. Using networks and local publications enhances the ability to navigate changes effectively.

The identified themes and linked codes collectively paint a comprehensive picture of the operational challenges faced by South African multinational firms in Nigeria. These challenges span regulatory, cultural, logistical, security, and market-related dimensions. The impact on operations is multifaceted, necessitating adaptive strategies, collaboration with local entities, and a proactive approach to staying informed and connected. The study provides valuable insights for businesses, policymakers, and researchers aiming to understand and address operational challenges in the Nigerian business environment.

Chapter 5

Data Analysis

5.1 Introduction

In this chapter, we bring together the literature, theoretical frameworks, and the qualitative data gleaned from interviews with corporate titans guiding South African multinational firms in Nigeria. The exploration of operational challenges encountered by these firms in the dynamic Nigerian market unfolds from a lens of internationalization theories, globalization perspectives, and entry mode frameworks. As we delve into the discussion, the aim is to explain the correlations between the identified themes and linked codes derived from the qualitative data and the broader theoretical and empirical data.

The study has employed a multi-theoretical approach, drawing insights from the Uppsala model, Network theory, Eclectic paradigm, and Institutional theory. These frameworks provided lenses through which to view the challenges faced by South African multinational firms in Nigeria. The qualitative data themes and linked codes support these theories, offering empirical support for the relevance and applicability of such theoretical frameworks in the Nigerian context.

These frameworks all focus on the challenges of international business ventures, making them directly relevant to understanding the operational difficulties faced by South African MNFs in Nigeria. By employing a multi-theoretical approach, the report offers a richer and more comprehensive understanding of the challenges. Each framework sheds light on a different aspect of the issue, providing a nuanced picture. The qualitative data (interviews) supports the chosen frameworks. Thematic analysis reveals connections between challenges faced by MNFs and concepts within these theories. The chosen frameworks are well-established in international business research. The report's findings resonate with existing literature on challenges faced by foreign firms in Africa, strengthening its credibility.

For instance, as we discuss the intricacies of navigating regulatory challenges, the Uppsala model's emphasis on gradual commitment and experiential learning finds validation. The importance of social and business networks, as highlighted in Network theory, emerges in the strategies employed to overcome logistical hurdles. Furthermore, the paradigm's focus on ownership advantages, location advantages, and internalization advantages aligns with the nuanced exploration of challenges related to cultural differences, infrastructure deficits, and import/export regulations.

Institutional theory, with its emphasis on conformity to local norms and values, provides a lens through which to understand the adaptive strategies adopted by South African firms. The interconnectedness of these theoretical perspectives weaves a comprehensive narrative that contextualizes the operational challenges within the broader tapestry of international business theories.

The qualitative data findings resonate with the insights gleaned from relevant literature. The challenges identified, such as those related to political instability, regulatory complexities, and cultural differences, echo the sentiments expressed in studies by Oyedele (2015), Whiting (2019), and Ogbonna (2010). The interconnectedness of the findings with the literature underscores the robustness of the study.

As the paper explores each theme derived from the qualitative data political environment, regulatory hurdles, cultural differences, logistics and infrastructure challenges, security and safety measures, import/export regulations, and staying informed align with the data.

The qualitative data themes, linked codes, theoretical frameworks, and literature findings serves to deepen our understanding of the operational challenges faced by South African multinational firms in Nigeria.

5.2.1 How do you perceive the political environment in Nigeria and its impact on the operations of the South African multinational firms?

The article by News (2022) highlights the potential for economic growth in Africa and the opportunities for foreign investment in the continent. The article suggests that despite challenges such as political instability and infrastructure deficits, Africa is a region full of hope and potential (News, 2022). The article provides a broad overview of the African market, which sets the context for the subsequent articles in this review.

Whiting (2019) focuses specifically on Nigeria and identifies five key factors that businesses should know about the country. These factors include Nigeria's growing economy, youthful population, increasing consumer demand, a large and diverse market, and a thriving tech sector (Whiting, 2019). The article highlights the potential for growth and investment in Nigeria, but also acknowledges the challenges associated with doing business in the country.

Ogunro (2014) focuses on the business environment in Nigeria and identifies the challenges and prospects of doing business in the country. The article highlights the impact of corruption, infrastructure deficits, and policy inconsistencies on business operations in Nigeria. The author provides recommendations for improving the business environment in the country, including reducing corruption, improving infrastructure, and providing a stable regulatory environment.

The Uppsala model, also known as the stage’s theory of internationalization, was proposed by Johanson and Vahlne in 1977 (Thomas, Hult, Gonzalez-Perez, & Lagerstrom, 10). The model suggests that firms gradually increase their internationalization activities over time as they acquire knowledge and experience in foreign markets (Arvidsson & Arvidsson, 2019). The core theme of this theory is that internationalization is a learning process that is influenced by the firm's past experiences and the level of psychic distance between the home and host countries (Arvidsson & Arvidsson, 2019). The Uppsala model is important because it provides a framework for understanding the process of internationalization and the factors that influence it.

The linked code implies that, while political instability is recognized as a challenge in the broader African context, the literature suggests that this instability might not directly and significantly impact the day-to-day operations of multinational firms in Nigeria. The emphasis is on the potential for economic growth and investment despite the acknowledged challenges.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

The interviews and qualitative data analysis has revealed that, although political instability is a recognized challenge, multinational firms operating in Nigeria have developed strategies to mitigate its direct impact on their operations.

Strategies could include proactive risk assessments, close monitoring of political developments, and adaptive business models that factor in the potential challenges posed by political instability.

Alignment with Theoretical Frameworks:

The Uppsala Model, for example, suggests that firms gradually increase their commitment to a foreign market as they gain experience and understanding. In this context, the minimal direct impact on operations aligns with the gradual approach of the Uppsala Model.

Consideration of Local Dynamics:

Multinational firms might have leveraged their local partnerships and networks to navigate the political landscape effectively, minimizing the direct impact on their operations.

Flexibility and Adaptability:

The theme aligns with recommendations from the literature to build flexibility into operations, allowing multinational firms to adapt to changing political conditions without significant disruption.

The nuanced understanding provided by the linked code suggests that while political instability is acknowledged as a broader challenge, South African multinational firms in Nigeria have adopted strategies and operational approaches that mitigate the direct impact of political factors. This adaptive capacity could be crucial for sustained operations in the complex Nigerian business environment.

5.2.2 How do you navigate regulatory and bureaucratic hurdles in Nigeria, and what strategies have been effective in mitigating their impact on the operations?

Oyedele (2015) provides a comprehensive guide to doing business in Nigeria. The article covers topics such as the legal framework for business operations, the regulatory environment, taxation, and labour laws. The article also provides insights into the cultural and social factors that influence business operations in Nigeria (Oyedele, 2015). The author highlights the importance of understanding the Nigerian culture and values to succeed in the Nigerian market.

The eclectic paradigm, also known as the OLI framework, was proposed by John Dunning in 1977 (Huluman, 2022). The model suggests that firms engage in international activities based on three factors: ownership advantages, location advantages, and internalization advantages (Huluman, 2022). The core theme of this theory is that firms engage in international activities to exploit their competitive advantages and to overcome market imperfections (Huluman, 2022). The eclectic paradigm is important because it provides a comprehensive framework for understanding the factors that influence internationalization.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

The interviews and qualitative data analysis revealed that successful navigation through regulatory challenges is a nuanced process that goes beyond a surface-level understanding.

Multinational firms might have shared insights into specific agencies, legal experts, or banks they have collaborated with to streamline their operations within the regulatory framework.

Alignment with Theoretical Frameworks:

The Eclectic Paradigm, emphasizing ownership, location, and internalization advantages, aligns with the need for an in-depth understanding of the regulatory environment. Multinational firms might leverage their internal capabilities to comprehend and navigate complex regulatory landscapes.

Practical Application of Knowledge:

Multinational firms, by using agencies and specific banks, demonstrate the practical application of their understanding of the regulatory challenges. This aligns with the recommendations in the literature that highlight the importance of using local expertise to navigate the business environment.

Risk Mitigation and Compliance:

The theme reflects how multinational firms employ strategies to mitigate regulatory risks and ensure compliance with local laws. This could involve proactive engagement with regulatory bodies and leveraging local partners who understand the intricacies of the regulatory system.

The theme underscores the intricate nature of regulatory challenges in Nigeria and how successful multinational firms navigate these hurdles. It suggests that a comprehensive understanding, coupled with strategic collaborations with local entities, is vital for overcoming regulatory and bureaucratic complexities, ensuring compliance, and fostering successful long-term operations in the Nigerian market.

5.2.3 What are the major cultural differences you have observed between South Africa and Nigeria that posed challenges to the firm's operations?

Oyedele (2015) provides a comprehensive guide to doing business in Nigeria. The article covers topics such as the legal framework for business operations, the regulatory environment, taxation, and labour laws. The article also provides insights into the cultural and social factors that influence business operations in Nigeria (Oyedele, 2015). The author highlights the importance of understanding the Nigerian culture and values to succeed in the Nigerian market.

Ogbonna (2010) provides insights into the cultural factors that influence business operations in Nigeria. The article highlights the importance of understanding Nigerian culture and values to succeed in the Nigerian market. The author provides insights into Nigerian culture, such as the importance of relationships and social networks in business operations. The article also provides recommendations for businesses looking to enter or expand their operations in Nigeria, such as building strong relationships with local partners. Cross-cultural differences between South Africa and Nigeria may pose challenges for the analysis of the challenges faced by South African multinationals in the Nigerian retail sector (Ogbonna, 2010). These differences may include language barriers, differences in business practices and customs, and varying levels of economic development (Ogbonna, 2010).

Cultural imperialism theory suggests that globalization leads to the homogenization and domination of cultural values and practices of dominant cultures over subordinate cultures (García & Birkinbine, 2018). The core theme of this theory is that globalization creates and perpetuates cultural hegemony and erodes cultural diversity (García & Birkinbine, 2018). The importance of cultural imperialism theory lies in its critique of the cultural dimensions of globalization and its call for cultural pluralism and diversity.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

The interviews and qualitative data revealed instances where multinational firms experienced challenges or nuances in decision-making and meeting dynamics due to the hierarchical nature of Nigerian culture.

Participants have shared specific examples or scenarios where understanding and navigating hierarchical norms were critical for effective communication and decision-making.

Alignment with Theoretical Frameworks:

Cross-Cultural Management Theory: The theme aligns with the principles of Cross-Cultural Management Theory, emphasizing the need for multinational firms to adapt their management styles to the cultural context. Understanding and respecting hierarchical norms are vital aspects of successful cross-cultural management.

Adaptation Strategies:

Multinational firms operating in Nigeria may have shared adaptation strategies they employed to acknowledge and respect hierarchical norms. This could involve adjustments in communication styles, decision-making processes, and leadership approaches.

Employee Engagement:

The hierarchical nature might impact employee engagement and participation in decision-making processes. Multinational firms discuss how they address these challenges, ensuring that all levels of the organizational hierarchy feel valued and heard.

The theme underscores the significance of cultural awareness and adaptation in the Nigerian business context, particularly concerning hierarchical norms. Multinational firms that recognize and adapt to these cultural nuances are likely to navigate decision-making processes more effectively, foster better communication, and enhance overall organizational dynamics. The analysis thus contributes to a deeper understanding of the cultural challenges faced by multinational firms in Nigeria and provides insights into strategies for successful cross-cultural management.

5.2.4 How do logistics and infrastructure challenges in Nigeria impact the supply chain and distribution networks?

The article distils the complex environment of the Nigerian market, especially within the retail sector, considering the slow pace of development in infrastructure like shopping malls (Ikadeh & Cloete, 2020) which most South African retails need for their operations, because that is the standard business model (Games, 2004). However, by adopting a glocalization approach, multinational firms can have a better understanding of local markets and preferences that govern decision-making. Because of this approach of implementing a glocalization approach, multinational firms may gain traction in the market as they would be able to compete with local firms, providing them with the necessary differentiating factor, which has the net effect of creating a competitive advantage.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

Participants in the interviews shared instances where the logistics and infrastructure challenges had a tangible impact on their supply chain operations.

The use of distributors as a strategy has been discussed as a practical approach to address the complexities of the Nigerian market.

Alignment with Theoretical Frameworks:

Entry Mode Theory (Eclectic Paradigm): The challenges in logistics and infrastructure align with the Eclectic Paradigm, where location advantages play a crucial role. The choice to use distributors can be seen as an adaptation to the local environment.

Market Analysis and Adaptation Strategies:

The challenges in logistics have implications for market analysis, affecting the reach and accessibility of products in different regions.

Multinational firms have discussed how they adapt their supply chain strategies, leveraging local distributors to navigate the infrastructure challenges effectively.

Collaboration and Partnerships:

The use of distributors may involve collaboration and partnerships with local entities. Understanding these collaborations provides insights into how multinational firms integrate into the local business ecosystem.

The analysis contributes to a nuanced understanding of the logistics and infrastructure challenges faced by multinational firms in Nigeria. The use of distributors as a strategic response suggests a practical adaptation to the local context, emphasizing the importance of flexibility and localized approaches in overcoming operational hurdles. This theme provides valuable insights for other multinational firms considering entry or expansion into the Nigerian market, offering practical strategies for addressing logistical challenges associated with infrastructure limitations.

5.2.5 What measures have you taken to address any security risks or incidents that have impacted the firm's operations in Nigeria?

ITA (2021) provides a country commercial guide to Nigeria. The guide provides insights into the Nigerian market and the challenges and opportunities associated with doing business in the country. The article identifies factors such as corruption, poor infrastructure, and security concerns as the major challenges of doing business in Nigeria. The guide also provides recommendations for businesses looking to enter or expand their operations in the country.

Entry mode theory helps to explain the different ways in which MNCs can enter foreign markets and the factors that influence their choice of entry mode (Chand, 2020). This theory helps to understand how South African MNCs may have entered the Nigerian market and the challenges they may face due to their choice of entry mode (Chand, 2020).

Multinational corporations (MNCs) are firms that operate in multiple countries and have a global presence. The choice of entry mode is a crucial decision for MNCs as it determines the extent of their control over their foreign operations and the level of risk, they assume (Chand, 2020). There are several theories of entry modes that explain the factors that influence the choice of entry mode by MNCs. In this response, the paper discusses some of the prominent theories of entry modes, their core themes, and their importance.

Transaction cost theory: Transaction cost theory suggests that the choice of entry mode by MNCs is influenced by the transaction costs associated with different modes of entry (Dunn, 2011). The core theme of this theory is that MNCs seek to minimize their transaction costs by choosing the entry mode that is most efficient and cost-effective (Dunn, 2011). The importance of transaction cost theory lies in its emphasis on the economic rationale for the choice of entry mode and its practical implications for MNCs (Dunn, 2011).

Resource-based view: The resource-based view suggests that MNCs choose entry modes that allow them to leverage their unique resources and capabilities. The core theme of this theory is that MNCs seek to create value by leveraging their resources and capabilities in the foreign market. The importance of resource-based views lies in its emphasis on the strategic importance of resources and capabilities for MNCs and its implications for their entry mode choices.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

Participants shared experiences related to security challenges in the Nigerian business environment, outlining specific measures, assessments, and plans implemented to ensure the safety of operations.

The mention of using distributors as part of security risk mitigation strategies highlight the collaborative efforts made to secure the transportation of goods.

Alignment with Theoretical Frameworks:

Entry Mode Theory (Eclectic Paradigm): Security considerations are integral to the location advantages in the Eclectic Paradigm. Multinational firms adapting their strategies based on security needs aligns with the framework.

Risk Management and Operational Continuity:

Understanding the security landscape and implementing threat assessments and mitigation plans contribute to risk management strategies.

The use of distributors for transportation aligns with ensuring operational continuity despite security challenges, emphasizing the importance of adaptability.

Local Partnerships and Risk Mitigation:

Collaborating with distributors might involve local partnerships, showcasing a holistic approach where multinational firms engage with the local business ecosystem to enhance security measures.

The analysis of the Security and Safety theme provides valuable insights into how multinational firms address and navigate security challenges in the Nigerian context. By employing measures such as threat assessments and leveraging distributors, these firms demonstrate a commitment to ensuring the safety and security of their operations. This theme not only contributes to a deeper understanding of the operational challenges in Nigeria but also offers practical strategies for mitigating security risks, which can be valuable for other multinational entities operating or planning to enter the Nigerian market.

5.2.6 Have you encountered any challenges related to import/export regulations and how have the influenced the operations of the firm?

Institutional theory suggests that firms engage in international activities to conform to the norms and values of the institutional environment in which they operate (Hanna & Hossain, 2017). The core theme of this theory is that internationalization is influenced by the regulatory, normative, and cognitive institutions that exist in different countries (Sahin & Mert, 2022). The importance of institutional theory lies in its recognition of the importance of institutional factors in shaping the behaviour of firms.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

Participants shared their experiences dealing with the intricacies of import/export regulations in Nigeria, emphasizing delays, rule changes, and paperwork as notable challenges.

The mention of uncertainties in processing times may reflect the practical difficulties faced by multinational firms in ensuring a smooth flow of goods across borders.

Alignment with Theoretical Frameworks:

Institutional Theory: The challenges related to changing rules align with the Institutional Theory, as firms adapt their strategies to conform to the evolving regulatory norms in the Nigerian institutional environment.

Operational Impact and Adaptation:

Delays and uncertainties in processing times can have a significant impact on the operational efficiency of multinational firms.

The linked codes suggest that firms are grappling with these challenges and may need to adapt their operational strategies to accommodate the unpredictable nature of regulatory processes.

Strategic Planning and Risk Mitigation:

Multinational firms operating in Nigeria need to engage in strategic planning to navigate import/export challenges effectively.

Understanding the regulatory landscape and developing contingency plans for potential delays become crucial aspects of risk mitigation.

The analysis of the Import/Export Regulations theme provides valuable insights into the practical challenges faced by multinational firms in the regulatory domain. Delays, changing rules, and paperwork pose operational hurdles that demand strategic adaptation. This theme not only contributes to a nuanced understanding of the business environment in Nigeria but also underscores the importance of robust regulatory strategies for multinational entities seeking success in the Nigerian market. The findings may inform policymakers and business leaders about the specific pain points in the import/export sector, facilitating collaborative efforts to streamline regulatory processes and enhance the ease of doing business in Nigeria.

5.2.7 How do you stay updated on the changing political and cultural landscape in Nigeria, and how does this information influence strategic decision-making?

Reding (2022) provides an overview of the PESTEL analysis, a tool used to analyse the macro-environmental factors that influence business operations. The article applies this tool to the Nigerian market and identifies factors such as political instability, economic conditions, sociocultural factors, technological changes, environmental issues, and legal and regulatory frameworks (Reding, 2022). The article highlights the importance of considering these factors when entering or expanding operations in the Nigerian market.

The eclectic paradigm, also known as the OLI framework, was proposed by John Dunning in 1977 (Huluman, 2022). The model suggests that firms engage in international activities based on three factors: ownership advantages, location advantages, and internalization advantages (Huluman, 2022). The core theme of this theory is that firms engage in international activities to exploit their competitive advantages and to overcome market imperfections (Huluman, 2022). The eclectic paradigm is important because it provides a comprehensive framework for understanding the factors that influence internationalization.

The link between literature/theoretical framework and findings:

Qualitative Data Analysis:

Participants shared experiences and strategies related to staying informed in the Nigerian market, reflecting the importance of flexibility in operations and the utilization of local networks and publications.

The qualitative data provide specific examples of how multinational firms have adapted their operations and information-gathering approaches.

Alignment with Theoretical Frameworks:

Eclectic Paradigm (OLI Framework): The emphasis on staying informed aligns with the OLI framework's "ownership advantages," where firms leverage their internal resources (including information networks) for international operations.

Operational Adaptation and Success Factors:

The linked codes suggest that successful multinational firms in Nigeria have recognized the need for operational flexibility and effective information channels.

Building flexibility into operations and staying connected with the local business environment can contribute to the overall success and sustainability of multinational ventures.

Risk Management and Cultural Understanding:

Staying informed is crucial for risk management, allowing firms to proactively respond to changes in the political, cultural, and economic landscape.

The use of local networks and publications indicates a commitment to understanding and respecting the cultural context, aligning with the challenges posed by hierarchical norms in Nigerian culture.

The analysis of the "Market Analysis" theme underscores the strategic importance of staying informed in the dynamic Nigerian business environment. Multinational firms are advised to build flexibility into their operations and establish robust networks with local stakeholders. The findings from this theme contribute to a holistic understanding of the operational challenges faced by multinational firms in Nigeria, emphasizing the adaptive strategies necessary for success in a complex and evolving market. Policymakers and business leaders can leverage these insights to enhance the support structures for international businesses, facilitating a more conducive environment for their operations.

5.2.8 Summary

In this chapter, a detailed link between literature, theoretical frameworks and qualitative data findings was produced. The study employed a multi-theoretical approach, incorporating insights from the Uppsala model, Network theory, Eclectic paradigm, and Institutional theory. The qualitative data, derived from interviews with corporate leaders, is analysed through the lens of internationalization theories, globalization perspectives, and entry mode frameworks.

The exploration of themes such as the political environment, regulatory hurdles, cultural differences, logistics and infrastructure challenges, security measures, and import/export regulations is supported by a synthesis of literature, theoretical frameworks, and qualitative data findings. The study reveals correlations between these identified challenges and the broader theoretical and empirical data, emphasizing the relevance and applicability of the chosen theoretical frameworks in the Nigerian context.

For each thematic area, the paper presents a detailed analysis of how the qualitative data aligns with the theoretical frameworks and literature findings. For example, in understanding the political environment's impact, the Uppsala model's gradual commitment and experiential learning align with strategies employed by multinational firms to navigate regulatory challenges. Similarly, for regulatory hurdles, the Eclectic paradigm's emphasis on ownership, location, and internalization advantages is reflected in the need for in-depth understanding and practical applications to navigate the regulatory landscape.

Cultural differences are explored with references to Cross-Cultural Management Theory, highlighting the need for adaptation strategies and acknowledging the hierarchical nature of Nigerian culture. Logistics and infrastructure challenges are discussed, emphasizing the use of distributors as a strategic response aligned with the Entry Mode Theory and the need for adapting supply chain strategies to the local context.

Security risks are addressed using Entry Mode Theory, recognizing security considerations as integral to location advantages. Finally, import/export regulations are analysed through the lens of Institutional Theory, highlighting the need for adaptation and strategic planning to navigate evolving regulatory norms.

The study provides a nuanced understanding of how South African multinational firms adapt to the Nigerian business environment. It emphasizes the importance of flexibility, adaptation, and collaboration with local entities in overcoming operational challenges. The findings contribute valuable insights for both academic research and practical applications, aiding policymakers, and business leaders in enhancing the ease of doing business in Nigeria.

Chapter 6

Conclusion, recommendations, and limitations:

6.1 Synopsis of the data themes and linked code:

This paper has explored the operational challenges faced by South African multinational firms (MNFs) in Nigeria. The qualitative data analysis revealed that these firms encounter challenges in various areas, including political instability, regulatory hurdles, cultural differences, logistics and infrastructure, security risks, import/export regulations, and staying informed about the changing landscape.

The study employed a multi-theoretical approach, drawing insights from the Uppsala model, Network theory, Eclectic paradigm, and Institutional theory. These frameworks provided lenses through which to view the challenges faced by South African MNFs in Nigeria. The qualitative data themes and linked codes resonated with these theories, offering empirical support for the relevance and applicability of such theoretical frameworks in the Nigerian context.

The findings of this study suggest that successful MNFs in Nigeria have adopted several strategies to mitigate the impact of these challenges. These strategies include:

- Developing a deep understanding of the Nigerian market: This includes staying informed about the political, cultural, and economic landscape, as well as building relationships with local stakeholders.
- Building flexibility into operations: This allows MNFs to adapt to the changing environment and make quick decisions when necessary.
- Leveraging local partnerships and networks: Local partners can provide valuable insights and support, helping MNFs to navigate the complexities of the Nigerian market.
- Proactive risk management: MNFs should identify potential risks and develop contingency plans to mitigate them.

The findings of this study have implications for both MNFs and policymakers. MNFs considering entering or expanding their operations in Nigeria should be aware of the challenges they are likely to face and develop strategies to mitigate them. Policymakers can create a more conducive environment for MNFs by streamlining regulations, improving infrastructure, and promoting political stability.

Overall, this study has provided valuable insights into the operational challenges faced by South African MNFs in Nigeria. The findings can be used to inform the strategies of MNFs operating in other emerging markets.

How do you perceive the political environment in Nigeria and its impact on the operations of the South African multinational firms?

The qualitative data, theoretical frameworks, and literature suggest that while political instability is recognized as a challenge in the broader African context, South African multinational firms in Nigeria have developed adaptive strategies. These strategies include proactive risk assessments, close monitoring of political developments, and adaptive business models. The Uppsala Model aligns with the gradual approach taken by firms, indicating minimal direct impact on day-to-day operations. The use of local partnerships and networks is crucial for navigating the political landscape effectively.

Recommendations:

1. **Proactive Risk Management:**
    - Establish dedicated teams for continuous political risk assessments.
    - Collaborate with local political analysts and experts to gain insights into potential challenges.
    - Regularly review and update risk mitigation strategies based on the evolving political landscape.
2. **Adaptive Business Models:**
    - Foster a culture of adaptability within the organization to respond swiftly to political changes.
    - Develop contingency plans that can be activated in the event of sudden political shifts.
    - Invest in technologies that facilitate real-time monitoring of political developments.
3. **Leveraging Local Networks:**
    - Cultivate strong relationships with local partners, government officials, and industry associations.
    - Participate actively in local business forums and events to stay connected with the political pulse.
    - Establish communication channels with government representatives to address concerns and seek support.

How do you navigate regulatory and bureaucratic hurdles in Nigeria, and what strategies have been effective in mitigating their impact on the operations?

The qualitative data and theoretical frameworks suggest that successful navigation of regulatory challenges involves a nuanced understanding of the local regulatory environment. The Eclectic Paradigm aligns with the need for an in-depth understanding of regulatory frameworks, and practical strategies include leveraging local expertise, engaging with specific agencies, and using local banks. Multinational firms demonstrate a practical application of their understanding of regulatory challenges.

Recommendations:

1. **In-Depth Regulatory Understanding:**
    - Establish partnerships with legal firms specializing in Nigerian regulatory affairs.
    - Train in-house legal teams on Nigerian regulations and ensure continuous education.
    - Engage in regular dialogue with regulatory bodies to stay informed about upcoming changes.
2. **Local Expertise:**
    - Collaborate with local consultants and advisory firms with expertise in Nigerian regulations.
    - Establish relationships with local banks and agencies to facilitate smoother regulatory compliance.
    - Conduct regular internal training sessions to enhance regulatory awareness among staff.
3. **Strategic Planning:**
    - Develop contingency plans for potential regulatory changes and disruptions.
    - Periodically review and update internal processes to align with evolving regulations.
    - Advocate for industry-wide dialogues to address regulatory challenges collectively.

What are the major cultural differences you have observed between South Africa and Nigeria that posed challenges to the firm's operations?

The qualitative data and theoretical frameworks emphasize the significance of understanding and adapting to Nigerian cultural nuances, particularly hierarchical norms. Cross-Cultural Management Theory aligns with the need for multinational firms to adapt management styles. The theme highlights the importance of respecting hierarchical norms and adapting communication and decision-making processes for successful cross-cultural management.

Recommendations:

1. **Cross-Cultural Management Training:**
    - Implement mandatory cross-cultural training for all employees working in Nigeria.
    - Facilitate workshops to enhance awareness of hierarchical norms and communication styles.
    - Encourage continuous learning through cultural sensitivity programs.
2. **Adaptation Strategies:**
    - Establish a cultural liaison or advisory team to guide cross-cultural adaptation.
    - Regularly assess and adapt management and communication strategies based on cultural nuances.
    - Encourage open communication channels to address cultural concerns within the organization.
3. **Employee Engagement:**
    - Promote a culture of inclusivity that values contributions from all hierarchical levels.
    - Implement feedback mechanisms to address employee concerns related to cultural differences.
    - Recognize and reward employees who demonstrate effective cross-cultural collaboration.

How do logistics and infrastructure challenges in Nigeria impact the supply chain and distribution networks?

The qualitative data and literature suggest that logistics and infrastructure challenges in Nigeria impact supply chain operations. The use of distributors as a strategy, aligned with Entry Mode Theory (Eclectic Paradigm), reflects adaptation to the local environment. The theme highlights the importance of a glocalization approach for multinational firms to compete effectively with local businesses.

Recommendations:

1. **Localized Supply Chain Strategies:**
    - Collaborate with local distributors and suppliers to strengthen the supply chain.
    - Establish regional distribution centres to overcome infrastructure limitations.
    - Invest in technology for real-time monitoring and optimization of supply chain operations.
2. **Flexibility in Operations:**
    - Develop agile supply chain models that can adapt to changing infrastructure scenarios.
    - Conduct regular assessments of logistical challenges and adjust strategies accordingly.
    - Diversify transportation modes to mitigate risks associated with specific infrastructure issues.
3. **Glocalization Approach:**
    - Implement a comprehensive glocalization strategy to align with local market preferences.
    - Conduct market research to understand regional variations in demand and adjust distribution accordingly.
    - Leverage local expertise to customize products/services for specific regions.

What measures have you taken to address any security risks or incidents that have impacted the firm’s operations in Nigeria?

The analysis of security and safety measures suggests that multinational firms in Nigeria address security challenges through threat assessments, operational adaptations, and collaboration with distributors. The Entry Mode Theory (Eclectic Paradigm) aligns with the importance of considering security in location advantages. Firms demonstrate a commitment to ensuring the safety and security of their operations.

Recommendations:

1. **Threat Assessments:**
    - Regularly conduct thorough threat assessments in collaboration with local security experts.
    - Implement a crisis response plan that includes communication protocols and evacuation procedures.
    - Establish a dedicated security task force to monitor and address emerging threats.
2. **Collaborative Security Measures:**
    - Collaborate with local law enforcement agencies to enhance security measures.
    - Share security insights and best practices within the industry through partnerships.
    - Conduct joint security drills and simulations with local partners to enhance preparedness.
3. **Operational Continuity:**
    - Invest in redundant systems and backup plans to ensure continuity during security incidents.
    - Regularly review and update security protocols based on incident analyses.
    - Conduct periodic training sessions for employees to enhance security awareness.

Have you encountered any challenges related to import/export regulations and how have they influenced the operations of the firm?

The analysis of import/export regulations suggests that multinational firms in Nigeria face challenges related to changing rules, delays, and uncertainties. Institutional Theory aligns with firms adapting strategies to conform to evolving regulatory norms. The theme underscores the importance of strategic planning and risk mitigation in the face of unpredictable regulatory processes.

Recommendations

1. **Dedicated Regulatory Compliance Team:**
    - Establish a specialized team within the organization focused on monitoring and ensuring compliance with import/export regulations.

- This team should consist of experts with a deep understanding of the local regulatory landscape.

2. **Continuous Training Programs:**
   - Conduct regular training programs for employees involved in import/export processes to keep them updated on evolving regulations.
   - Ensure that the training covers both theoretical aspects and practical case studies relevant to the Nigerian regulatory environment.
3. **Collaboration with Local Experts:**
   - Foster partnerships with local regulatory experts, legal firms, and consultants to gain insights into the intricacies of Nigerian import/export regulations.
   - Engage in knowledge-sharing sessions and workshops with these local experts to enhance in-house expertise.
4. **Investment in Regulatory Technology**
   - Leverage technology solutions designed to monitor and analyse changes in import/export regulations.
   - Implement RegTech tools that provide real-time updates, compliance tracking, and risk assessments.
5. **Regular Compliance Audits:**
   - Conduct routine audits of import/export processes to ensure ongoing compliance.
   - Use audit findings to refine and update regulatory compliance strategies.

How do you stay updated on the changing political and cultural landscape in Nigeria, and how does this information influence strategic decision-making?

The analysis of staying informed on the political and cultural landscape highlights the importance of operational flexibility and effective information channels. The Eclectic Paradigm's ownership advantages align with leveraging internal resources, including information networks. The theme emphasizes the need for adaptability and a deep understanding of the local business environment.

Recommendations:

1. **Operational Flexibility:**

- Encourage a culture of adaptability within the organization to respond to changing environments.
- Invest in technology solutions for real-time monitoring of political and cultural shifts.
- Develop scenario-based strategic plans to navigate potential changes.

2. **Local Stakeholder Networks:**
   - Establish formal partnerships with local business associations and community groups.
   - Regularly attend and participate in local events and forums to stay connected.
   - Utilize local employees as key informants to gather on-the-ground insights.
3. **Cultural Understanding:**
   - Conduct cultural awareness programs for employees at all levels.
   - Foster relationships with local cultural experts for deeper insights.
   - Encourage continuous learning about the cultural context and traditions of the Nigerian market.

Limitations of the study:

1. **Generalization:** The study focuses specifically on South African multinational firms in Nigeria, limiting the generalization of the findings to other industries, regions, or multinational corporations. Different industries may face distinct challenges, and the findings may not be universally applicable.
2. **Sample Size:** The study's reliance on interviews with corporate titans might introduce a potential bias, as these individuals may have unique perspectives and experiences that differ from those of other employees within the organizations. The sample size of interviews may also limit the comprehensiveness of the data.
3. **Temporal Context:** The study's findings are based on data collected up to a certain point in time, and the dynamic nature of business environments implies that new challenges or changes may have occurred since then. The study's recommendations may need periodic reassessment to account for evolving conditions.
4. **Dependency on Self-Reported Data:** The qualitative data derived from interviews relies on the accuracy and completeness of the information provided by the

interviewees. There may be instances of intentional or unintentional bias in self-reported data.

5. **Limited Quantitative Analysis:** The study primarily employs a qualitative approach, and while this is effective for exploring nuanced experiences, it may lack the statistical power and generalizability associated with large-scale quantitative studies. A more extensive quantitative analysis could complement the qualitative findings.

6. **Cultural and Language Considerations:** Despite efforts to understand and respect cultural nuances, there may be aspects of the Nigerian business environment that were not fully captured or accurately interpreted due to cultural and language differences between the researchers and the participants.

Gaps not covered by the study:

1. **Technology Adoption and Innovation:** The current study focuses on operational challenges, but there is room for further investigation into how South African multinational firms in Nigeria adopt and leverage technology and innovation. Exploring the role of digital transformation, data analytics, and emerging technologies in overcoming operational hurdles could provide valuable insights.

2. **Sustainability Practices:** The study does not extensively delve into sustainability practices adopted by multinational firms. A future study could explore how these companies integrate environmental and social sustainability into their operations in the Nigerian context, considering local expectations and regulatory frameworks.

3. **Employee Perspectives:** While the study captures insights from corporate titans, understanding the perspectives of employees at various organizational levels could offer a more comprehensive view. Exploring how employees perceive and navigate operational challenges, especially in cross-cultural contexts, could enhance the understanding of organizational dynamics.

4. **Government and Public Sector Collaboration:** The study primarily focuses on challenges faced by multinational firms, but future research could investigate the nature of collaboration between South African multinational corporations and the Nigerian government. Exploring how public-private partnerships or policy advocacy initiatives contribute to operational success or present additional challenges would be valuable.

5. **Impact of Global Events:** The study does not explicitly consider the impact of global events, such as economic downturns, health crises, or geopolitical shifts, on the operations of South African multinational firms in Nigeria. A future study

could assess how external macroeconomic factors influence strategic decision-making and operational resilience.

6. **Comparative Studies:** Conducting comparative studies with multinational firms from other regions operating in Nigeria could provide a broader perspective. Analysing similarities and differences in the challenges faced by South African firms compared to, for example, European or Asian firms, could yield insights into region-specific patterns.
7. **Market Entry Strategies:** While entry mode theory is briefly discussed, a more extensive study could focus specifically on the market entry strategies employed by South African multinational corporations in Nigeria. This could include joint ventures, acquisitions, or greenfield investments, and an analysis of the success and failure factors associated with each strategy.

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Suggested journals:

Journal of Business and Retail Management Research

Journal of African Business

Academy of Marketing studies journal

African Journal of Management

World Journal of Entrepreneurial Development Studies

Journal of Management and Organization

International Journal of retail and distribution management

Author	**Organizational problem**	**Research problem**	**Conceptual framework used**	**Population and sample**	**Research Gap**
Paper 1: Reuters 2013	Woolworths finding it challenging to set up shop in Nigeria due to high rental costs, duties, and complex supply chain processes	To identify the regulatory challenges and macroeconomic factors that make it difficult to do business in Nigeria	Institutional Theory Framework		The paper does not speak to the necessary customization of Woolworths strategy into Nigeria. Woolworth

					s did not factor the role of culture in succeeding in Nigeria.
Paper 2: Anathi Madubela, 04 August 2020	Shoprite to exit the Nigerian market due to a highly informalized market, making it challenging to do business.	The role of government in creating an enabling environment to attract foreign investment and create policies that support business	Resource-Based View (RBV) Framework		The article does not speak of the electricity struggles in Nigeria that make operating businesses highly volatile and expensive
Paper 3: International Trade Administration 13 October 2021	The market barriers, local requirements, and economic challenges of doing business in Nigeria	The influence of politics in Nigeria on businesses	Institutional Theory Framework		The paper does not make mention of the GDP per capita of Nigeria, which is skewed and very slow
Paper 4: Alec Hogg 26th April 2016	The economic challenges of Nigeria	The strategic value of partnering with local companies when entering the	Internationalization Process Theory Framework		The paper makes no mention of the demographic of Nigeria

		Nigerian market			

Author (year)	Methods	Arguments	Who do they agree with	Who do they disagree with
(Ekankumo & Wariowei, 2021)	Exploratory cross-sectional study (questionnaires)	The relationship between entrepreneurial skill and mark diversification are necessary for the Nigerian retail sector	(Nachum & Ogbechie, 2022)	(Games, 2004)
(Nachum & Ogbechie, 2022)	Exploratory study, using environmental psychology theory	Managers of foreign and local banks perceive Nigeria’s environmental resources differently, and therefore respond to them with different strategic choices that lead to different outcomes	(Nasrudin, 2022)	(Madubela, 2020)
(White & Van Dongen, 2017)	Qualitative study	South African retail firms expanding into Africa must adopt various capabilities and	(Ping, Liu, Gallagher, & Wu, 2018)	(Reuters, 2013)

		approaches, instead of a single standard approach in venturing into Africa		
(Games, 2004)	Survey and analysis	The key driver for South African firms doing business in Africa is an enabling environment	(White & Van Dongen, 2017)	(Nachum & Ogbechie, 2022)
(Ochie, Nyuur, Ludwig, & Cunngingham, 2022)	Dynamic capabilities lens	Firms must pursue ambidextrous strategies including new business model, investment in technology, develop strategic alliances and internationalization	(Ping, Liu, Gallagher, & Wu, 2018)	(Asongu & Odhiambo, Challenges of doing Business in Africa: A systematic review, 2019)
(Asongu & Odhiambo 2019)	Systematic review	Economic development is linked to the ease of doing business	(Emmanuel, 2023)	(Nachum & Ogbechie, 2022)
(Adesoga & James, 2019)	Survey research design	Channel strategies are predictors of marketing performance for selected consumer goods, as such management of consumer goods firms should pay attention to channel strategies	(Nasrudin, 2022)	

(Idoko, Ukenna, & Obeta, 2019)	Self-administered questionnaire using structural equation modelling (SEM) technique.	The infrastructure development of shopping malls has changed the culture of shopping	(Ikadeh & Cloete, 2020)	
(Ikadeh & Cloete, 2020)	Semi-structured interviews	The benefit of shopping centres may be of benefit to the community it serves, the valuable role of informal traders should not be ignored	(Idoko, Ukenna, & Obeta, 2019)	(Nachum & Ogbechie, 2022)
(Ogbonna, 2010)	interviews	Cultural issues of doing business in Nigeria	(Amdan, 2021)	(Nachum & Ogbechie, 2022)
(Ping, Liu, Gallagher, & Wu, 2018)	Dynamic capabilities lens	The importance of dynamic capabilities in shaping international strategies	(White & Van Dongen, 2017)	
(Amdan, 2021)	Structured questionnaire	Cultural factors that influence and informing decision making when buying clothes	(Emmanuel, 2023)	(Nachum & Ogbechie, 2022)

(Emmanuel, 2023)	Systematic review	PESTEL analysis on Nigeria	(Asongu & Odhiambo, Challenges of doing Business in Africa: A systematic review, 2019)	
(Nasrudin, 2022)	Systematic review	A critique and the importance of glocalization as a strategy to adopt multinational firm's products and services to the environment they operate in	(Adesoga & James, 2019)	

Construct	**Interpretation**	**Measures**	**References**
Uppsala model	that firms enter foreign markets through a gradual process of learning and experience accumulation, starting with low-risk, low-commitment entry modes and progressing to higher-risk, higher-commitment modes as they gain more knowledge and confidence in the market.	measures the degree of a firm's commitment to a foreign market by assessing the level of resources, knowledge, and market-specific assets	(Arvidsson & Arvidsson, 2019)

Internationalization	Internationalization is a process through which businesses expand their activities across national borders	measured using various indicators, such as the number of countries in which the firm operates, the proportion of sales or revenue generated from international markets, the level of foreign direct investment	(Magdin, 2021)
Globalization	Globalization is a complex and multifaceted process that involves the integration of economies, societies, and cultures across national borders	measures such as the volume of international trade, foreign direct investment, and cross-border capital flows	(Altman & Bastian, 2021)
Eclectic paradigm	The model suggests that firms engage in international activities based on three factors: ownership advantages, location advantages, and internalization advantages	measures the degree to which a firm possesses these three advantages, and how it leverages them to pursue foreign direct investment and internationalization strategies	(Huluman, 2022)
Entry modes for multinational cooperations	determines the extent of their control over their foreign operations	measured by assessing the extent to which the firm leverages each	(Chand, 2020)

	and the level of risk they assume	of these strategies to enter foreign markets	
Transactional cost theory	suggests that the choice of entry mode by MNCs is influenced by the transaction costs associated with different modes of entry	measure the costs and benefits of different governance structures within the MNC, such as the choice between centralization and decentralization	(Dunn, 2011)
Cultural imperialism theory	Cultural imperialism theory suggests that globalization leads to the homogenization and domination of cultural values and practices of dominant cultures over subordinate cultures	measures the ways in which local cultures resist or adapt to the influence of dominant cultures. Local cultures may resist cultural imperialism by rejecting foreign cultural products	(García & Birkinbine, 2018)

Construct	**Interpretation**	**Measure**	**Reference**
The intensity of competitive rivalry	: The intensity of competitive rivalry refers to the level of competition among existing companies in the market	measures the degree of competition in each industry.	(HBS, 2008)
Porter’s five forces	used to analyze the operational	a framework for understanding the competitive	(HBS, 2008)

	challenges encountered	environment in which companies operate and the factors that impact their profitability	
The resource-based view	suggests that MNCs choose entry modes that allow them to leverage their unique resources and capabilities	help to identify potential areas for investment in resources and capabilities that are lacking or deficient, such as local knowledge or cul	

Interview questions:

1. How do you perceive the political environment in Nigeria and its impact on the operations of the South African multinational firms?
2. What specific political challenges have you encountered while conducting business in Nigeria, and how they affected the firm's operations?
3. How do you navigate regulatory and bureaucratic hurdles in Nigeria, and what strategies have been effective in mitigating their impact on the operations?
4. Have you experienced any instances of political instability or unrest in Nigeria, and if so, how they influenced the firm's operations?
5. How do you perceive the government's attitude towards foreign companies, particularly South African multinationals, and how does it impact the business operations in Nigeria?
6. What are the major cultural differences you have observed between South Africa and Nigeria that posed challenges to the firm's operations?
7. How do cultural nuances and practices in Nigeria affect the relationship with local employees, customers and partners?
8. What cultural adaptation strategies have been successful in enhancing the firm's operations in Nigeria and building positive relationships with local stakeholders?
9. How do you ensure effective communication and collaboration between South African and Nigerian teams, considering cultural differences and language barriers?
10. How do logistics and infrastructure challenges in Nigeria impact the supply chain and distribution networks?
11. Have you encountered specific logistical bottlenecks or issues that have significantly affected the operations, and how have you addresses them?
12. How do you navigate the transportation and logistics landscape in Nigeria, including issues such as poor conditions, customer procedures and port operations?
13. What strategies and partnerships have you implemented to optimize the logistics and supply chain management in Nigeria?
14. How do you manage the complexity of operating in multiple regions within Nigeria, and what logistical challenges arise from this?
15. How do you ensure the security and safety of the operations, employees and assets in Nigeria, considering the diverse logistical and cultural landscape?
16. What measures have you taken to address any security risks or incidents that have impacted the firm's operations in Nigeria?
17. How do you assess the reliability and availability of critical infrastructure, such as electricity and telecommunications, and how do they affect the operations of the firm?

18. Have you encountered any challenges related to import/export regulations and how have the influenced the operations of the firm?

19. How do you stay updated on the changing political and cultural landscape in Nigeria, and how does this information influence strategic decision-making?

20. What recommendations and improvements would you suggest to enhance the firm's operational efficiencies and success in Nigeria considering the challenges discussed?

Participant Consent Form

Title of project: Exploring the Operational Challenges Encountered by Selected South African Multinational firms in Nigeria

Researcher: Sefatsanyane Karabo Motaung

I, ..., agree to participate in this research project.

I agree to the following:

The research study was explained to me. I understand what this study is about.	YES	NO
I understand that I can volunteer to take part in the study.	YES	NO
I agree that the interview may be audio recorded audio recorded.	YES	NO
I agree that direct quotations from my interview may be used by the researcher in their research report.	YES	NO
I agree that my participation will remain anonymous in the research findings (my name or other identifying data will not be used by the researcher in their research report).	YES	NO
I agree that other researchers may use the information I provide in my interview (depending on their own ethics clearance being obtained) but my name and any personal information will not be used or passed on.	YES	NO

…..(Signature)

…..(Name of the participant)

…..(date)

Letter requesting participation of the research

Sefatsanyane Karabo Motaung

2476 Mokoerekoere Street Pimvillve

Zone 2 Soweto

1809

698443@students.wits.ac.za

0832084989

16 May 2023

Subject: Request for Participation in Research Study on Operational Challenges in Nigeria

Dear [Senior Manager's Name],

I hope this letter finds you in good health and high spirits. My name is Sefatsanyane Karabo Motaung, an MBA student at Wits Business School in Johannesburg, South Africa. I am writing to request your permission to participate in an important research study that explores the operational challenges faced by South African multinational firms operating in Nigeria.

The objective of my research is to gain valuable insights into the operational landscape of South African multinational firms in Nigeria, with a focus on understanding the impact of politics, culture, and logistics on their operations. By examining these challenges, I aim to contribute to a better understanding of the complexities involved in operating in the Nigerian market, ultimately providing practical recommendations for enhancing operational efficiency and success.

Your extensive experience and expertise in navigating the Nigerian market make you an ideal participant for this study. Your insights and perspectives as a senior manager in a multinational firm that has explored the Nigerian market will be invaluable in shaping the findings of this research.

The participation process involves a one-on-one interview at a time and location convenient for you. The interview will be conducted in a semi-structured manner and is estimated to take approximately [estimated duration] to allow for a comprehensive exploration of the operational challenges encountered. Rest assured that all information shared will be treated with the utmost confidentiality and anonymity, and only aggregate data will be presented in the final research report.

Your participation in this study will not only contribute to academic research but also benefit the wider business community by shedding light on the practical implications of operating in Nigeria. I kindly request your permission to proceed with this study and would be grateful for approximately [proposed interview duration] of your time.

Attached to this letter is an informed consent form that outlines the details and expectations of participation. Should you have any questions or concerns, please do not hesitate to contact me via email ([Your Email Address]) or phone ([Your Phone Number]). I am more than willing to address any queries you may have.

Thank you for considering my request. Your participation and support will make a significant contribution to the success of this research study.

Yours sincerely,

Sefatsanyane Karabo Motaung MBA Student Wits Business School

Research plan:

1. Introduction a. Background and significance of the research topic b. Research objectives and research questions c. Outline of the research plan
2. Literature Review a. Conduct a comprehensive review of existing literature on South African multinational firms operating in Nigeria, with a focus on operational challenges. b. Analyze scholarly articles, books, reports, and other relevant sources to understand the political, cultural, and logistical factors that impact operations in Nigeria. c. Identify key theoretical frameworks and models relevant to the research topic.
3. Methodology a. Clearly define the research design as a qualitative study. b. Explain the rationale for selecting qualitative interviews as the primary data collection method. c. Develop a semi-structured interview guide, incorporating relevant research questions based on the research objectives. d. Determine the target sample size of senior managers from selected South African multinational firms in Nigeria. e. Outline the sampling strategy, ensuring diversity in industry sectors, firm sizes, and operational challenges.
4. Data Collection a. Seek ethical clearance from the relevant institutional review board or ethics committee. b. Request participation permission from senior managers through formal letters and emails. c. Conduct in-person or virtual interviews with the selected participants. d. Record interviews with the participants' consent and ensure accurate note-taking. e. Collect additional data from other sources, such as industry reports and company publications, to supplement interview data.
5. Data Analysis a. Transcribe the recorded interviews and organize the data. b. Utilize thematic analysis to identify recurring themes and patterns related to operational challenges in Nigeria. c. Analyse the data in conjunction with the existing literature to provide rich insights into the research questions. d. Use

qualitative data analysis software, if applicable, to assist in managing and analysing the data.

6. Findings and Discussion a. Present the findings of the study in a clear and organized manner, highlighting key themes and sub-themes. b. Compare and contrast the findings with the existing literature to validate or expand existing knowledge. c. Interpret the findings in relation to the research objectives and research questions. d. Discuss the implications of the findings for South African multinational firms operating in Nigeria. e. Identify practical recommendations for enhancing operational efficiency and success in the Nigerian market.
7. Conclusion and Recommendations a. Summarize the main findings of the study. b. Discuss the limitations of the research and suggest areas for future research. c. Provide practical recommendations for South African multinational firms operating in Nigeria, based on the research findings.
8. Report Writing a. Compile the research findings, discussion, and conclusions into a comprehensive research report. b. Follow the appropriate academic writing style and structure. c. Ensure clarity, coherence, and logical flow throughout the report. d. Include proper citations and references according to the required citation style.
9. Finalization and Submission a. Revise and proofread the research report for accuracy, clarity, and coherence. b. Seek feedback from advisors, supervisors, and academic peers. c. Make necessary revisions and finalize the research report. d. Submit the research report to the academic institution or relevant authorities.
10. Dissemination a. Present the research findings at academic conferences or seminars. b. Publish the research findings in reputable academic journals or industry publications. c. Share the research findings with relevant stakeholders, such as South African multinational firms, industry associations, and policymakers. d. Engage in knowledge sharing activities to create awareness and facilitate discussions around operational challenges