UNIVERSITY OF THE
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JOHANNESBURG

TRANSNATIONAL KNOWLEDGE TRANSFER: The context of cross-border (South African firms) and local firms in private real estate joint ventures in Sub-Saharan Africa

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A thesis submitted to the Faculty of Engineering and the Built Environment, University of the Witwatersrand, Johannesburg, in fulfilment of the requirements for the degree of Doctor of Philosophy (PhD)

Johannesburg, 2022

DECLARATION

I declare that this is my own unaided work. It is being submitted for the degree of Doctor of Philosophy in the Faculty of the Engineering and the Built Environment, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in any other university.

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Pride Ndlovu

22nd Day of September Year 2022

ABSTRACT

Foreign firms have traditionally been utilized by governments in host countries to execute complex projects and were coerced by legislative requirements in public sector to partner with local firms to transfer knowledge. Traditionally, these joint ventures have been unsuccessful in transferring knowledge to local partners. But still international joint ventures continue to be used in the private sector as an entry strategy to new markets, without any legislative requirement coercing partners to form a joint venture. The study aims to investigate these private sector joint ventures forming a transnational knowledge network and evaluate the strategies they use to interact within the network and how they work on differences to create new knowledge used to achieve project goals. An integrated theoretical framework comprising of embeddedness theory, social capital theory, knowledge creation theory and the model of transnational public sector knowledge networks was adopted, and this model was further tested for its relevance and applicability in private real estate sector. The qualitative research methodology was used with multiple case studies of local firms and cross-border firms in a transnational joint venture in Sub-Saharan Africa (SSA). Data was collected through semi structured interviews, comprised of 11 cases, each using a purposive sampling of cross-border firm (SA firms) and a snowball sampling of local partner (spread out across the rest of SSA), making a total of 22 participants that were interviewed in the study. Documentary analysis of related documents for the transnational joint venture was perused. The data collected was analyzed using thematic qualitative data analysis techniques. The findings revealed that in order to reduce the differences that parties come to the network embedded in, continuous adapting, learning, transferring, integrating and innovation are continuously utilized by partakers as the five main generic principles or practices in a transnational knowledge network to create new knowledge, bridge differences and meet project goals. The study also revealed that the knowledge difference between local and cross-border partakers in private real estate was not severe and local firms had professional skill but lacked exposure and experience in executing a high-quality real estate asset that did not exist in their home country before. The study further identified the emergence of Welfare as a unique distance that exists in the context of SSA and this finding expands the transnational knowledge transfer model adding the tenth distance to it. This finding contributes to the literature and accentuates the significance of exploring the context of emerging countries.

Key words: international joint venture, transnational knowledge networks, transnational knowledge transfer, transnational collaborations, knowledge transfer

DEDICATION

This thesis is dedicated to my entire family, in particular my late grandfather Remigius Sylvester Ndlovu (R S Ndlovu) for his inspiration and my son Mpho Owami Mukwevho for his support and patience during my PhD journey.

A special dedication to my father Ewart Dumayi Ndlovu who passed away in the final stage of my PhD.

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ABBREVIATIONS AND ACRONYMS

AfCFTA	-	Africa Continental Free Trade Area
AU	-	African Union
CB	-	Cross-border
CIOB	-	Chartered Institute of Building
EMNE	-	Emerging multinational enterprises
FDI	-	Foreign direct investment
FREI	-	Foreign real estate investment
GIC	-	Global Investment Competitiveness
IJV	-	International joint ventures
LP	-	Local partner
MNC	-	Multinational corporations
MNE	-	Multinational enterprises
OFDI	-	Outward foreign direct investment
REITS	-	Real estate investment trust
RICS	-	Royal Institution of Chartered Surveyors
SA	-	South Africa
SECI	-	Socialization, externalization, combination, internalization
SSA	-	Sub-Saharan Africa
TKN	-	Transnational knowledge network
TKT	-	Transnational knowledge transfer
TPSKN	-	Transnational public sector knowledge network
TWMNE	-	Third World Multinational Enterprises
UNCTAD	-	United Nation Conference on Trade and Development
UNDESA/PD	-	United Nations Department of Economic and Social Affairs, Population Division

WTO	-	World Trade Organization

1. INTRODUCTION

1.1 Introduction

Internationalisation is a universal phenomenon of multinational firms operating on an international scale and growing transnational influence. International, state and provincial economies, citizens, and cultures amalgamate through international systems of trade, communication, immigration and transportation. International trade is the fundamental driver of internationalisation or globalisation (Liu, 2019).

Many scholars in international business have examined the internationalisation of multinational firms from developed markets and their geographically dispersed subsidiaries. Suggesting that knowledge flows from headquarters to subsidiaries, whereas others have examined the contribution of knowledge flow from subsidiaries to headquarters of which the Toyota example is a case in point. Ichijo and Kohlbacher (2008) demonstrated through the Toyota case that knowledge creation has shifted and advanced to an emphasis on knowledge creation in overseas markets by locals than the movement of knowledge from Japan (headquarters) to subordinate companies. They suggested that the Toyota's adoption of "learn local, act global" strategy for global business improvement was a winning formula that worked through accessing valuable local knowledge that secured them business advantage. They pointed out that the strategy proved victorious for Toyota making them a "meta-national company" (*ibid*). This example highlights the significance of local knowledge in host countries.

The phenomenon of internationalisation of emerging multinational enterprises (EMNE's), (*firms that are new at cross-border activity*) in developing countries is under researched in literature, an example of SA firms internationalising in the rest of Africa is a case in point (Museisi, 2013; White *et al.,* 2019; Boso *et al.,* 2019). Museisi (2013) corroborated that the internationalisation route of multinational firms from advanced countries is progressive, citing examples such as the Eclectic and Uppsala paradigms. However, literature has not built adequate knowledge on strategies utilised by EMNE's. Suggesting that different context exist that require different strategies to be adopted, and these need further investigation. South African firms are growing throughout the rest of Africa and are amid major investors in the continent (UNCTAD, 2019; White, *et al.,* 2019; Boso *et al.,* 2019; Museisi, 2013; Games, 2012). This expansion is a consequence of a rapid rate of urbanisation, growth in the economy and of the middle class. The consequence of this is the rapid increase in demand for high quality real estate.

Strategies to enter new markets differ from firm to firm, sector to sector and country to country depending on firm's strategy and risk preference (White *et al.,* 2019; Boso *et al.,* 2019; Bathlet *et al.,* 2019). In a study using a sample of 40 South African EMNEs with 415 existing foreign direct investment (FDI) entries in Africa, in different sectors like manufacturing, retail, services, construction and resources, Museisi (2013) found that South African EMNE's have no uniform approach to dealing with African country dynamics and diverse sectors and also found that they are generally disinclined to take risks. They further add that "service sectors choose to own their subsidiaries 100% and avoid dealing with the locals while manufacturing, resources, and construction choose to have a local partner to share the risk" (*ibid*).

SA firms use multiple modes of entry in Africa including joint ventures to enter new markets (White *et al.,* 2019) and partner with local firms to minimise risks (Museisi, 2013). Traditionally, international business is organized by multinational firms (MNE's) that leverage home-grown resources as they organise multiple business activities throughout the country boundaries (Bathlet, 2018). The emerging private sector joint ventures are formed to leverage knowledge as local firms seek technical skills from cross-border firms, whilst cross-border firms seek local knowledge resulting in a transnational knowledge network.

Partakers come to the transnational knowledge network embedded in their own context. They interact and communicate, this provides a podium for transnational knowledge transfer to take place. The study uses a theoretical lens to conceptually view and explain the interaction of partakers within the transnational knowledge network, as they continuously interact to create new knowledge. Embeddedness, social capital and knowledge creation theories were used in the study to explain the interaction of partakers within the transnational knowledge network. A model of contextual complexity, the transnational public sector knowledge network was utilised to conceptually explain the context of transnational knowledge networks and it guided the collection of empirical evidence. The model was also tested for its applicability and relevance in the private real estate sector.

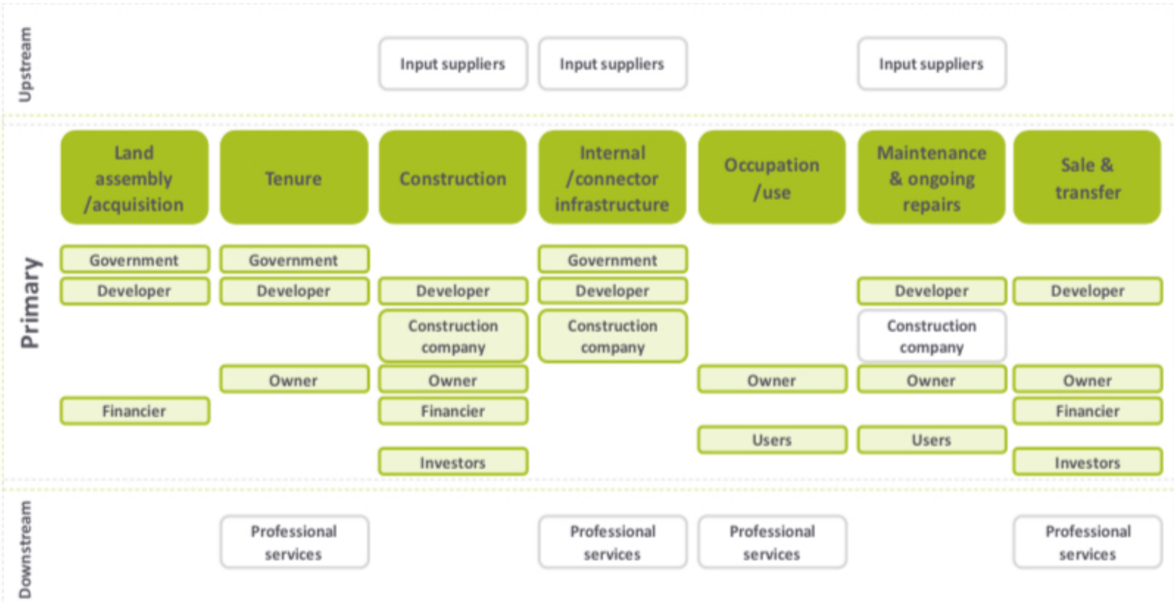
1.2 Background of the study

Foreign Direct Investment (FDI) has grown considerably over the preceding three decades in Sub-Saharan Africa (UNCTAD, 2019; Noorloos and Kloosterboer, 2018; La Salle, 2015; Museisi, 2013; Boso *et al.,* 2019). The South African outward foreign direct investment (OFDI) to Africa is private sector concentrated in Southern Africa albeit displaying a noticeable shift to West Africa in recent years, and its impact is advantageous (Draper *et al.,* 2010; Games, 2012). The huge investment by the local and global companies in the SSA economies (*ibid*) supports a rapid increase in the demand for high quality commercial real estate because of a number of factors, key among them being the rapid growth in these economies, growth of the middle class and highly favourable demographics (La Salle, 2015; Knight Frank, 2019).

The linked phenomenon of a growing population, emerging middle class and high levels of urbanization (McKinsey, 2010; Shimeless and Ncube, 2015), presents opportunities and challenges for investors, particularly in real estate. Opportunities to create real estate development projects to meet the demand. Also, challenges exist in most host countries that have poor institutions. However, some investors see beyond these, are able to identify real estate investment opportunities and are keen to invest on the continent (*ibid*). In their study of internationalisation of SA telecommunication firms into Africa, Luiz and Stephan (2012) found that SA firms demonstrated the key competencies that South Africa Multinational Enterprises (MNEs) have in navigating the complexities of doing business in institutional voids. They observed that: "the liability of being from the relatively small emerging market of South Africa and operating in a country of institutional uncertainty has allowed South African companies to internationalise into markets that other MNEs will not venture into and thus turn a liability into an advantage" (*ibid*).

For real estate investment opportunities to succeed, they require built professional advice and skill from the entire real estate development supply chain. The construction sector is viewed in this study as part of the real estate supply chain and therefore similar strategies apply within entire real estate supply chain. The real estate supply chain includes a range of built professionals that include among others construction professionals (contractors), engineers, quantity surveyors, architects, construction project managers, property developers, property valuers, market research consultants, urban planners, real estate agents, conveyancers, building insurers, town planners and local authorities. These built-environment professionals are involved throughout various stages of a real estate development process from conceptualisation of an idea, feasibility stage, land acquisition, design, construction and through to the completion stage of a real estate development project and their contribution of parts creates a whole.

Figure 1.1: Illustration of multiple partakers in different real estate development activities



Source: Msulwa *et al.,* (2018); CHF (2015)

Figure 1.1 illustrates the diverse professionals that partake in the real estate development process, suggesting an appropriate professional skill is desired to undertake the magnitude and scale of commercial real estate developments in Africa.

1.2.1 Lack of professional skill

The challenge of professional skills gap, lack of experience and exposure to complex projects, lack of professional design standards and inactive professional bodies limit the involvement of local firms in their local markets. Another reason identified was a lack of development and training programmes to nurture professionals in a study conducted in Tanzania (Debrah and Ofori, 2006). They also highlighted that there was a "notable skills deficiency in various areas and training needs in economic, technological, as well as social developments were required" (*ibid*). They suggested that this was as a result of "the complete lack of training on the job and off the job by companies since they were often small and therefore, they did not have the ability to offer training opportunities" (*ibid*). Olayeye *et al.,* (2014) scrutinized the "types of errors and flaws that contributed to the low acceptance of development viability appraisal studies" within the real estate markets in Nigeria. They found that the "low-quality service in viability appraisals” was predominantly the outcome of: “the criteria being used; the lack of market data; erroneous adoption of input values; in-attention to economic indicators; erroneous view of viability studies by investors; and the conservative attitude of most practitioners towards new developments in the real estate profession” (*ibid*).

Further training and exposure of professionals could mitigate against most of these problems. Equally, in a study conducted in Ghana, Osabutey *et al.,* (2014) accentuated that local companies lacked ability to, not only participate, but also to compete with foreign companies. Furthering their case, Osabutey *et al.,* (2014) pointed out that the key areas of deficiency among local consultants in Ghana include “skills for properly managing projects, lack of software know-how and lack of proper standardization of design specification”. Also as way of further examples, Aissibey-Mensah (2008) and Laryea (2010) suggested that local companies lacked key resources and capability to get involved in construction projects in Ghana. In addition, the involvement of Chinese construction companies for the construction projects in Angola was investigated in a study by Corkin (2012). Whilst, Aibinu and Odeyinka (2006) investigated and underscored the undesirable outcome brought about by the deficiency of a national construction agency in Nigeria. Recently, whilst acknowledging the disadvantages and risk of local construction firms being marginalised in competition posed by their counterparts in Ghana, Somiah *et al.,* (2020) proposed critical success factors as measures to address the influence of local firms competitive disadvantage. They suggested four key components underpinned the critical success factors counting against competitive advantage of local construction firms in developing countries, “namely market, firms internal, government and technology factors”. This suggests that further training and development of skills in firms in these areas may improve their competitive standing. Diverse engineering sectors are under severe strain, leading to a rise in demand for skills (Thwala, 2020). Furthermore, Connor *et al.,* (2000) found that the scarcity of skills is experienced broadly at all level of professional engineers. As well, Klosters (2014) highlighted that Africa has a major challenge of the inadequacy of engineering skills in construction sector. Evidence to support this exist in Nigeria (Okuntade, 2014), in Ethiopia (Trang-Tran, 2014) and in Egypt (Hafez *et al.,* 2014). Also, generally across Sub-Saharan Africa, outside of South Africa and Nigeria, the level of formal real estate and construction education is lacking. There are very few dedicated formal programmes offered in real estate and built environment, and this could be an indication of a limited skills pipeline that exists. Most of these programmes are also concentrated in South Africa (SA) and having most key universities offering most real estate and construction related programmes in

University of the Witwatersrand, University of Cape Town and University of Pretoria among others. Table 1.1 below shows some construction and property related programmes offered in some SA universities.

Table 1.1: Property and construction related programmes offered in some SA Universities

SOUTH AFRICAN UNIVERSITIES	PROPERTY RELATED PROGRAMMES	CONSTRUCTION RELATED PROGRAMMES
University of the Witwatersrand	Real Estate Studies, Facilities Management, Urban Planning, Real Estate Development, Town and Regional Planning	Quantity Surveying, Architecture, Engineering, Construction Project Management, Construction Studies, Electrical, Mechanical, Structural, Civil Engineering disciplines
University of Cape Town	Real Estate Studies, Facilities Management, Urban Planning, Real Estate Development, Town and Regional Planning	Quantity Surveying, Architecture, Engineering, Construction Project Management, Construction Studies, Electrical, Mechanical, Structural, Civil Engineering disciplines
University of Pretoria	Real Estate, Real Estate Retail Property, Property Studies	Quantity Surveying, Architecture, Engineering, Construction Project Management, Construction Studies, Electrical, Mechanical, Structural, Civil Engineering disciplines
University of Kwa-Zulu/ Natal	Land Surveying, Property Development	Quantity Surveying, Architecture, Engineering, Construction Project Management, Construction Studies, Electrical, Mechanical, Structural, Civil Engineering disciplines
Stellenbosch University	Real Estate	Civil Engineering
University of Johannesburg	Real Estate, Town and Regional Planning, Property Management	Quantity Surveying, Architecture, Engineering, Construction Project Management, Construction Studies, Electrical, Mechanical, Structural, Civil Engineering disciplines
University of South Africa	Real Estate	Civil Engineering, Project Management
Nelson Mandela Metropolitan University	Property Economics and Valuation, Facilities Management	Architecture, Construction Management, Quantity Surveying, Project Management, Construction Studies, Civil, Electrical, Mechanical

1.2.2 South African firms possess professional skill but lack local knowledge

The supply chain that services the real estate development needs depends largely on professional skills. SA real estate development firms that internationalise into the rest of Africa, have worked extensively on a number of real estate development projects and attained appropriate experience and exposure on commercial real estate development projects. The firms are well run by experienced and established professionals who are registered with various professional bodies or organisations in South Africa. These professional bodies guide the standard of their performance and aid in delivering a quality product. Most professional firms are also registered with ISO and SANS 9000 that hold firms to a higher standard and ensures quality processes are adhered to within the firms, and inspections are conducted at relevant intervals to ensure adherence. South Africa also has national building regulation standards that guide the quality of real estate. Generally, there exist multiple institutions that set minimum standards guiding the execution of real estate and construction industries and the regulatory environment is commonly supportive.

There is a common culture supporting continuous interaction with various strategic industry stakeholders that support quality research and share information with the real estate industry. Such organisations as South African Property Owners Association (SAPOA), distributes relevant information and sets conferences to dialogue on state of property industry among other tasks. Also, property valuation standards through South African Council for the Property Valuers Profession (SACPVP), ensures property valuation standards are regulated and applied with common rules. Such organisation as Rode & Associates, are key firms' offering property market information and undertaking real estate economics and research, valuations methods, rentals and many more useful resources offered to the property market that assist in benchmarking and understanding the market, which however only focuses on South African market (Rode & Associates, 1987). The introduction of the Real Estate Investment Trusts (REITS) in 2013 in South Africa further formalised the South African property market (Nurick, *et al.,* 2013). Real Estate Investment Trusts also aided in raising capital to fund more projects/assets as they are a method of investing in property without buying a physical assets.

In summary SA real estate firms are exposed to better institutional arrangements in home country that have exposed them to superior standards, transparency and formal structures and management systems, thus making them more experienced and technically competent in delivering a quality real estate asset to markets. In their study Osabutey *et al.,* (2014) noted further that firms with extensive experience in SSA agreed that most local firms in SSA countries shared the same challenges as those in Ghana, however they pointed out that South African firms were an exception. Among other reasons, this may be attributed to SA firms: i) capacity to access capital to invest in foreign markets; ii) experience and exposure to commercial real estate developments giving them the technical know-how; and also, iii) an advantage of dealing with institutional voids in emerging markets which they have experience of dealing with in home country.

However, whilst technical skills are undoubtedly significant, the importance of local knowledge in the form of context specific knowledge and institutional knowledge is fundamental in project planning and execution. Whilst SA firms have certain technical strengths, this does not extend to local knowledge yet. Appropriate design methodology in context of country conditions, market conditions, site conditions, socio-cultural and environmental conditions, availability and quality of materials are some of the key knowledge areas required to inform the planning and design stages of a project (Cristóbal *et al.,* 2018). Physical site visits and thorough understanding of the local conditions, socio-cultural, institutional and environmental knowledge are significant in planning a successful project. The local knowledge is critical in construction and real estate as it informs the direction of the project.

1.2.3 Collaborations creating a conducive platform for knowledge transfer

SA real estate firms have the technical know-how and financial capacity to execute projects but lack the local knowledge that is significant in executing real estate projects. Local firms on the other hand, possess good local knowledge of the context of host country that is beneficial to inform markets and design aspects of the project, but also inform acceptable behaviors and culture in host country. As demonstrated earlier, local firms lacked know-how, experience and exposure to commercial real estate development projects.

SA real estate firms choose to use joint ventures with local firms in host country to enter new markets in Sub-Saharan Africa. Within the joint venture network, each partaker has something valuable to gain from the other suggesting a form of collaboration network has knowledge benefits to partakers. The involvement of local and cross-border foreign firms in the form of transnational knowledge network collaborations can contribute to transnational knowledge transfer. The transfer of knowledge requires a collaborative effort from parties to achieve the transfer. Below, is a table indicating some of the advantages and disadvantages that are associated with internationalising within the developing nations that may impede transfer of knowledge.

Table 1.2: Challenges facing construction industries within the developing nations: lessons from different countries

Advantages	**Disadvantages**
Because international finance is involved, various projects can be implemented like big infrastructure projects	The local construction companies are not having adequate funds or expertise that they need to sponsor privatised projects.
Direct foreign investment in projects increases the demand for construction and this creates work for the domestic firms.	Domestic construction firms do not have the managerial, as well as the technical ability to execute a number of the foreign-funded projects.
As the foreign companies are competing amongst themselves, the cost of construction might be reduced in the underdeveloped nations	The growth opportunity for the local firms may be hindered (Hillebrandt, 1999).
When there are several global companies, technology can easily be transferred. This is beneficial to local firms. Different groups in the industry will thus gain from this.	Foreign construction companies can pay lip service to technology transfer (Carillo, 1994). They can also hinder technology transfer through a number of ways. Additionally, domestic firms might not gain from the technology transfer, or to consequently use the acquired expertise.

Source: Ofori, (2001)

Plenty literature exist in the area of technology and knowledge transfer. For example, Osabutey, Williams and Deborah (2013) studied the potential for technology and knowledge transfers between global and local companies in the Ghanaian construction industry. The study found that "technology and knowledge transfer is low, and revealed huge weaknesses in technology and knowledge transfer across different subsectors and between foreign and domestic firms arising from the potentially complementary but dissimilar resource and knowledge bases, compounded by the absence of coherent government technology and knowledge development policies". The authors suggested therefore that there is an urgent need to comprehend the reasons behind the low level of technology and knowledge transfer in SSA, in comparison to the other parts of the world such as East Asia. The study neglected interdependencies between contributing factors.

Whereas, Ado *et al.,* (2017) investigated approaches utilised by African firms to acquire knowledge from their Chinese equals. The study investigated 29 Africa-China JVs from 12 African countries. They approached the study through the use of a "multiple case study method with semi-structured interviews, and revealed that African partners actively take advantage of multiple cultural and social capital-related factors to support learning" (*ibid*). They suggested that “Africans often use informal, even clandestine mechanisms to manage cultural differences and build trust in order to gain knowledge” (*ibid*).

Another recent Africa-China collaboration study indicated that there is still a vacuum to be filled on skills development of these type of partnerships suggesting that they have not added to improvements in skills and technology transfer of the African construction industries. (Akinshipe and Aigbavboa, 2020).

In addition, Osabutey and Zhongqi (2016) attempted to find the factors influencing technology and knowledge transfer in SSA. They found four contextual factors: “the level of congestion of the foreign companies and local companies; provision of incentives by the government; effective intermediate industry institutions and educational effectiveness, and that the quality of technology and knowledge transfer depends on having quality foreign and domestic companies”. The authors pointed out that sectors and countries limited the results and suggested future research to include more factors like development stage, intensity of knowledge in the industry as well as cultural factors. They also pointed out that a differentiated analysis of different industries and countries could offer richer insights regarding industry and country specific differences. They also suggested a future study to find out how the kind of technology and knowledge transfer may affect the quality of technology and knowledge transfer (*ibid*).

This research mainly aims to extend the understanding of the literature by doing a multi-country transnational knowledge transfer study in SSA to focus on contextual factors including *inter alia* cultural factors. In addition, the study will attempt to find out why knowledge transfer maybe succeeding in the real estate development sector in contrast to poor success reported in other sectors such as infrastructure. This understanding would help business to make better decisions around entering into collaborations in future and support government facilitation of such cross boarder activities.

1.3 Substantiation of the Problem

Historically, there has been a significant improvement in the level of integration between the economies of Sub-Saharan Africa. On the back of initiatives through Nepad and the AU, there has been a growing cross border trade among countries in SSA. As a consequence, these countries are beginning to re-orientate themselves away from traditional linkages arising from colonial history and their related patterns of trade and investments, and towards new ‘non’ traditional trade partners such as China and India, but also cross border investment within SSA, of which South Africa is a key player. This has resulted in a notable shift in the dynamics of investment on the continent. The levels of FDI in Africa from both regional and global investors have risen over the years and this rise is projected to continue growing as the diversified markets and opportunities in Sub Saharan Africa are increasingly accessible to non-local entities.

One area where this is most readily apparent is in infrastructure investment. There is a serious shortage of infrastructure in SSA. There are huge investments from diverse investors, facilitated by governments, to improve the interconnectedness of the region and this is evident through numerous investments that aim to improve the ease of access between countries and cities, delivered through projects such as airports, roads and railway construction. Other major investments includes the construction of specialized infrastructure such as power stations, dams, mining, oil and gas to address the resultant need for power, water, and other basic needs. This interconnectedness is necessary to foster regional integration and improve ease of cross border trade between countries. It is also necessary to support rapid growth and development in major cities and towns in the region.

The improvement and creation of new infrastructure in major towns and cities supports a further demand for real estate. Africa is said to be the world’s second fastest urbanizing continent after Asia. The consequences for a growing population coupled with high rates of urbanization have intensified pressure on existing infrastructure that was not designed to support and accommodate these levels of growth. Investment in infrastructure unlocks further opportunities in real estate to address a derived demand for residential, offices, industrial, retail and other asset types. The emerging middle class within the region has driven demand for a quality real estate. This demand presents significant opportunities to developers to invest in the real estate sector in SSA.

In order to address the demand of both infrastructure and real estate assets, an adequate level of capacity and skill is required to deliver them. Over the last few decades, considerable research has shown SSA lacks the capacity to execute large-scale construction projects in the infrastructure space (Orthman, 2013). Because these projects are large-scale, complex, and happen occasionally, the involvement of foreign firms and foreign expertise is common (Shore and Cross; 2005). Historically, foreign firms reflected the traditional patterns of trade and played a significant role in project delivery, executing projects across SSA. Host governments have attempted to stipulate requirements for local participation on infrastructure projects in order to transfer skills and technology from foreign firms to the local industry to build capacity and typically this was done through collaborations but with limited success (OECD, 2002 and Osabutey, 2016).

However, real estate projects are smaller in scale, less complex and less specialized than infrastructure projects (Cristobel *et al.,* 2018). Thus issues around capacity may not be as significant. Thus, one would expect to see more local capacity and more local involvement on these projects with lower levels of foreign participation. However, anecdotal evidence indicates significant foreign participation in private real estate projects as *inter alia* clients, consultants, investors and contractors (UNCTAD, 2019; Deloitte, 2017; 2020). This is evident through collaborations between local and foreign firms executing real estate projects in the absence of any explicit government requirements for such arrangements. The implication of this would be that these foreign participants use this as a market entry mechanism. Anecdotal evidence further indicates that these partners are predominantly non-traditional partners (*ibid*) reflecting a re-orientation of trade patterns in the region. Non-traditional partners are viewed as partners that have not traditionally traded with Africa in the past.

Firms have traditionally used collaborations as one of several strategies to enter new markets (Elo, 2009). However, whereas with infrastructure projects the collaborations were focused on transferring knowledge to build up local capacity with the foreign firms gaining little in return beyond the benefits of delivering the single project. Whereas foreign firms in the real estate sector may be using collaborations to share risk, gain access to local networks and develop an understanding of local markets and conditions. Thus, in contrast to the large collaboration arrangements of major infrastructure projects, in this situation both local and foreign parties to the collaboration are seeking to acquire knowledge. Brill (2018) pointed out that in order to work within a new location, the developers together with their consultants have to use local knowledge. The evidence of a rise of emerging African private firms exploring opportunities in rest of SSA (Boso *et al.,* 2019; White *et al.,* 2019; Ibeh, 2013; Ibeh *et al.,* 2012) includes real estate firms involving cross-border foreign and local entities collaborating in the absence of government requirements suggests that both parties foresee significant benefits and that substantial knowledge transfer may well be taking place. It is well known that different parties to a collaboration have different expertise and knowledge responsibilities. As a consequence knowledge is a significant component of a collaboration, and indeed knowledge transfer can be used as a paradigm to analyse the interactions of the parties within the collaboration. It could be argued then, that knowledge transfer is taking place more effectively in real estate collaborations than on infrastructure collaborations.

Reasons for this may include:

- That there is a long-term incentive where the collaboration is intended as a long-term relationship across several projects;
- That the collaborations are voluntary arrangements with neither party coerced by legislative requirements;
- That real estate projects are less complex and therefore the technological difference between parties is less acute such that the competitive advantage of the foreign firm is not so dominant; and
- That both parties see value in the other and this would encourage knowledge transfer to take place because both sides gain something in the longer term.

In contrast, with infrastructure projects where it is less likely for there to be another similar project on the horizon, therefore there is little incentive for the foreign partner to transfer knowledge to the local partner.

1.4 Knowledge Gap

Transnational knowledge transfer through involuntary collaborations between non-SSA firms and local firms has largely been unsuccessful. Firms in traditional collaborations are not utilizing practices that would make them able to get full benefit out of collaborations because they do not understand how to go about making the collaboration work successfully. There is an emergence of a new type of a voluntary transnational knowledge collaboration in real estate that may be succeeding in bi/multi-directional knowledge transfer. There is a gap in knowledge on how these voluntary cross-border collaborations bridge their contextual differences that exist in a collaboration. We aim to fill this gap by using empirical evidence to analyse these emerging collaborations to discover how transnational knowledge transfer (TKT) takes place within the collaboration, by identifying the practices (and a way of bridging/reducing contextual distances) that would make these collaborations succeed. Through studying the internationalisation of South African firms into Africa, the study aims to fill another gap in literature of the under researched internationalisation of emerging markets.

1.5 Problem Statement

There is a growing number of Sub-Saharan cross-border foreign firms that are using collaborations with local firms as their preferred mode of entry into new markets to execute real estate projects in SSA. With the sustained demand for real estate and improved cross border investment, it is anticipated that this phenomenon will become more prevalent in future. In order to encourage better integration and mutually beneficial cross-border trade, it is important to have an understanding of the context under which parties in a transnational collaboration interact and deal with differences that exist resulting from the different context they come embedded in, in a collaboration that seeks to transfer knowledge and how this can be improved to offer growth and meaningful sharing of knowledge.

Real estate firms in SSA see the advantages and the need for having collaborations. They also recognize the differences in context and capabilities that exist within real estate hence the reliance on collaborations, but they may not be able to fully benefit from these collaborations. There is evidence of some companies in various sectors that have pulled out in new markets in SSA as a function in part of poor local knowledge. Parties come to the collaboration embedded in their different context. The problem that exist is that the embeddedness of parties, which results in contextual distance in a collaboration impedes the transfer of knowledge thereby affecting the success of a collaboration and project.

1.6 Primary and Secondary Research Questions

The major research question this study will seek to answer is:

What practices do local and cross-border private real estate firms adopt to bridge contextual distances that exist in collaboration networks in SSA?

From this a number of secondary research questions follow:

- *What are the contextual differences between cross-border and local firms in real estate?*
- *How do firms respond to these contextual differences?*

- *Are the responses successful in bridging contextual distances?*

1.7 Aim of the Research

The study aims to empirically investigate how local and cross-border partners interact within the collaboration network, in order to assess the probability of transnational knowledge transfer taking place between partakers in a transnational knowledge network of private real estate.

1.8 Research Objectives

The specific objectives of the research are:

- To identify contextual distance/ differences that exists within the transnational networks of private real estate collaborations in SSA.
- To investigate how both (local and cross-border) parties to the network navigate and bridge these differences in order to meet the objectives of the collaboration.
- To test the relevance and applicability of Transnational Public Sector Knowledge Network (TPSKN) model to close contextual distances in the private real estate context in SSA;
- To develop a set of generic principles informed by existing practices currently utilized by the (local and cross-border) firms that are based on their experiences navigating the contextual differences.

1.9 Research Proposition

The researcher views the collaboration as a network where actors come embedded in different contexts. It is important to understand how the embeddedness of parties, which results in contextual distances, affect partakers in a network.

The Proposition is that:

- Contextual distance emerges through knowledge difference and knowledge transfer is needed to bridge this contextual distance
- The wider the distance that exists between the parties in a network, the more difficult the success of TKT will be; and the smaller the distance the easier the flow of TKT will be.

- Transitioning from original knowledge base and embracing new knowledge requires a mental shift from each partaker within a collaboration.

1.10 Research Assumptions

The research study assumed that all partakers in the study possess unique knowledge to contribute to the network. Also, each partaker to the network values the other's knowledge.

1.11 Research Design

The study adopted a case study approach. 11 cases were investigated, each case comprising of local and cross-border partakers. The cases were spread out across Sub-Saharan Africa. Interviews were conducted with each partaker to the collaboration network using face to face and telephonic interviews. Secondary data was made available and analyzed in the study. A thematic analysis was adopted in the study to analyze data obtained empirically. Triangulation of data was used to corroborate each case and validate the findings of the study.

1.12 Research Scope

Though there other forms of market entry strategies into new markets, this study focused on international joint ventures, comprising of host and home country partakers in a transnational knowledge network. The study was limited to collaboration networks taking place in Sub-Saharan Africa between South African firms and local firms in host country undertaking private real estate projects. These collaboration networks are unique and underrepresented in literature, as this phenomenon is emerging. The study focused on learning how the partakers circumstances affect their participation in a transnational knowledge network. The study intends to accentuate the depth of contextual nuances and learn how partakers in real estate deal with these to achieve project success.

1.13 Contribution of the Study

A wider discussion in literature on knowledge transfer, internationalisation of firms and strategies firms use to enter new market is widening. Traditionally knowledge transfer was researched in the context of headquarter firms in developed countries internationalising through their subsidiaries in emerging markets. This study focused on internationalisation of firms in emerging market, particularly in private real estate sector. This theme of internationalisation is underrepresented in literature and this study will aid in contributing towards expanding our understanding of this unique context.

The study will contribute to a wider discussion in literature and add value in practice through recommending ways of improving the collaboration arrangements for better value and benefit to both local and cross-border partakers.

1.14 Structure of the Thesis

This thesis is structured as follows:

Chapter One: Introduction: This section provides an introduction of the research topic, providing a brief research background, substantiation of the research problem, the problem statement, aim of the research, the research questions, contributions of the research, research design that was used in the study.

Chapter Two: The Perspective of Sub-Saharan: This chapter reviewed the context of Sub-Saharan Africa in terms of real estate needs and investment. It discussed the push and pull factors for investment in Sub-Saharan Africa and presented an outlook of investment activities that support further investment in real estate. Firms investing in local markets use strategies like joint ventures to enter host country markets and rely on local partners for local knowledge. These transnational joint venture arrangements generate a setting for transnational knowledge transfer to take place.

Chapter Three: Knowledge Transfer in Transnational (cross-border) networks: The chapter provided a review of literature on transnational knowledge transfers in a transnational network context. It provided a review regarding what is known in the body of knowledge concerning the complexities of transnational knowledge networks between two different organizations.

Chapter Four: Conceptual and theoretical framework: This chapter identified the most useful theoretical lens that was used to explain and understand the interactions of transnational actors within the transnational knowledge network in private real estate sector. A further model of transnational public sector knowledge networks was used in the study and tested for its applicability and relevance in private real estate sector.

Chapter Five: Research design and methods: This chapter provides a thorough explanation regarding the methodology that the research adopted. Some of the key components of the chapter include the research method, research population, the sample size, the sampling technique as well as the research instrument that was used. The chapter also details different kinds of procedures, which were used for the collection of data, data analysis procedures, and the manner in which interpretation of data was done. Other key aspects of the section include validity of the research, reliability and generalizability concerns.

Chapter Six: Data presentation and analysis: This section provides an in depth presentation of data or results from the interviews. To analyse the qualitative data, the data was categorized into themes and patterns that were coded and frequencies were counted to ensures that the concepts are understood easily.

Chapter Seven: Discussion of the results: This chapter provides an in depth discussion of the results obtained from empirical data that was presented. It mainly focuses on doing a comparison of the results with theory obtained from the review of literature. Points of divergence and convergence are noted and an explanation is provided.

Chapter Eight: Conclusions and recommendations: The final chapter summarized all results of the study, drew conclusions from results and put forward recommendations for future studies.

1.15 Conclusion of Chapter

This section concludes the introduction section of the study of transnational knowledge transfer of cross-border firms and local firms in private real estate collaborations in SSA. The background of the study was captured in detail including the nuances of different challenges in different countries in SSA leading to the research gap of the study. The section covered the problem statement and its substantiation, the research question, research objectives, research scope, research aim and contributions and limitations of the study.

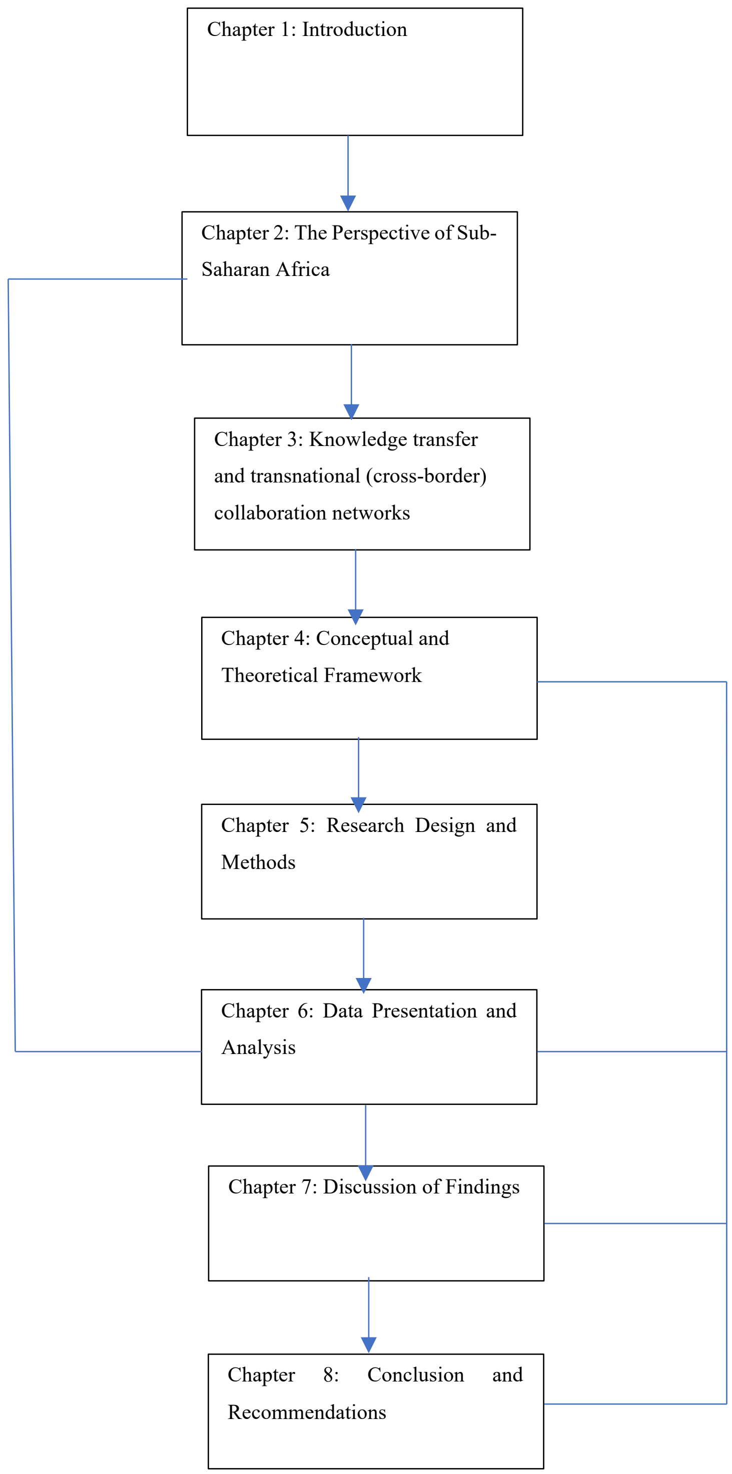


Figure 1.2: Structure of the thesis

2. THE PERSPECTIVE OF SUB-SAHARAN AFRICA

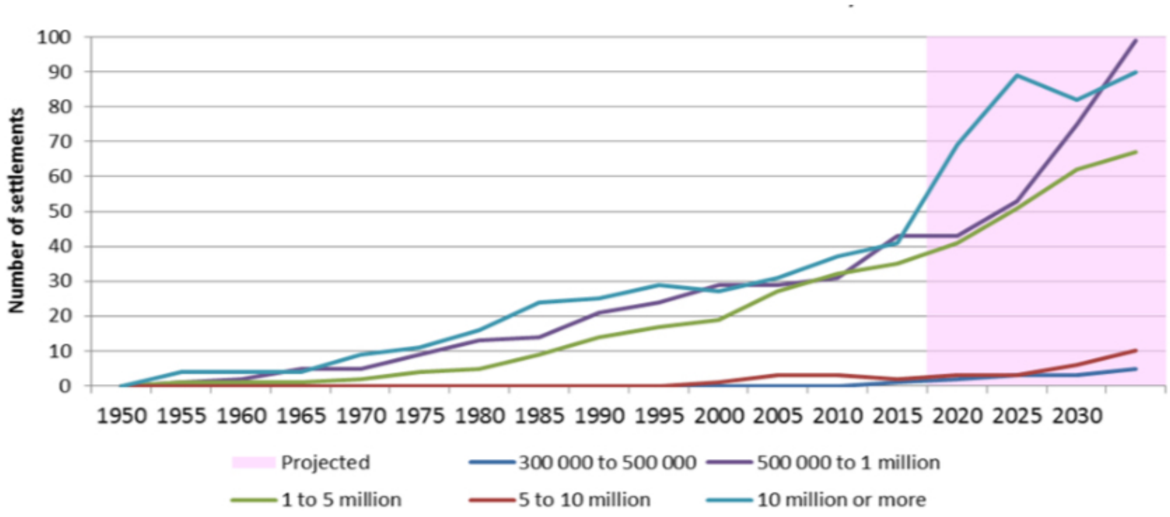
2.1 Introduction

The previous chapter one introduced the study by defining the research problem and presenting the objectives of the study. This chapter locates the context of activities taking place in Sub-Saharan African (SSA) cities, showing an emphasis of real estate development. It specifically discusses urbanization and its consequences including, the economic dimensions, social dimensions, environmental dimensions as well as spatial and physical dimensions of urbanization. It also discusses supply and demand in different markets of real estate including residential, office, hotel and industrial markets and focuses on the foreign real estate investment flowing into SSA to implement real estate investment projects. Lack of knowledge, capacity and capability is highlighted as a challenge when executing commercial real estate projects, this is discussed in detail pertaining to the strategies utilized to mitigate and deal with issues around knowledge required to execute investment real estate projects.

2.2 Urbanisation

The rapid movement of populace from rural to urban spaces in search for improved economic opportunities continues to escalate in Sub-Saharan Africa. This rapid movement is unsystematic, but essential (World Bank, 2009). Urbanization is a major factor of Africa's urban development (Cobbinah *et al.,* 2015; Bao and Fang, 2012; Darkwah and Cobbinah, 2014; UNDESA:PD, 2012); and it is described as a demographic (UNDESA:PD, 2012), ecological (Tavernia and Reed, 2009), sociological (Pivo, 1996) and economic (Bao and Fang, 2012) phenomenon that distillates population in urban spaces with a possibility of accelerating or impeding the intensification and progress of towns, cities, metropolitans, mega cities, megalopolis in both developed and developing countries (UN-Habitat, 2008). Urbanization can be defined as the augmentation in the urban populace of a country or space that fits the following elements of urban populace growth: (a) 'urban natural increase', (b) 'urban net migration', and (c) 'the reclassification of parts of the rural population into the category urban (due to the spread of the urban areas that exist into rural surroundings or the establishment of new towns in former rural areas)' (United Nations, 1980). According to United Nations (2001), rural and urban parts of a country are progressively mixing up which tends to improve transport and communications between rural-urban and return migration. Dispersing the urban economic activities to rural spaces (rural industrialization), and rural economic activities being followed in urban spaces (urban agriculture). With time, it is becoming hard to distinguish between urban and rural areas because the distinction becomes vague (UNCTAD, 2018). Rural population can be defined as 'the residual population after the urban population is distinguished' (Shryock *et al.,* 1976).

Figure 2.1: Growth of different sized cities in SSA, 1950-2030



Source: UNPD, (2014)

Figure 2.1 illustrates the projected growth of different sized cities in SSA. Urbanization is gradually prevailing, while dissimilar, has become a natural course of human behaviour and settling on earth, and the main driver of universal ecological shift (Scheuer *et al.,* 2016). Cities have become focal points for demographic and economic growth, creating beyond 90% of the universal gross value added (Fragkias *et al.,* 2013). The process of urbanization can be approached from different angles: 'the historical perspective, spatial perspective, the network and power hierarchies perspective, the land use perspective or the sustainability and lifestyle debate' (Scheuer *et al.,* 2016). Hence, economists, geographers and social scientists have devoted many decades examining the spatiotemporal typologies of urbanization and the dynamics of its change. The logic behind the abovementioned is that the methods and kinds of urbanization differ between economic competitions, dissimilar land uses or social/ethnic groups (Scheuer *et al.,* 2016).

Nowadays urban zones are projected to contain almost 5% of worldwide land surface; an area projected to grow by 200% till 2030, in so doing, further highlighting the distillation of populace and activities within a minor part of accessible land surface (UNCTAD, 2018). Most of the intensification is expected to happen in minor to medium-sized cities in African and

Asian developing countries and in Latin America; the smallest increase amounts projected for Australia/Oceania, North America, and Europe (*ibid*). According to Stein *et al.,* (2000), most of this sustained and accelerated population increase is centred in urban zones; but rural people are also experiencing major shifts both in increase of population and also the landscape composition. Rural and urban zones are growingly affected by the changing developments that affect the landscape composition, such as disintegration as influenced by urbanization and growth (Scott *et al.,* 2013). Human hazards on wetlands are seen more distinctly in practices such as 'filling, developing and dredging' (Jacques *et al.,* 2011). In America, for example, wetlands are amid the treasured and greatest susceptible natural resources (*ibid*).

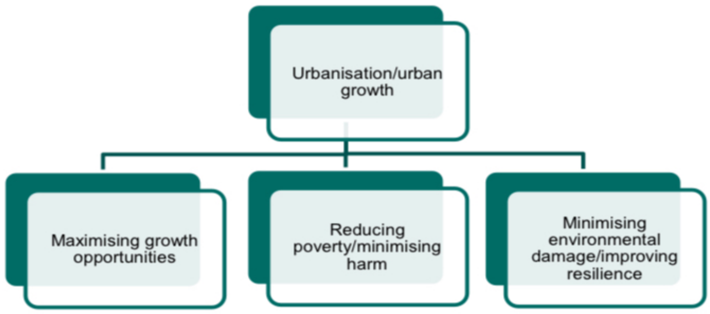
2.2.1 Urbanization and its effects

Currently, there is a huge growth of urban zones created by the rise in numbers of populace and migration (Dociu and Dunarintu, 2012). Urban development affects the configuration of places and have economic and social consequences; these consequences surpass the regional hurdles and create a wide-ranging effect (*ibid*). Urbanization is a globalization phenomenon with social and economic aspects, signifying the relocation process of populations establishing and arranging in urban zones, which are deemed as centres of advancement proposing many choices for occupants (Cheru, 2015). In this respect, cities are regarded as centres of change, placed in a relationship of interdependence with demographic growth and economic growth. Large growth of urban zones can aid in finding other routes that can enhance the wellbeing of people and enhance their quality of life (Dociu and Dunarintu, 2012).

Globally, an estimated three billion individuals or around 48% of the world's people live in urban spaces and it is estimated that around year 2030 an increase to 61% is projected (United Nations, 2004). Throughout 2000–2030, the world's urban populace is forecasted to expand at around 1.8% average annual rate, which will closely be twofold the forecasted amount for the entire populace of the world (nearly 1% per year) (*ibid*). This translates to roughly 180,000 people moving into urban areas daily; and 60 million people moving annually from undeveloped space into urban spaces. This forecasted amount of increase suggests that, the world's urban populace will be twice as much in 38 years or in about half the lifetime of a person.

Locke and Henley (2016) suggested a three-prong approach to examining urbanisation in cities. This approach included: maximising growth; reducing poverty and minimising environmental damage (*ibid*). Suggesting a fair balance or the attainment of the three as ideal. However, this is not the case in SSA as suggested through the literature on agglomeration resulting in productivity, positing the skeletal evidence of this 'causal link between urbanisation and growth', demonstrating a parallel rather than interconnection (Miller 2014; Turok and McGranahan, 2013; Walton 2012). The presence of 'agglomeration economies' does not adequately show that urbanisation will automatically produce growth in economic results (Locke and Henley, 2016).

Figure 2.2: What is the end game of urbanisation in cities?



Source: Locke and Henley, (2016)

Nearly all the anticipated increase in urban populace will be in emerging countries, hovering around 2.3% populace increase annually (UN, 2018). Compared with, the urban populace of the established anticipated to rise from 0.9 billion in 2003 to one billion in 2030, signifying a yearly increase rate of 0.5% per annum, contrasted to 1.5% documented in the preceding 50 years *(ibid*). The United Nations (UN 2020) forecasts the overall urbanization rate will increase from 40 percent to over 50 percent by 2040 in Africa. This projected surge underpins a discourse on the correlation between urbanization and development policies of cities. To address this challenge, governments need to implement the necessary measures and conducive conditions to deliver sustainable development and good environmental condition for a good quality of life (Turok, 2015).

Africa is currently the focal point of urbanization that is manifesting at an unprecedented rate. Africa's cities are projected to accommodate an extra 950 million people (OECD, 2020). A lot of this increase occurs in small and medium sized towns (Dociu and Dunarintu, 2012). Africa's urban evolution presents good opportunities, similarly it also presents major tests. Urban accumulations are increasing mostly outside the advantage of policies or investments capable to deal with these challenges (*ibid*). Urban planning and management become the fundamental development matters.

Scholars interested in urbanization of African cities have studied the phenomenon and postulated divergent views on the matter. Two dominant views emerge. In the optimistic view of Africa perceived as the new frontier that have a prolonged population growth that will drive economic development (*ibid)*. Then a pessimistic outlook, that argues that unplanned urbanization puts enormous pressure on cities to provide basic infrastructure to accommodate its population resulting in political, economic and environmental disturbances that impact negatively on urban growth (Hove, Ngwerume and Muchemwa, 2013). Many major cities in Sub-Saharan Africa are under strain, continued out of control escalation of these movements has a potential for negative agglomeration externalities. Also, those against the widespread effect of globalization, suggested economic localization as a substitute conduit to sustainable development (Frankova and Johanisova, 2012; Owen, 2009; Estill, 2008; Shuman, 2006; Woodin and Lucas, 2004; Mitchell, 2000). They support local and regional economic development operations such as 'knowledge and assets, networks and markets, incentives and credit unions, urban gardening, land at local levels which have simpler distribution chains, robust local economies and communal networking that is useful to communities at local level (Banski, 2020).

Tailor-made responsive policies accompanied by effective plans are suggested to be crafted and implemented to better manage the intensification of cities (OECD, 2018). Largely, a dependency on the enforcement of non-progressive policies adopted from developed countries during the colonial times do not always work in the African context (Gyau, 2018; Ogbazi, 2013; Egbu *et al.,* 2012). Urban planning authorities fail to take the country-specific context into account, but rather seek to assimilate what developed countries have done hoping for the same results (Egbu *et al.,* 2012). This is rarely achieved. Whereas, the context of Sub-Saharan Africa is unique fraught with high levels of poverty and joblessness. This differentiator alone has a huge impact on the unequal quality of life in cities in SSA. Bryan *et al.,* (2019) posit that the developing world is urbanizing at lower levels of income and with less developed governance than America enjoyed when it became a majority urban nation in 1920. As a result, developing world cities confront the universal challenges of urban life with far reduced resources.

Hamnett (2020) corroborated that urban development in China is not the same as urban development in the west or many other developing countries. Recognized as one of the examples showing the way urbanization is able to stimulate industrialization and improve living conditions, China moved from 20% percent population in 1980 and exceeded the milestone of 50% percent of the populace residing in cities in 2011 (Turok and Mcgranahan, 2013) and has reached 59% in 2018 (Hamnett, 2020). Turok and Mcgranahan (2013) supplemented that China largely succeeded in achieving this transformation by improving job growth in cities. Citing further that regular household incomes in Chinese cities increased to almost three times higher than in rural areas, largely because of higher productivity (*ibid*). Lauding the governments obligation to invest seriously in urban infrastructure as aiding to reduce the socially disturbing impacts of huge populace migration *(ibid)*. They further compared the Chinese strategy as opposing with India and several emerging countries, where there are widespread challenges including urban congestion, water deficiencies, neglected living conditions, including public health issues (*ibid*).

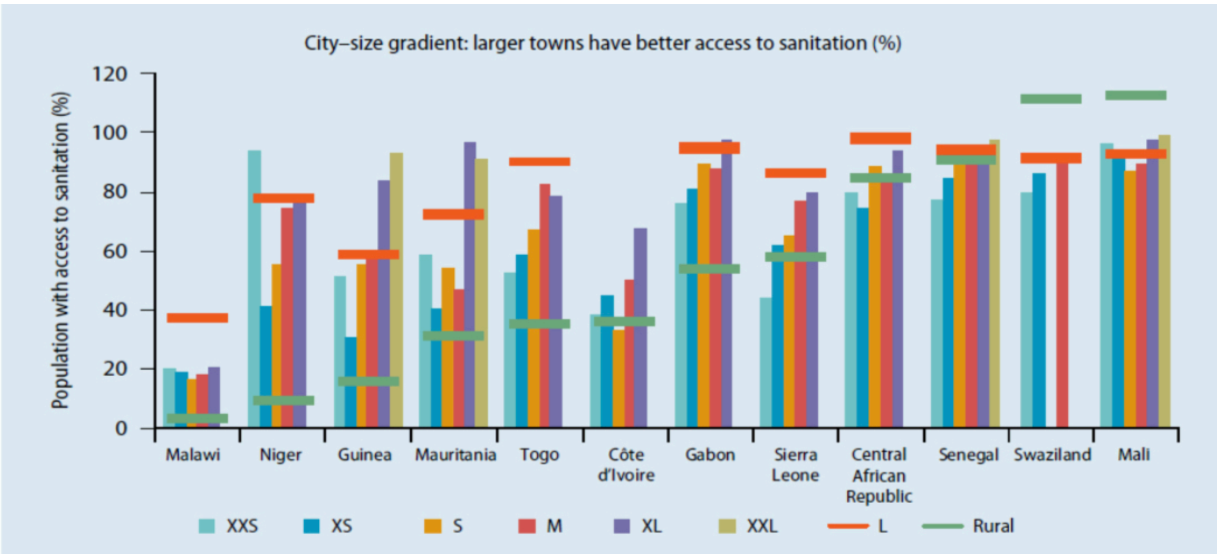
Despite urbanization being at its formative stage, Sub-Saharan Africa faces several difficulties, comprising poor infrastructure, lack of transparency, the difficulty in obtaining permits and approvals, political risk, currency risk, and cost control (Metcalf, 2014). Contrary to China, Africa is among regions in the developing world where local and regional development is rarely successful in reducing poverty and inequality (United Nations Population Fund, 2011). Piketty, (2014) suggests that international capitalism and competition are generating a type of creation and wealth-accumulation that is amassing the gap between the rich and the poor. In their study, Turok and Mcgranahan (2013) underscored the expansion outcomes of urbanization and the scale of accumulation economies as being changeable citing no basic link or correlation between them. They further posit that there is no 'simple linear relationship' between urbanization and economic growth, or between 'city size and productivity' *(ibid*). They suggest that the possibility for urbanization to stimulate development is prone to be contingent upon how conducive the infrastructure and institutional settings are *(ibid).*

In the initial 2000s, China disbursed 12.6 percent of GDP on infrastructure, double the spent of India (OECD, 2018). Whereas, Fay *et al.,* (2019) estimated that Africa spent 1.7% of GDP on infrastructure which was significantly lower in comparison with China. So, less expenditure on infrastructure negatively impacts the quality of urbanisation impeding investment, job creation, household incomes and resulting in negative social effects and no economic and social improvement. The fastest-growing cities are within the Sub-Saharan region, outside South Africa. Kampala, Lusaka, and Nairobi are reported to be currently growing at rates over 4% per annum. Lagos, Kinshasa, and Dar es Salaam are projected to be the three most crowded cities on earth at the conclusion of the century (Global Cities Institute, 2018), achieving the status of world's megacities, with a population of over 10 million.

2.2.2 The Notion of Sustainable Urbanization

The concept of sustainable urbanization is about rural-urban demographic shift in emerging countries. There are three concerns connected with this concept (Buckley and Kallergis, 2014; UN-Habitat, 2014): 1. the capability of city-level organisations in managing the accelerated requirements on them for basic services (Turok and Borel-Saladin, 2014; UN-Habitat, 2012, 2010; Collier, 2007); 2. the financial capability for these economies in funding the costs of urban infrastructure and circumvent harmful blockages, circulation crowding and contaminated waterways (World Bank, 2013); and 3. city labour markets capacity to attract low skilled personnel that is growing, youthful workforce; this gives rise to the 'urbanization of poverty' (Ravallion *et al.,* 2007; Cobbinah *et al.,* 2015). According to Turok (2015), strong contest for limited work and wages, burdens the social structure, promote widespread disorder, and discourage private investment. Additionally, increasing informal economies and informal forms of service provision cultivates substandard social safeguard and bigger susceptibility (*ibid*).

Figure 2.3: Service delivery according to town size



Source: Coulombe and Lanjouw, (2013)

Notes: XXS =<5k; XS=5k-10k; S=10k-25k; M=25k-50k; L=50k-100k; XL=100k-1m; XXL=>1m.

Figure 2.3 above illustrates the comparison of level of service delivery (sanitation) in multiple towns in a country in SSA. The picture depicts service delivery to be better in larger towns (capital cities) than smaller towns as capital cities are alleged to present enhanced possibilities for work and possibly improved services, due to better consideration and spending afforded to them as capital cities (World Bank, 2013).

a) Economic Dimensions

One of the main motives why persons move to cities is to look for employment so that their living standards would rise. The emergence of a new middle class in SSA support this movement because of poverty and unemployment, people move from rural spaces to cities looking for better opportunities, and this tends to lead to urbanization of poverty and to narrow the urban-rural divide. The growth potential of major metropolitan areas is normally bigger than that of rural areas and small towns. The strategy that directs investments to major metropolitan areas to increase the pace of non-agricultural growth creates more productive jobs and stops poverty from getting worse among a fast-growing urban population. Positive agglomeration effects are generated by urban growth which arises within densely populated areas where workers and economic activities are concentrated. The urban-oriented strategy encourages people to migrate to major cities because they have lower poverty levels and low costs of offering public services.

The year 2000 – 2014 saw an average economic growth of 5% that propelled and attracted a lot of investment on the continent of Africa (Knight Frank, 2020). However, challenges due to external factors like low commodity prices, low oil prices considerably declined the economic expansion (*ibid*). The SSA has been majorly affected by the drop in GDP of its three major economies, Nigeria, South Africa and Angola. Nigeria in 2016 went through a recession due to the low oil price. South Africa's drop was attributed to its low growth and Angola, like Nigeria also suffered through the low oil price. Lack of economic growth poses many challenges for cities, conversely growth that does not create jobs is just as problematic. Many countries that report positive results due to urbanisation have been able to create economic growth through industrialisation and job creation. Africa has consistently created a jobless economic growth with an emerging middle class that is consumer focused. Largely, African countries are huge consumers of products and do not have strong industrialisation strategies. Despite the slow-down in economic growth, great opportunities remain in the African markets for astute investors.

b) Social Dimensions

Overcoming spatial inequity to create more equitable and inclusive cities is currently the overriding urban development paradigm in cities. In response, the last decade of urban policy has increasingly focused on creating denser, internally efficient and inclusive city form, using investments in human settlements, infrastructure and transport as the key drivers. Spatially targeted human settlement and transport strategies are necessary, yet not sufficient causes to redress equity issues in cities. This requires a greater concentration on non-spatial policies that drive economic growth in cities in order to raise incomes and shares in economic output in parallel with spatially targeted investments. Given the large and increasing urban housing demand and high rates of urban poverty, national and city-level economic growth and skills development strategies are critical drivers of improved economic access. Spatial policies must therefore be complemented by programmes that will build the skills required to improve economic access of the urban poor to a modern and growing economy. Household income drives housing affordability, which in turn creates spatial mobility through enhanced effective demand. Improved affordability and buoyant property markets can further improve the potential to collect and use property rates and service charges, which will further sustain municipal finances.

Robinson *et al.,* (2012) argue that through accumulation, cities have the control to invent, create capital, improve living standards and house increase populace on a reduced footmark at lesser per capita resource use and emissions compared to any other community configuration. The emergence of the middle class moving to urban smaller areas necessitate the creation of social facilities for enjoyment and leisure. City plans are expected to consider the creation and improvement of facilities like parks, sports and other recreational facilities for leisure. Huge populations accommodated in high rise buildings require public open facilities for relaxation and exercise like parks to balance and improve the quality of life. Financial constraints and challenges due to capacity oftentimes compound the problem for cities and they struggle to provide many basic services to enhance the quality of life in cities. These basic facilities create social connections among people and contribute to a healthy and open culture.

c) Environmental Dimension of Urbanisation

Urbanisation changes the ecosystem through depletion of water, food, energy and land as urban populace deplete more food, energy, and hard-wearing commodities compared to rural populace. Increasing urban propensity cultivates acute environmental outcomes, but the net effect relies strongly on how this shift is handled. The effects of urbanisation on the environment are acute, complex and are demonstrated at local, regional, and international scale. With fast urban populace increasing, the urban environment is facing unique challenges, such as the worsening pollution, resource deficiencies, and circulation crowding (Zhao, Lai, Park and Ye, 2005). Additionally, cities have become a key origin for CO2 emissions, totalling for an estimated 70% of all such releases (Marland and Boden, 2003).

The real estate industry (commercial and residential property), is said to emit an estimated 28% of worldwide discharges which is a 6% more than the transportation industry, characterising it as one of the major originators of climate-related emissions (UNCTAD, 2019). As a result, converting the efficacy of buildings and significantly minimizing or eradicating their climate emissions will be a dominant factor of public policies that are channelled at attaining the worldwide emission decline goals described in the Paris Agreement (*ibid*). According to UNCTAD (2019), this may suggest a pending conversion in the industry that asset managers have begun to foresee and integrate into their investment analysis and portfolio apportionments. Caution as legislators search for ways to fast-track emission reduction, buildings with weaker environmental performance are exposed to increasing regulatory risks that might potentially diminish their asset value and liquidity (*ibid*).

Countries like the United Kingdom, the Netherlands, and Singapore, also in California and New York City, have already introduced rules instructing a variety of schemes that intend to significantly decrease emissions in the sector over the next decade. (UNCTAD, 2019). However, according to Shao, *et al.,* (2019), wealthier cities have the potential to create way more pollution, per capita than weaker ones; and for such cities environmental policy works. Whilst, Ahvenniemi and Huovila (2020) also suggested five aspects that indicate sustainable environmental quality. These were given as follows: 'natural environments, built environments, transportation, water management, and waste management'.

In developing countries, urbanisation is associated with unemployment and under-employment (Adekola, *et al.,* 2014). According to Adekola, *et al.,* (2014), deprived and unhygienic environment influences greater infant deaths than in hygienic and decent spaces; and with the great immigration by the unemployed from rural areas, deficiency is transferred from rural spaces to urban spaces. Concluding this as one of the reasons urban areas are fraught with deficient purchasing power, exposure to risk, malnutrition, high death rate, low life expectancy, inadequate access to social and economic services and lower chances for sustainable income generation (Morenike 2008; Adekola, 2016). In addition, Oluwemimo (2007) states that deficiency is linked to exposure to polluted environments, being subjected to criminal abuse, ailments, and health risk in urban centres. These features are for example, vividly visible in the slums of Nigerian big cities, including Kano and Lagos. Nigeria ranks 158th of 177 countries as measured in the United Nations Human Development Index (UNDP, 2008).

Urbanisation and Global Environmental Change (GEC) are related and tackling the GEC challenges necessitates governments to adopt fresh approaches to sustainable development that relate both to intergenerational equity, and cross-sectional social equity and environmental justice. Aldairi *et al.,* (2017) suggested energy management, water management, waste management, clean environment, and pollution control as the five factors of a sustainable environmental assessment system.

Today, city governments are expected to develop and implement strategies that identify, intensify and improve urban efficiencies through Built Environment Performance Plans. This would result in incremental changes to, and greater coordination between human settlements, infrastructure and transport strategies and funding mechanisms. Such strategies would help to intensify city cores and specific secondary nodes, investing in higher-intensity transport-oriented development corridors and strategic 'infill' developments. Due to the scale of the urban housing challenge, in South Africa, such investments have not yet influenced urban spatial change at a significant scale and are unlikely to generate significant pro-poor urban residential and economic opportunities.

Economies do not develop within an unchanging 'environment'. Economist have previously designated inputs like 'air' and water as 'free goods' (Stren and White, 1989). But now that clean air, water, wood-fuel, untilled land and wild game are no longer so plentiful, the 'value' of the environment is being recognised (*ibid*). This is particularly clear in Africa. In an urban environment, water supply is the most crucial element. As cities expand they incorporate the neighbouring villages in which people followed a rural way of life and drew water from the local wells. The groundwater, which drains into the wells, becomes more subject to pollution. Oumar and Wane (1983) pointed out that in Dakar, the extension of the asphalted area reduces the amount of rainwater that can seep through to recharge the local aquifer. As the local water sources are outstripped by demand and pollution or even over pumping and saltwater intrusion (as in the case of Dakar) , the search for piped urban water grows.

The consumption of water, energy, food and waste disposal have large scale consequences on the environment. There are many processes under operation at a micro-environmental level that affect households. Despite an urban dweller having improved access to health facilities than the rural dweller, they are exposed to additional risks. The urban risks appear in both acute and chronic forms. The urban dweller is exposed to pollution in the home, workplace and on the streets. These risks generally receive less attention in Africa than in developed world. The acute risks include motor vehicle and industrial accidents. Urbanisation is embroiled in a complex interaction between people and their environment. Benefits of urbanisation have been focused at the level of national economy and level of individual, but there are further negative impacts as well (White and Burton, 1983).

Sustainability, environmentally aware, green innovations, energy efficiency spaces have gradually grown in recent real estate developments. As an example, Nestoil Tower in Lagos, completed in 2017, obtained a LEED Silver certification for energy efficiency (Knight Frank, 2020) also other buildings like Heritage Place, Cornerstone Tower, Edge were also green certified. Growing consciousness on energy management and environmentally friendliness contributes to creating desirable commercial real estate spaces and decreasing usage costs while simultaneously taking care of the environment.

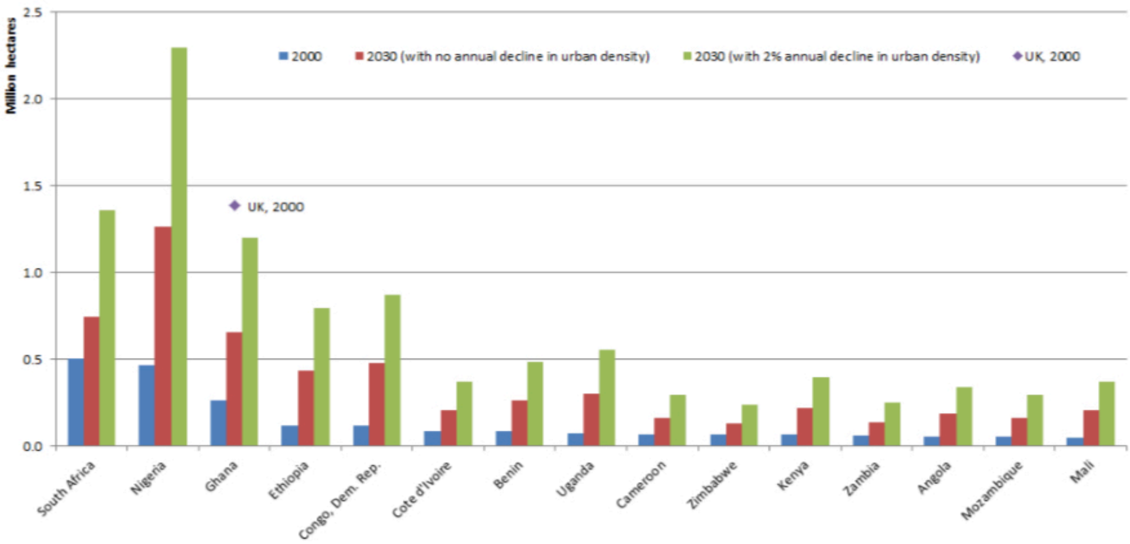
d) Spatial and Physical Dimensions of Urbanisation

It is important to have knowledge about the spatial dimension of urban growth on issues of people's quality of life, energy and food consumption, well-being, environment and malnutrition risks in order to conceive suitable approaches to influence sustainable development (Scheuer *et al.,* 2016). Clear approaches to urbanisation have been developed to explain spatial urban configurations, for an example, the core-periphery model by Friedmann, which explains the conversion of a pre-industrial system of independent urban cores (Scheuer *et al.,* 2016). Additional models on the underlying forces and alterations of urban development are centred around chaos theory, the theorem of fractal development represented by means of a systemic self-organization (*ibid*).

Figure 2.4 below exhibits the existing area of urban land envelope and shows a forecasts in 2030 with 15 African countries that show the greatest urban land envelope (Locke and Henley, 2016). The figure further illustrates that the top five countries showing major urban land envelope are Nigeria, South Africa, Ghana, Democratic Republic of the Congo (DRC) and

Ethiopia (*ibid*). Forecasts for area of urban land in 2030 indicate a fundamental dissimilarity of the binary options, that 'if cities stay at the current levels of density or if they follow other global cities and become less dense as they grow larger' (*ibid*). 'Under both scenarios, Nigeria is positioned to have the largest urban land area by 2030, with between 1.25 and 2.25 million hectares under urban land, up from 464,000 hectares in 2000' (*ibid*).

Figure 2.4: Urban land cover in SSA cities, 2000-2030



Source: Lincoln Institute of Land Policy, (2012)

Populace increase is located in urban spaces (Stein *et al.,* 2000) but rural communities are also enduring big vicissitudes in numerical increase of persons also in geographical forms. As an example, the increase in growth and urbanisation in most parts of the United States suggested that it was becoming progressively significant to evaluate the natural resources that exist throughout different ecosystems. One of the different types of ecosystems which has to be reckoned with is wetlands (Mitsch and Gosselink, 2000). For decades, wetlands have been both accepted and also avoided by individuals which made it challenging to measure the total effect people have on the universal extent of wetlands. In mostly populous spaces, this effect has been suggested to be very substantial (*ibid*). There have been various studies performed on wetlands and their increasing impacts that have occurred with reference to health, size, function and distribution. For example, one of the studies revealed that increasing impacts to wetlands only provide an incomplete picture because wetlands are not isolated, and rather that they are components of larger landscapes (Johnston, 1994). Similarly, various other studies have revealed that a 'direct relationship exists between human density and wetland density, and that as human density changes from rural to urban, wetland distribution shifts from clustered to fewer and more isolated wetlands' (Gibbs 1998).

China is one of the prominent example of cities that have increased in populace, size, and impact during the past decades. According to Zhang and Zhao (1998) and Chinese Statistical Bureau, (2012), China's urban population is implied to have increased from 172 million to 691 million in 2012, supporting urbanisation rate from 16 to over 50%. In this time, their annual GDP growth was around 10% (Chinese Statistical Bureau, 2011), with the mainstream economic activities happening in compactly populated coastal spaces and special economic zones earmarked for development by the Chinese government (Lin, 1999).

Taking a closer look at urbanisation and its spatial form and configurations, these have long been scrutinised throughout a manifold disciplines for decades, led by urban economists such as Batty (1991); Muth (1961); Blumenfeld (1954), Hoyt (1939) and Burgess (1927). Initial theories such as the concentric zone (Burgess, 1927), the sector (Hoyt, 1939) and the multiple nuclei (Harris and Ullman, 1945) models revealed that sectoral specialization and rent-seeking competitions could shape urban spaces in different forms. Basic ideas of industry and the division of labour governed the economic base theories (Haig, 1928; North, 1955; Thompson, 1965), causation (Myrdal, 1957; Kaldor, 1978a), growth pole theories (Perroux, 1950; Hirschman, 1958) and concepts of accumulation influenced the interpretation of altering urban procedures propelled by the quest for development.

Chang, (2013) suggested that the spatial form of the city is driven by the sectoral rent-bid in the land market. Gaffney (1969) stated that a 'city expands when a high land value at the perimeter puts simultaneous pressure on all land owners in the peripheral to convert to urban use'. In reality, several 'socioeconomic and physical factors are considered to be potential drivers affecting the urban form, such as topography, urban planning, infrastructure construction and so forth'. Because the existing urban form is resilient to be changed, the new demand could only be met by a large amount of land conversions on urban peripheral (Chang, 2013). The theories and models introduced in literature by many scholars like von Thunen (1875), Alonso (1964), Muth (1969), North (1955), Hoyt (1939) form the basis for knowledge of the spatial development of urban and built-up land (*ibid*).

With a growing number of people congregating in cities, the existing infrastructure fails to support the new demand. The old colonial spatial planning of old cities was not originally designed with a future plan to absorb massive wave of growth, as this was not imagined. Urban authorities and city planners are confronted with a dichotomy between rules for free movement of people and financial constraints and lack of capacity to provide the magnitude and complexity of infrastructure required for basic services to meet demand. Capacity challenges emanate from the fact that, 1) there was none to poor maintenance of existing infrastructure and 2) there was no expansion plans and no investment in new infrastructure, therefore there is largely no experience, capacity and capability to deliver it. Investment in public infrastructure and provision of basic services is the principal responsibility of the public sector. In dealing with this, public sector supports public private partnerships (PPP)'s to assist in the delivery of such infrastructure. These partnerships and collaborations provide financial investment capital and capacity to deliver infrastructure in cities.

Urban planning, infrastructure and the built environment are crucial in directing patterns of growth and influencing whether or not urbanization is functional for development (Turok and McGranagan, 2013). It supports a well-designed and controlled pattern of urbanisation that avoids urban sprawl. This will also influence the impact of urbanization on poverty and the environment (*ibid*). Lack of provision of basic infrastructure does not stop the movement of people to cities but results in congestion because there are no road improvements, lack of connectivity because there are no roads leading to nearby towns and villages, poor water provision, poor supply of electricity, poor sanitation resulting in diseases and general poor hygiene and poor healthcare facilities. The growth of cities should be directly proportional to the growth of basic facilities like healthcare facilities, sports and leisure facilities, educational facilities, place of worship, housing and such other related to improve the quality of life of people.

Due to the failure of urban authorities to provide basic services like water, electricity, sanitation, affordable housing opportunities, there are opportunities for investors to partner through PPP's with government to provide infrastructure to meet the demand. Massive investment in the built environment is fundamental for emerging cities to deal with the demand of population growth. The pressure on infrastructure results in the creation of new real estate opportunities. The major responsibility of public authorities in cities is to create an enabling environment for investment and real economic growth that results in job creation. This includes the manner in which the growing population and economic activity are accommodated within cities and the distribution of this growth across cities of different sizes and across the wider national territory (Turok and McGranagan, 2013).

2.3 Supply and demand for real estate in Sub-Saharan Africa

Supply of land at a given location is fixed and hence, inelastic (Wiltshaw, 1985). On the other hand, "demand for a particular site is likely to be quite sensitive or elastic with respect to its price" (*ibid*). Localities or urban areas adapt deliberately to economic fluctuations because resources are fixed between markets (Dipasquale and Wheaton, 1996). When responding to variations in demand, supply of factors (labour, capital and structures) into a zone often transpires progressively (*ibid*). This kind of gradual correction gives rise to temporary imbalances and aids to create cyclical patterns (*ibid*).

Predominantly, Sub-Saharan Africa is under-developed, with informal trading in informal structures across the continent. Investment activity has been stimulated by inflow of foreign direct investment. However, the limited availability of investment grade real estate stock, currency uncertainty and high inflation level coupled by general nature of opaque markets stifles investment. Multiple investors and multinationals looking to invest in real estate have limited to no options.

Real estate thrives on the principle of supply and demand and due to the high demand there is evidence of growing activity of greenfield developments across multiple cities in Sub-Saharan Africa. The demand is stimulated by a growing population and high rates of urbanisation, fuelling housing needs and resulting office, retail and other related needs. Real estate developers who seek to diversify risk and improve returns, seek various asset classes such as houses, office, industrial, retail and other related markets.

Figure 2.5: Selected Sub-Saharan Africa investment transactions (2015-2016)

Date	Property	Location	Sector	Seller	Buyer	Estimated price (US$ million)	Reported yield
Q4 2015	Ikeja City Mall	Lagos, Nigeria	Retail	Actis/RMB Westport/Paragon	Hyprop (75%)/ Attacq (25%)	91.0	>8.00%
Q2 2015	Two Rivers Development (39% stake)	Nairobi, Kenya	Mixed Use	Centum	Aviation Industry Corporation of China (AVIC)	70.0	N/A
Q4 2015	East Park Mall, Acacia Office Park & Jacaranda Mall (50% stakes)	Lusaka & Ndola, Zambia	Retail/Office	Casilli Group	SA Corporate	49.6	8.68%
Q3 2015	Wings Oando Development (37.1% stake)	Lagos, Nigeria	Office	RMB Westport	Pivotal	49.0	N/A
Q2 2015	Vodacom Building	Maputo, Mozambique	Office	Sociedade De Construçoes Catemba	Delta (now Mara Delta)	46.0	6.63%
Q4 2016	Cosmopolitan Mall (50% stake)	Lusaka, Zambia	Retail	Rockcastle	Mara Delta	37.1	7.75%
Q4 2015	Bagatelle – Mall of Mauritius (34.9% stake)	Bagatelle, Mauritius	Retail	Atterbury	Ascencia	28.9	c.7.00%
Q4 2015	Makuba Mall & Kafubu Mall (50% stakes)	Kitwe & Ndola, Zambia	Retail	Rockcastle	Delta (now Mara Delta)	21.6	7.75%
Q4 2015	Greenspan Mall	Nairobi, Kenya	Mixed Use	Greenspan Mall Limited	Stanlib Kenya Fahari I-REIT	20.0	8.10%
Q1 2016	Barclays House	Ebene, Mauritius	Office	Jade Group	Delta (now Mara Delta)	13.4	8.30%

Source: Knight Frank Research, (2016); Real Capital Analytics

Figure 2.5 shows various recorded transactions of real estate assets traded between private property companies and their yield. The companies are predominantly African companies, that are trading a variety of high quality real estate such as offices, retail, and mixed use assets.

2.3.1 Residential Market

Shelter Afrique (2020) estimated that Africa requires an estimated US$1 trillion to fulfil its 56 million shortage of residential unit. In response to this, most African governments endorse the generation on new urban developments through the construction of satellite cities to balance burden on the existing urban centres (Watson, 2013).

Coordination efforts to address the shortage of residential stock in the continent are largely driven by the private sector (Watson, 2013) and public private partnerships. Knight Frank, (2020) reported that at least 17 countries in Africa have a housing backlog of more than 1 million housing units. They indicated that Nigeria leads with an estimated backlog of 22 million units accumulating at 700 000 units per annum (*ibid*). Categorizing it further, they indicate that in the second category, at an average of 3 million is Democratic Republic of Congo at an estimated backlog of 4 million units, Egypt at 3.5 million units and Tanzania at 3 million units. In the third category estimated at an average of 2 million is South Africa at 2.3 million units, Uganda 2.1 million, Mozambique, Madagascar and Kenya at an estimated backlog of 2 million housing units each. They ascribe Kenya's deficit to be growing at 200 000 units per annum, while South Africa is growing at an estimated 178 000 units per annum with Ethiopia expected to generate approximately 400 000 units per year in order to meet demand.

In Kenya, a study was done to establish the factors that influence demand and supply of real estate property in Nairobi. Demand for housing especially in urban areas exceeded its supply as a result of among other factors such as weak planning resulting in a rise in informal settlements without decent residential accommodation and limited infrastructure services in the country (UN-HABITAT, 2008). It is indicated that during this time, the combined efforts of government and private developers were only able to introduce a low 30 000 housing units annually (Ministry of Land, Housing and Urban Development, 2013; Otieno, 2012).

The private sector has dominated the real estate industry in Africa providing a significant amount of real estate stock in the market annually. Increasing numbers of young households, rapid urbanisation, growing middle class and rapid increase in population, migration of people from the rural areas and industrialization has forced the government of Kenya and realtors to rethink ways to fulfil the demand for real estate properties (Kenya National Housing Survey, 2011). According to the report, both foreign and local investors as well as buyers are eager to tap into this robust growth (*ibid*). Understanding of rent dynamics across real estate cycles is important; as Blank and Winnick (1953) provided a simple theoretical framework in which residential rent changes can be modelled as a function of vacancy rates (Shilling *et al.,* 1987; Wheaton and Torto, 1988).

Housing affordability and availability of financing limit access to residential opportunities further complicating the problem of housing in SSA (Knight Frank, 2020). There are interventions and creation of new mortgage financing vehicles introduced, a recent example being Kenya (*ibid*). Tanzania and Egypt are notably other countries that have also introduced these financing structures in the recent past aimed at providing access to residential stock (*ibid*). New investment funds aimed at the residential and student accommodation sector have also been initiated, to deal with demand (*ibid*).

Efforts continue to create new stock in the market in various countries, through multiple structures including joint ventures. In Kenya, a collaboration between Actis and Shapoorji Pallonji JV, completed 600 units in 2019, an investment of US$295 million (*ibid*). Whilst in Nigeria, a partnership between Mixta Nigeria and International Housing Solution JV, completed 10 000 housing units in 2019 (*ibid*).

Vicissitudes in supply and demand for residential market necessitate that appropriate measures are taken to circumvent additional expenses of fresh creation capacity and network strengthening and avert network congestion and preserve adequate power quality (Darby and McKenna, 2012). There is an increasing worry about the financial and environmental costs of meeting high demand (Faruqui *et al.,* 2010; Ericson, 2009) and an effort to limit overall demand through minimizing resource reduction, pollution, and greenhouse gases (DECC, 2009).

The valuation of a property "whether raw land, a platted parcel, or a fully developed parcel ready for home construction depends on three characteristics: 1. pace of lot sales; 2. price of lots; and 3. costs of development" (Skolnik *et al.,* 1994). These characteristics generate a cash flow that a prospective purchaser would evaluate as a potential investment (*ibid*). Market research is generally undertaken on the issue of pricing and the costs of development (*ibid*). In most markets, the prices of finished, buildable home sites are available through municipal land records, negotiations with buyers or sellers, or through secondary published sources (*ibid*). Similarly, the costs of development are typically available from the client, the developer, or the engineering firm handling the property, with additional support available from certain published sources (*ibid*).

When cost information is outdated or too general, an appraiser may subcontract with an engineering firm to itemize the actual development costs (*ibid*). For example, according to the data published by the Construction and Economy Research Institute of Korea (CERIK), unsold new housing stocks exemplified the current situation of the housing market and were very important since they could seriously affect the financial conditions of construction businesses in Korea. These unsold new housing stocks sent signals about market trends to participants of the housing property markets. Overall, unsold new housing stocks formed an important market indicator for demand-supply. Changes of demand-supply in the residential market for various factors and the occurrence of unsold new housing stocks are an important phenomenon that occurs under the housing market system because the demand-supply in the housing market and unsold new housing stocks are closely related.

Arnott (1989) suggested that empty houses serve a socially advantageous function because they enlarge the breadth of choices to households joining the housing market. Ireri (2010) found that housing contributes in stimulating the development of an economy with housing provision being among key indicators of development.

2.3.2 Office Market

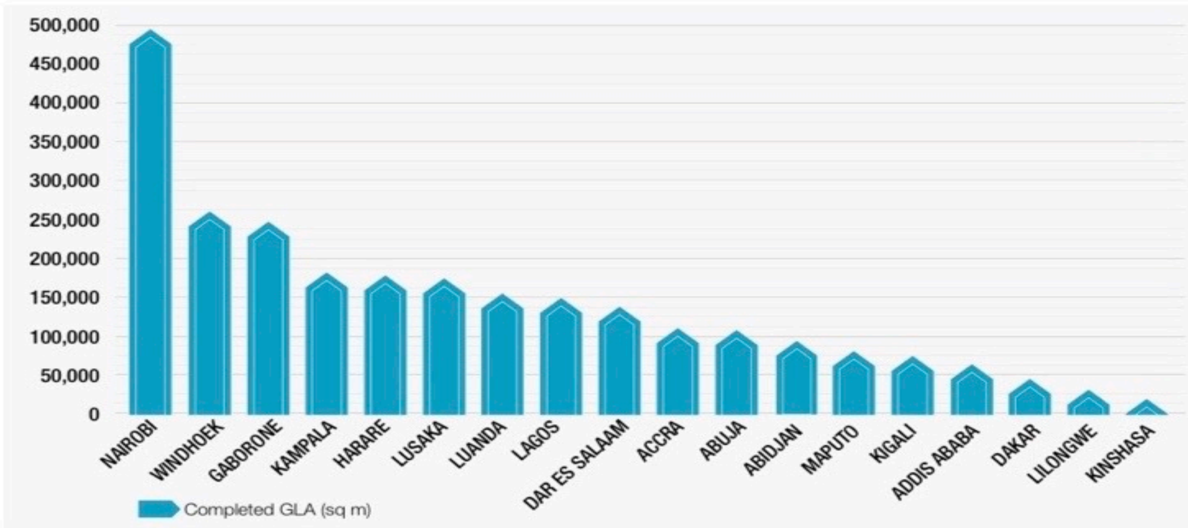
According to Knight Frank (2020) the office market was the most active in every region with the development of prime office space to supply the demand for investment grade office space. Multinationals and other corporates that seek to expand to other region have driven the office space demand. Performance of offices has sustained growth with prime office yields of between 6% – 11%. Tunisia offering best yields of 11%, whilst Cape Town, Lagos, Johannesburg, Lusaka, Kampala and Kinshasa are among the 9% to 10% yields. The acquisition of Cornerstone Towers in Lagos by Everty, sold by Africa Capital Alliance is noted bolstering activity in the office market in 2019 (*ibid*).

Office rents adjust to short-run changes in office related economic activity, lagged changes in rents, and to the deviation of rents from their long-run values. Economic developments of large towns that spread throughout the town boundary are often driven by office markets (Brounnen and Jennen, 2009) due to the concentration of (inter)national conglomerates in large cities. So, it is not surprising that changes in GDP on a local level do not perform better in explaining local office rents. Service sector employment on a local level influences local demand for office space and hence changes in office rents. Office markets face a future of slow demand growth which carries on the trend that began in the 1970s. This secular decline in demand of office premises can be explained by demographic factors (i.e., smaller cohorts reaching working age and lower growth rates in female workforce participation), consolidations in key office-using industries, shifts to open-plans for office space, and the growth in telecommuting and hoteling (Blackburn and Rosen, 1993). On the other hand, office supply is driven by numerous factors in addition to expected demand, such as credit market liquidity, tax laws, local development restrictions among others. Thus, expectation for any office project regarding its ability to profitably attract and retain tenants is increasing.

2.3.3 Retail Market

There has been significant growth in new retail developments in Sub-Saharan Africa over the past two decades. Foreign investors have pioneered greenfield retail developments, sale and acquisition activity of retail asset stock has grown and some level of transparency of information sharing of transactions is observed. The retail activities are primarily championed by foreign investors including South African investors. The challenges remain for investors to scale down their developments, and looking at pursuing secondary cities to gain first mover advantage (PWC, 2016) . Right-sizing of retail centres will be key to move to secondary cities (*ibid*).

Figure 2.6: Completed shopping centre space in Sub-Saharan African cities



Source: Knight Frank Research, (2017/18)

*excludes South African cities

*floor space estimates include scheme with a minimum of gross leasable area (GLA) of 5,000 sq m

South Africa is reported to be the most mature in retail space, leading Sub-Saharan Africa with an estimated 23 million square metres of Shopping centre floor space compared with a total combined 3 million square metres of floor space for the rest of SSA (Knight Frank, 2018). Nairobi in Kenya follows with an estimated 500 000 square metres of novel retail floor space (*ibid*). Nairobi continues to be the development hotspot with a recent completion of new shopping centres like Garden City Mall (33,500 sq m); The Hub (30,000 sq m) and Two Rivers Mall (67,000 sq m) between 2015 and 2017 (Knight Frank, 2018). Ghana and Nigeria has also seen noteworthy activities by multiple developers delivering modern mall projects that have increased their investment grade retail stock.

Figure 2.6 above illustrates the amount of modern floor space added in multiple cities across Sub-Saharan Africa. The retail space has increased in SSA supporting the growth of the consumer market and the expansion of international retailers, dominated by South African supermarkets like Shoprite, Pick n Pay and Game. At this stage most major cities in SSA have at least one modern mall, developers are scaling down and moving their attention to secondary cities to gain first mover advantage. Morden mall development significantly contributes to shaping the future landscapes of growing cities.

2.3.4 Industrial Market

Even though concentration of modern commercial developments in SSA has focused on offices and retail sectors, industrial/logistics sector has received limited attention. However, due to the resultant demand of retailers requiring storage space and consumer goods manufacturers looking to expand operations to Africa, this has brought about some growing development activity in the sector (Knight Frank, 2018). Year 2016 saw the opening of York Commercial Park in Lusaka and the Agility Distribution Park at the Port of Tema in Ghana (*ibid*). Other planned activities were noted in Mozambique, Nigeria and Tanzania. By global standards, the online retailing sector is fairly small in SSA but it is increasing at a fast pace through the increased penetration of mobile phones, they will likely shape the logistics property market going forward. Pioneering online retailers like Nigeria's Konga and Jumia, South Africa's Take-a-lot require sophisticated logistics properties (*ibid*).

The property development process, political uncertainty and the regulation of the financial markets are important factors for the performance of a property market (Chin, 1999). Investment return in property markets experienced high growth in the 1990s, attracting much local and foreign capital. In some countries, an oversupply problem emerged by 1996. Because little attention was paid to this, this contributed to the regional financial turmoil in 1997. During this financial crisis, property companies experienced severe difficulties in repaying their debts as demand for property in most sectors dropped dramatically, for example, in Thailand. In Thailand, new developments were halted when rapidly falling currencies doubled or even tripled debt repayments, and prices and rental values fell by 30% to 40%. Also, in Hong Kong and Malaysia, property market prices and stock markets dropped significantly, and lending rates increased in these countries, leading to a further fall in property prices and values, while vacancy rates rose. Singapore and Taiwan with their strong currencies and large reserves were able to limit this financial damage in 1997 and 1998 (Chin, 1999).

The space market or the rental market is the market for the usage of (or right to use) real property (land and built space). There are individuals, households, and firms that want to use space for either consumption or production purposes on the demand side of this market. On the supply side of the space market are real estate owners who rent space to tenants. The price of the right to use space for a defined provisional period is termed the "rent". In South Africa, the rent is normally quoted in monthly terms, per square metre but other methods are also used (such as annually per apartment).

The rental price is determined by supply and demand. Suppose the demand for utilisation of space increases and the supply of space side does not change, rents will generally increase, and vice versa (Miller, 2015). All stakeholders in the market for built space usually have generally particular requirements on terms of type of space in a particular location. The supply side of the "space market is also location and type specific" (*ibid*). Buildings cannot be moved and generally it is a costly and involved process to change their type. However, many buildings have been converted from one land use type to another (for example, a warehouse can be turned into ''loft'' apartment), and these alteration are time consuming and often need substantial construction investment.

2.3.5 Hotel and Leisure Market

In Singapore, a string of calculations founded on firm economic and statistical principles have been utilised to forecast the demand of hotel market (Corgel *et al.,* 2012). Most important of these calculation encapsulates the connection between hotel demand (number of rooms sold) and the factors of demand. For a variable to be included, a demand calculation must make sense from an economic theory perspective (be economically significant) and have a exhibited statistically the relationship with hotel demand (*ibid*). Price and income are such variables. Hotel horizons calculations include 'hotel average daily rate (ADR)' and 'real personal income' as determinants of hotel demand (*ibid*). The change in employment measure also aids in forecasting during times when hotel demand fluctuates while incomes remain flat and employment is altering. Corgel *et al.,* (2012) suggest that the 'slope of the demand curve represents the price elasticity of demand'. They further suggest that 'price elasticity is quantitatively defined as the percentage change in quantity demanded divided by the percentage change in price' (*ibid*).

The hotel sector in Africa has also seen major developments over the past decade with many new hotel brands entering the market. South Africa leads with an estimated 430 hotels, followed by Egypt at 300 hotels and Morocco and Tunisia in the 100's (Hospitality, 2019). Expansion plans for many hotel brands to meet the demand are detailed below:

Table 2.1: Hotel Chain Development pipelines in Africa 2019 (Regional Summary)

	2015		2016		2017		2018		2019	
	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms	Hotels	Rooms
North Africa	79	18,565	87	19,971	107	23,836	120	28,643	125	29,294
Sub-Saharan Africa	191	31,150	227	39,416	262	43,113	298	47,679	276	45,861
TOTAL	**270**	**49,715**	**314**	**59,387**	**369**	**66,949**	**418**	**76,322**	**401**	**75,155**

Source: W hospitality Group, (2019)

A number of planned projects do not materialise due to funding constraints among other issues (Hospitality, 2019). Some projects remain incomplete, an indication below shows that despite the plan at least an average of 47% of the planned projects are completed. A large proportion of the hotels in SSA are owner occupied, with a few managed as franchises (*ibid*).

Table 2.2: Hotel Chain Development Pipeline in Africa 2019

(2015-2018 scheduled vs actual hotel openings)

	Scheduled	Actual	Actualisation
2015	69	27	36%
2016	110	54	49%
2017	95	51	54%
2018	115	46	39%
TOTAL	**320**	**151**	**47%**

Source: W hospitality Group, (2019)

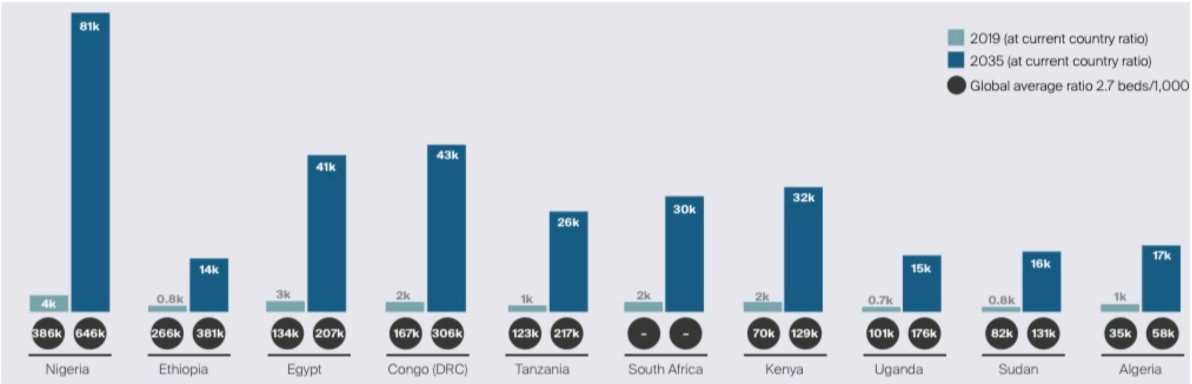
The development pipeline of new hotels in Africa is growing every year in line with massive shortages of hotel beds. Almost half of the planned hotels are realised on the ground on a yearly basis, suggesting a range of difficulties are experienced in implementation stage.

2.3.6 Hospitals

In general, construction activities of other asset classes like hospitals are emerging though still at an early stage. The private, for profit hospital sector located in urban areas is increasing in support with its significance in urban communities to fulfil the gap that exist in SSA (Knight

Frank, (2019). Through formalised hospital funds and private investment, hospital developments are likely to grow in future (*ibid*).

Figure 2.7: Number of extra hospital beds required in the ten most populous African countries



Source: WHO, World Bank, UN, Knight Frank Research, (2019)

Figure 2.7 shows the deficiency of hospital beds in the top ten most populous countries in Africa. The biggest shortage is projected to be in Nigeria in 2035, at current country ratio, followed by DRC and Egypt at the top three.

2.4 Foreign Direct Investment in Sub-Saharan Africa

Africa was primarily colonised for both strategic and economic reasons (Allen, 2011). Glaister *et al.,* (2020) underscored that "countries that were once integrated within the same colonial system often have institutional, linguistic and cultural similarities that facilitate the emergence of international institutions across them". For instance, Africa bears testimony to this through the similitudes of culture, language and institutional arrangements imposed to them by their colonisers, as can be evidenced by so called Anglophone countries which represent English speaking countries formally colonised by the British and analogously the Francophone countries representing French speaking countries that were predominantly colonised by the French. The influence of the colonisers culture, institutional, linguistic and cultural arrangements dominate these countries, and even post-independence most countries continue to actively drive concerted effort to pursue rearrangements of their position to locate and define their developing identity. Countries with similarities tend to group themselves together like the community of Portuguese speaking countries (the Lusophone Commonwealth), is an intergovernmental organization mostly of former colonies of Portugal (Glaister, *et al.,* 2020).

In addition, similarities that give rise to organisations such as the African Union consisting of 55 member states from 55 countries in Africa that congregate and collaborate 'to rid the continent of the remaining vestiges of colonisation and apartheid; to promote unity and solidarity amongst African states; to coordinate and intensify cooperation for development; to safeguard the sovereignty and territorial integrity of member states and to promote international cooperation' (AU, 2002). The primary objectives involve political and diplomatic cooperation between member states (Glaister, *et al.,* 2020) and also economic benefits (AU, 2002).

Such strategic relations between nations can play an essential role in perceptions of investors that their investments will benefit from protection if challenges arise (Pal 2017). In this instance, of the 55 African Union's (AU) member states, 44 African countries signed the African Continental Free Trade Agreement (AfCFTA) on 21 March 2018 in Kigali, Rwanda (van Staden *et al.,* 2018). This agreement was aimed at creating one continental market for various products, services, investment and mobility of capital in order to ensure that there is ease in the manner in which business people and investments circulate (van Staden *et al.,* 2018; Simo, 2020). It gives Africa the potential of a market of a billion people, putting it in the same league as India and China (*ibid*) and will be the largest trade agreement since the creation of the World Trade Organisation (WTO) (Simo, 2020).

Likewise, Lundan and Jones (2001) identify a 'Commonwealth effect' on the process of internationalization, whereby 'the widespread use of the English language, coupled with similarity in institutional structures, legal systems, and business practices within the Commonwealth can lower the 'costs of foreignness', and consequently increase the possibilities for intra-Commonwealth trade and investment'. These arrangements corroborate that formal grouping representing similar interest have potential economic and political benefits for members states.

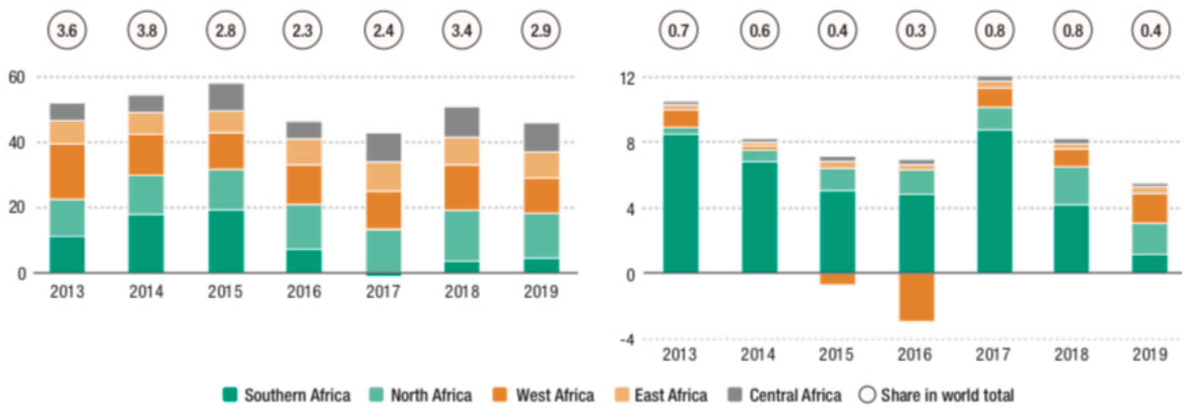
2.4.1 FDI inflows and outflows

In their study of the influence of prior colonial ties on FDI, focusing on European colonisers in Africa, Glaister *et al.,* (2020) inferred in their findings that a complex relationship between former colonial ties and inward FDI from colonisers given that the experience of colonisation was heterogeneous and the effects of the length of the colonial period and the time period since independence on inward FDI to former colonies by the colonising countries is contentious. They also suggested that a good relationship between former coloniser and colony is expected to favour FDI and vice versa. Conversely, flows of FDI that can be identified are from former colonies going to the former colonisers. Pal (2017) highlights an example of, the ‘acquisitions of British firms by Indian multinationals, the investments in key sectors of Spain by multilatinas and the growing influence of Angolan investors over Portuguese companies. And also, flows from non-traditional partners that have not traded with Africa in the past. An example, of this is China but also an emergence of intra-regional trade between African countries. Africa can be seen to be slowly re-arranging their traditional patterns of trade and opening up to ‘new’ non-traditional partners.

Foreign direct investment inflows to Africa generally improved in the past decade. In the recent past, 2016 and 2017 FDI inflows experienced the most decline responding to various external market conditions and adjusted these market conditions accordingly. These market conditions included aspects such as low oil price, global market wars, low growth and low commodity prices and these were among a combination of factors that affected the FDI inflows to Africa, particularly to commodity-led countries, such as Nigeria and Angola amongst others (Knight Frank Africa, 2018). Whereas investment led countries such as South Africa were severely impacted by low growth (*ibid*).

Figure 2.8: FDI inflows to Africa

Figure 2.9: FDI outflows from Africa



Source: UNCTAD, 2020 (*billions of dollars and percent)

According to the World Investment Report, (UNCTAD, 2020) FDI for both inflows and outflows reported a sharp decline in investment. The covid 19 pandemic occurred when FDI was already on a downward trajectory, with Africa recording a 10% drop in inflows in 2019 (*ibid*). There are variations in size of investments for diverse parts of Africa and this consequently translates to the number of projects, type of projects, number of jobs created by each investment.

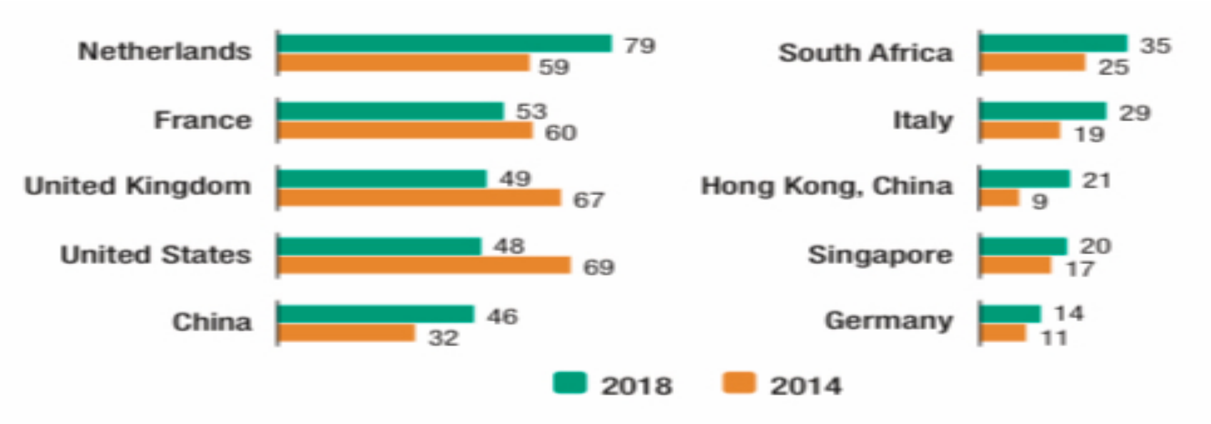
The declining trend of foreign direct investment (FDI) to Africa is set to exacerbate significantly in 2020 amid the dual shock of the coronavirus pandemic and low prices of commodities (UNCTAD, 2020). FDI flows to the continent are forecasted to contract between 25% and 40% based on gross domestic product (GDP) growth projections as well as a range of investment specific factors (*ibid*). Two distinct factors such as, the state backed partnerships and investments from countries with strong political backing may be resilient enough and survive after the pandemic and also regional integration to strengthen the commencement of trade under African Continental Free Trade Area (AfCFTA) (*ibid*) may contribute positively to African inflows.

Obeng-Odoom (2020) suggested that the "African Continental Free Trade Area (AfCFTA), is the largest free trade area in the world and promises to be different". They elaborated further, adding that "AfCFTA rejects classical, neoclassical, and Marxist theories of trade, appealing, instead, to non-aligned pan-Africanism" (*ibid*). Advancing further that "it advocates continental free trade as a way to overcome the lingering effects of slavery, colonialism, and neo-colonialism". In their support of AfCFTA, Luke and McLeod (2019) presented their main arguments relating to population, market potential and dynamism, economies of scale and scope as the foundational aspects that support AfCTA. They submitted these as setting a strong impetus for trade-led diversification away from Africa's commodity dependence and towards industrial development and structural economic change.

Luke and McLeod (2019) projected that Africa will consist of a market of 1.3 billion people and a gross domestic products (GDP) of $2.5 trillion, across 55 member states of the African Union participating in AfCTA. The emerging cross-border FDI among African countries has received little attention in literature, perhaps due to its limited size. However, there is a growing phenomenon of outward foreign direct investment activities noticeable among African countries in different sectors. For instance, Manyuchi (2017) found that transnational companies can direct OFDI flows in emerging African countries through transfer of environmentally and sound technologies, also mitigating climate change and sustainable growth in a case study of Eskom South Africa and its subsidiary Eskom Uganda Ltd. in the energy sector.

However, the FDI inflows to Africa recorded the top 10 countries that invested and sustained FDI inflows to Africa. Netherlands improved its investment from 2014 and became the top FDI source to Africa in 2018, overtaking the United States of America (USA) which was the top FDI source to Africa in 2014. The USA together with United Kingdom and France were the only three countries that contributed a decline in investment to Africa compared to 2014. The decline of USA may be attributed to the global market wars among other reasons.

Figure 2.10: FDI 2014 - 2018 by source

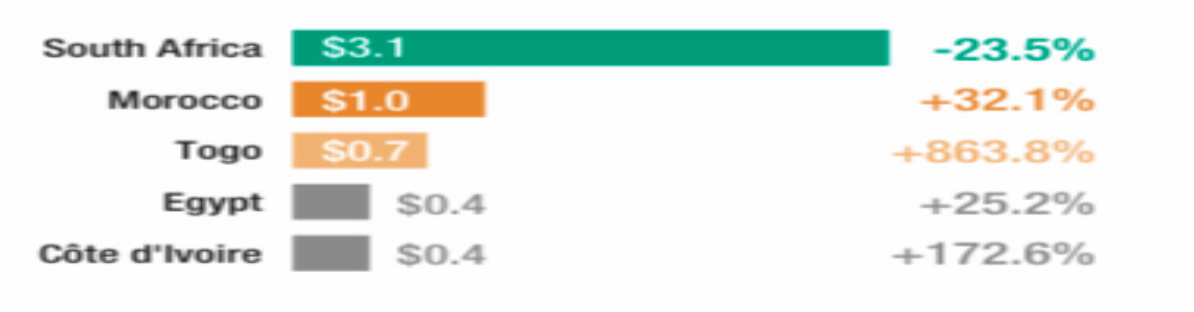


Source: UNCTAD, (2020)

Such other countries like China, Italy, Hong Kong, Singapore and Germany were among the top 10 contributors to FDI by source in Africa in 2018. South Africa is the only African country represented in the top 10 FDI source to Africa. South Africa improved its investment to the continent from 25% in 2014 to 35% in 2018.

Even though South Africa's outward foreign direct investment dropped by 23,5%, they still retained the spot as the number one country in Africa for outward foreign direct investment flows. Morocco followed behind at an increase of 32%, then Togo, Egypt and Cote d'Ivoire.

Figure 2.11: Outflows for top 5 home economies in Africa (billions of dollars and 2019 growth)



Source: UNCTAD, 2020

FDI inflows to Africa is directed at diverse projects in diverse African countries. According to Global Investment Competitiveness (2017/2018), investment decisions are influenced by a risk-return calculation, and consider factors such as domestic market size, macroeconomic stability and favourable exchange rate, labour force talent and skills and physical infrastructure are many factors considered to invest in a country like. In their recent study conducted, investors listed the important factors they consider as (*in order of importance*) "political stability and security, legal and regulatory environment, large domestic market size, macroeconomic stability and favourable exchange rate, availability of talent and skilled labour, good physical infrastructure, low tax rates, low cost of labour and inputs, access to land and real estate and financing in the domestic market" (GIC, 2017/2018).

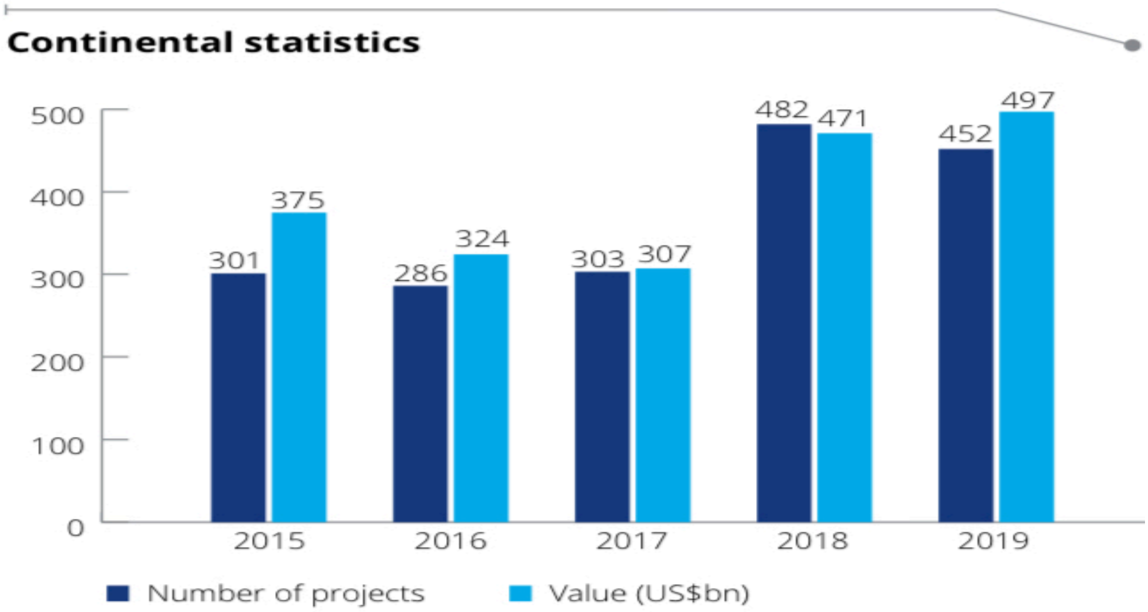
Figure 2.12: Top recipients of FDI inflows to Africa in 2018

Country	Jobs 000	Capital US$bn	Projects
Egypt	32	12	91
South Africa	12	5	110
Morocco	15	5	71
Nigeria	10	8	65
Kenya	6	2	64
Ethiopia	16	7	29
Ghana	7	1	30
Algeria	10	9	18
Cote d'Ivoire	4	2	30
Zimbabwe	6	6	18
Tunisia	10	1	19
Uganda	6	0	17
Tanzania	3	1	19
Mozambique	1	2	15
Zambia	2	1	15

Source: FDI Intelligence and EY Attractiveness Report, 2019

The top 3 recipients of FDI inflows in 2018 were Egypt, South Africa and Morocco. The foreign direct investment flows are invested in various projects in different countries. For instance, $12 billion dollars was received by Egypt in 2018, and it created 91 projects that translated to 32 000 jobs. Whereas $5 billion dollars was received by South Africa (SA) and it created 110 projects compared to the same amount received by Morocco that created 71 projects. However, Morocco was able to create more jobs estimated at 15 000 compared to 12 000 jobs created by South Africa from the same FDI in 2018.

Figure 2.13: Continental Statistics of number of projects

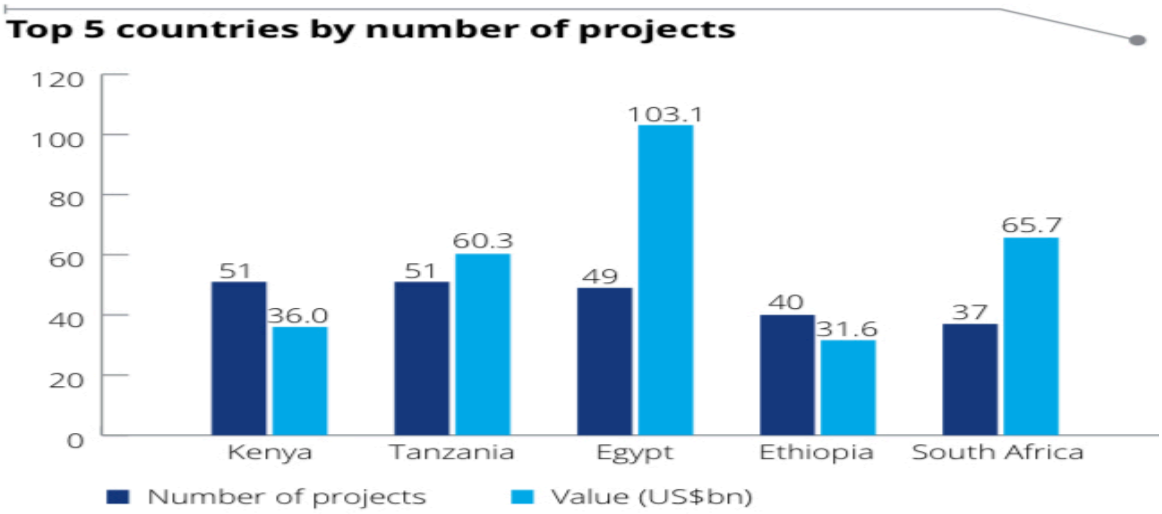


Source: Deloitte, (2019)

Figure 2.14 above shows a decline in the value of projects compared with the previous year 2018. A downward of about $30 billion value of projects. This is consistent with UNCTAD, 2020 report that showed a decrease in FDI inflows to Africa. It can be noted that the continent managed to increase the number of projects in 2019 with a lesser investment than in 2018.

From the 2019 FDI inflows, the number of projects was spread out among the top 5 countries in Africa namely, Kenya, Tanzania, Ethiopia and South Africa. The highest value of projects were created in Egypt, followed by South Africa and Tanzania. Whereas, the highest number of projects created were in Kenya and Tanzania followed by Egypt.

Figure 2.14: Top 5 countries by number of projects

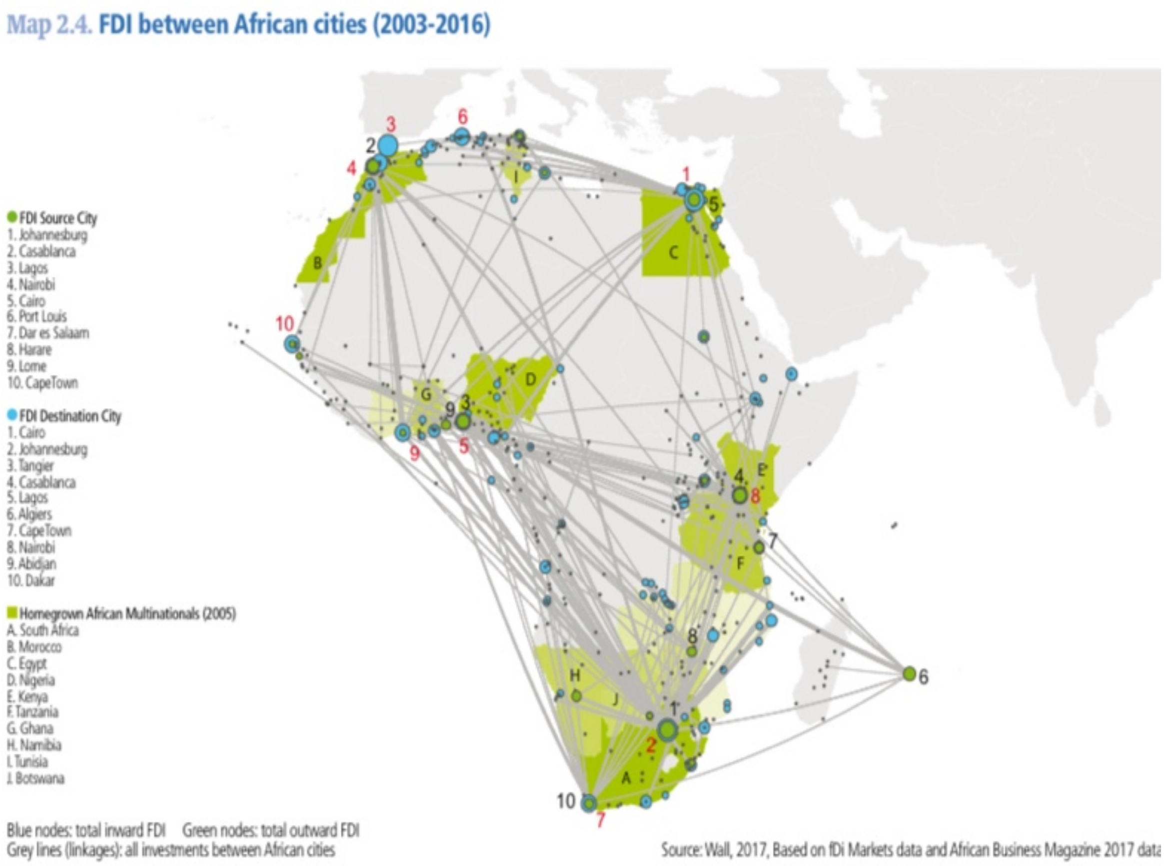


Source: Deloitte, (2019)

But also, activities of source and recipients of FDI among African countries is emerging. Wall (2017) showed an analysis of a breakdown of activities of different African cities (2003 -2016) capturing their FDI contribution among each other. As can be noted in Figure 2.15, source cities are listed as Johannesburg, Casablanca, Lagos, Nairobi, Cairo, Port Louis, Dar es Salaam, Harare, Lomé and Cape Town. The recipient cities of African FDI are also listed as Cairo, Johannesburg, Tangier, Casablanca, Lagos, Algiers, Cape Town, Nairobi, Abidjan and Dakar. Signed in 2018, the AfCFTA is well positioned to stimulate a strong impetus for further development of FDI trade among African cities.

According to Obeng-Odoom (2020) AfCTA "promises a new trade order with an immediate intention to liberate Africa from the shackles of underdevelopment". It pursues to impart new ways to the world on "how to avoid trade wars, possible economic depression, and global political crises" (*ibid*). Intra-African trade is still dominated by the top five economies in Africa including South Africa, Egypt, Nigeria, Algeria, and Angola/Morocco, who in the year between 2001 and 2011, contributed between 33 and 63 percent of exports from and imports into Africa (Mutambara, 2013).

Figure 2.15: FDI between African cities (2003-2016)



Source: Wall, (2017)

2.4.2 FDI projects and sector breakdown

According to Deloitte 2018 statistics, the foreign direct investment inflows to Africa created investments in a total of 482 projects. The sector that benefited the most in 2018 was the Real Estate sector, followed by energy and power, transport and mining. The Real Estate sector received $123 billion dollars of investment and invested it in 110 projects, while the Transport sector invested its $107 billion dollars in 186 projects. Energy and power created 66 projects with its $114,6 billion dollars and the mining sector created 32 projects with a total of $29,4 billion dollars.

Figure 2.16 below depicts Real Estate as one of the top three sectors that provided the highest number of projects. Real Estate remained a consistent sector in the past five years providing a steady number of projects at 23% in 2018 and 22% in 2019.

Figure 2.16: Sector of construction activity in 2019

Projects by sector	Share of projects by number (%) 2015	2016	2017	2018	2019
Transport	37	34	36	39	33
Real Estate	6	22	22	23	22
Energy & Power	28	21	19	14	17
Shipping & Ports	/	8	8	7	8
Water	8	4	5	5	6
Mining	7	3	3	7	6
Oil & Gas	6	5	4	2	3
Healthcare	1	2	1	3	2
Education	1	1	1	1	1
Social Development	4	1	1	1	1
Other	/	/	/	/	1
Technology, Media and Telecommunications (TMT)	1	/	/	/	/
Mixed Use	1	/	/	/	/
Agriculture	/	/	/	/	/

Source: Deloitte, (2019)

2.4.3 Factors affecting Foreign Real Estate Investment

Foreign Real Estate Investments (FREI) is determined by macroeconomic and institutional factors such as population size, political stability, interest rates, GDP per capita, inflation, total FDI inflows, infrastructural development, house prices and tourism (Salem and Baum, 2016; Fuerst *et al.,* 2015; Fereidouni and Masron, 2013; Selma Kurtishi-Kastrati, 2013, Lieser and Groh, 2013; Masron and Fereidouni, 2012; Rodriguez and Bustillo, 2010 and Moshirian and Pham, 2000). Worldwide, approximately $57 trillion is invested in income-producing real estate that is tradeable between investors, with an additional $3.3 trillion invested in over 2,200 listed real estate companies (UNCTAD, 2019).

Figure 2.17: Determinants of foreign real estate investment (FREI) in African countries

Variables	Negative Binominal Model (Africa) Total FREI
Regulatory quality	++
Freehold landownership possibility	0-
Rigid town planning policies	---
Days to obtain building permit	---
Urban population size	++
Urban growth rate	+
Total FDI	+++
Control of corruption	++
Special economic zone	++

Source: Van Gils, Van Haaren and Wall, 2017, based on fDi Markets and various sources of indicators

+++ Very significant and positive relation
++ More significant and positive relation
+ Significant and positive relation
--- Very significant and negative relation
-- More significant and negative relation
- Significant and negative relation
0+ Not significant but positive relation
0- Not significant but negative relation

In their study, Van Gils *et al.,* (2017) found that total FDI, regulatory quality, urban population size, control of corruption and special economic zones are significant variables determining foreign real estate investment in Africa and result in positive relation. These influence confidence and investors likely to be persuaded to invest under these conditions. Whereas, rigid town planning, days to obtain permits are variables that result in negative relation. These are undesirable in real estate and may result in huge losses. The discharge of real estate process is contingent upon town planning and permits, otherwise it is hamstrung. The impact of delays has severe financial implications.

Also Nkuna (2017) found a firms' location advantages and grouped these into the following broad categories: macroeconomic performance (*market size, GDP growth*); quality of institutions (*political stability, market openness, infrastructure, legal framework*), and the firm specific advantages of host countries. The investment environment (*openness of the economy, degree of exchange rate and inflation volatility, and exchange controls)* and other factors such as natural resources, cultural and physical proximity, labour, are also considered important (Nkuna, 2017).

Poor quality of political, economic and legal institutions, high levels of political risk, and information asymmetries are impediments to FDI inflows. These factors are particularly relevant for developing countries – including in Africa – where institutions to avoid or at least mitigate risks are often not sufficiently developed, and thus deter FDI (Busse and Hefeker, 2007; Asiedu und Freeman, 2009). As a consequence, for investments in high-risk countries, external financing is difficult to obtain and therefore a major obstacle (e.g. Foley and Manova, 2015). In addition, transparent information about business conditions is often scarce in developing countries, constituting another barrier to foreign investment (Harding and Javorcik, 2011). To increase the attractiveness for foreign investors, efforts to improve institutional quality at the country-level can be accompanied by targeted economic policy measures to overcome specific obstacles to investment (Glitsch, 2020). Also, AfCTA requires conducive environment, in order for this to succeed, Kararach *et al.,* (2015) suggests that Africa needs to pay more attention to creating enabling environments in the social, political, cultural, institutional, regulatory and legal contexts in which private sector operates.

2.5 Urban development and urban planning in SSA

While SSA cities are urbanising at rapid intensities, they continue to bear austere deficits in urban housing and services provision. Urban development could offer great economic growth-enhancing benefits, besides providing extensive employment opportunities for many. Tibaijuka (2009) submitted that the construction sector frequently adds an extensive share to GDP and due to its great multiplier factor, offers a comparatively sizeable number of jobs, directly and indirectly. Henderson, (1974) and Castells-Quintana (2015) suggested that when the gap of access to water, electricity and sanitation has been bridged with the majority of urban population benefiting the advantages of accumulation will offset the costs.

As further supported by Dasgupta *et al.,* (2014) and Harvey, (2014) FREI provides a great impetus to improve economic development, refining the built environment and generating many jobs through urban development. Incompatible urban planning and building regulations and inadequate urban service provision may dissuade the economic development typically connected with real estate development (Collier and Venables, 2013; Brueckner and Lall, 2015; Castells-Quintana, 2015). Some scholars have identified that the level of FREI is growing in Africa (Watson, 2013; Knight Frank, 2015; JLL, 2015; PWC, 2015), but overall, the quantity of FREI drawn by Sub-Saharan Africa remains extremely low (van Gils *et al.,* 2017).

Locke and Henley (2016) also added that the existence of agglomeration economies does not mean that urbanisation will necessarily cause economic output to increase. The benefits of concentration can be offset by negative externalities such as rising congestion, overcrowding, overloaded infrastructure, pressure on ecosystems (such as water courses and air quality), higher costs of living, and higher labour and property costs in cities. These increase business costs, reduce productivity and deter private investment (*ibid*).

Generally, miscellaneous disjointed approaches have been favoured by SSA governments to respond to the influx of populations to cities. The general response to the express growth has often included or excluded government investment and taken place particularly where local governments are generally weak (Cartwright, *et al.,* 2018), evidenced by growing private foreign and domestic investments. In the recent past, more urban scholars have taken interest in the development of new cities in Africa (Côté-Roy and Moser, 2019; van Noorloos and Kloosterboer, 2018; Grant, 2015; Watson, 2014). Proof of foreign and domestic companies actively investing in African urban property is conspicuous (van Noorloos and Kloosterboer, 2018; Herbert and Murray, 2015; Murray, 2015; Grant, 2015; 2009).

The huge investments are driven by panoramas of a huge market in Africa that are as a result of fast movement of people to cities and rising middle-income class where investors are likely experimenting with African urban real estate (Korah, 2020). However, Asche (2015) cautioned that while there has been progress in poverty reduction, there has been an overlooked reality of the growing number of poor people earning under USD 1.25 per capita daily (*ibid*). Asche (2015) observed that this number is constantly rising from 290 million people in 1990 to 403 million people in 2015 (representing a 40 per cent increase). Sub-Saharan Africa is the only world region with an absolute rise in poverty, the highest share of destitute people globally is now found here rather than in South Asia *(ibid)*. SSA contains almost half of the developing world's poor at an estimated 48.3 per cent (*ibid*). This contributes to widening the gap between the haves and have not's in Africa, which divides the middle class and the poor further. Also, Noorloos and Kloosterboer, (2018) indicated that the investment in 'gated communities' or 'enclaves' for the middle and higher class, is likely to produce exclusion of the poor, 'public funding injustice and socio-spatial segregation and fragmentation', and the 'worsening marginalisation and inequality' (Watson, 2013)

Yet, the foundational motivations supporting agglomeration through accelerating urban development of cities is powered by the growing middle class and sustained economic growth. Harvey (1985) suggests that, 'spatial fixes' are utilised, for 'over accumulated capital, where private investors are scrambling to invest in African urban property as the 'last development frontier' (Watson, 2014). Noorloos and Klosterboer (2018) admitted that these types of projects are private sector-led projects integrating different and 'dynamic political economies with states ranging from developmentalist to neoliberal to absent'. In their study of urban ambitions of Luanda in Angola, Gastrow (2017) alluded that Angola was not a unique case as many African cities over the past decade have embarked on 'ambitious worlding projects' of their own cities including Nigeria, Equatorial Guinea, the Democratic Republic of the Congo and Rwanda. Ambitious projects including road projects, shopping malls (Gastrow, 2017), 'large-scale gated enclaves of a mixed residential–commercial land use including technology hubs or special economic zones' (Noorloos and Kloosterboer, 2018) and smart cities, eco cities and satellite cities (Noorloos and Kloosterboer, 2018; Watson, 2013). Through these 'worlding projects' Watson, (2013) suggested that Africa was being re-imagined in the persona of such cities as Dubai, Singapore and Shanghai, inspired by governments political ambitions (Gastrow, 2017).

The accounts of extraordinary economic growth rate (Gastrow, 2017) labelled as 'Africa Rising' (Economist, 2011) by global media, proving that Africa has ultimately 'reached its potential' (Gastrow, 2017). Perhaps Africa may be struggling to rise as Pimm (2007) recently borrowed from Henry Stanley's, (1878) who named Africa as, "The Dark Continent" remarking that it was poorly known. Pimm (2007) used the same depiction of Africa as "The Dark Continent" in their chronicle when underscoring Africa's conservation problems. Whilst, Asche, (2015) also took the analysis further indicating that research on African economies had reached a third phase of awareness. It began with 'Africa's growth tragedy' then 'Emerging Africa', and advised that now Africa has come 'back down to earth' in the analysis of 'five stylised facts contributing to the sobering account'(*ibid*). The 'back down to earth' sentiments may align with the current economic era of a worldwide sharp decline in economic activities and investment fuelled by the COVID 19 pandemic. Global FDI flows are projected to decrease by 40% in 2020 from 2019 figures and mirroring a global trend. Africa's FDI flows are forecasted to decrease between 20% to 40% in 2020 (UNCTAD, 2020). The forecasted drop in investments flows is likely to derail the massive urban plans of many countries in SSA.

2.5.1 Urban planning

Urban planning is recognized as one of the essential policies for managing and controlling urban growth, construction of land and directing urban development (Andreas, 2000; Liu, 2009; Sharifi, Chiba, Okamoto, Wang, He and Liu, 2012; Yokoyama and Murayama, 2014)

Urban planning aims to ‘direct sustainable and orderly development of cities, through coordination of development timeframes, spatial layouts and growth scale of cities’ (Commission of the European Communities, 1997; Williams and Shiels, 2002; Berhanu, Rohan and Jaap, 2015).

The World Bank ranks countries around the world on the delay and financial cost concerning the processing on construction permits and the registration of land rights. Many countries in Africa are ranked low, as an example Nigeria was ranked low due to delays and financial costs attributed to processing of construction permits and the registration of land rights (World Bank, 2014; 2017). Additionally, Egbu *et al.,* (2008) characterised these delays to account for non-compliance with planning and urban development regulations which results in undesirable environmental effects.

The formal urban planning and land administration practices of African countries originated in colonial era and persist postcolonial times (Egbu *et al.,* 2008). These urban planning practices influence the urban built environment, planning laws and institutional processes (Satge and Watson, 2018). The ‘planning ideas, with origins in older British and European concepts of what a well-functioning and orderly city should look like, are completely at odds with the reality on the ground of African cities’ (Satge and Watson, 2018).

As can be witnessed in master plans from international companies of proposed developments in African cities most often reflect static land use zoning plan covering the older parts of the city and they usually bear little connection to what exists on the ground (Watson, 2014). Cairnwright (2018) also suggested that unrealisable visionary planning futures are created ignoring the political subtleties and everyday needs of local communities, particularly of the most vulnerable. This is palpable in the discussions on the inadequacies of “Nigeria’s urban planning and governance systems” that debated conflicts between “traditional and formal-sector actors, and among national, state and urban development and governance and also the mismatch between the political jurisdiction of state and local governments in relation to city and regional economies” (Egbu *et al.,* 2008; Gyau, 2018). They submitted that these often result in corruption and other issues including lack of both human and material resources. Watson (2014) added that a new era of planning (eco-cities, smart cities and world-class cities) has seen a surge in context-less planning ideas that includes imposing visions of cities like Dubai, Singapore and Shanghai on cities that are largely informal and poor imposing concept of good cities from other and very different context. Surmising from that, context specific solutions may likely come with better outcomes, which may better address the challenges. However countless, complex and obfuscated difficulties exist in these settings. Compounded by a deficiency in human capital, material and financial resources. In a study of a diverse real estate developments in Nigerian cities, Gyau (2018) commented that, whilst these developments are examples of urban transformation, the massive real estate developments occurring in Nigerian cities, "may not be fully responsive to the diversity of needs across an urban area, city or region", an issue already conceded to by many authors in literature (Gandy 2005, Sawyer 2014, Bloch 2014).

Urban planning is an activity deeply rooted in the specific context and culture where it is taking place (Knieling and Othengrafen, 2009; Friedmann, 2005; Allmendinger, 2002; 2009) Planning and plans reflect diversity of values, beliefs, attitudes, institutional frameworks and legal traditions among other conditions. There are different planning cultures that result from these different local contexts, models of society and cultures and for that reason there are different planning practices across countries and cities. Urban culture refers to the different planning institutional arrangements, planning laws and planning procedures and the wider cultural context in which these frameworks are embedded.

It is therefore more important that the planning system, as it includes the institutional context, values and traditions, that together contribute to the identification of issues to be addressed. Gullestrup (2009) simplified this by suggesting that urban problems and challenges will always be interpreted through own culture (Silva, 2015). As evidenced in the Nigerian case where post-colonial culture conflicts with colonial laws still entrenched by urban planners where the philosophy of the colonial planning ordinance still drives the planning laws. In particular, "these laws continue to enjoin planning to follow the centralised technocratic and bureaucratic processes and procedures, as well as the restrictive demands of the colonial ordinance"(*ibid*). Literature suggests that "these processes and procedures do not promote inclusion, and tend to exclude the majority of urban-sector stakeholders from planning processes" (Ogu, 1999; 2002; Ogbazi, 2013). Further suggesting that 'formal urban planning and land administration practices over the years have largely been divorced from the culture and traditions of the country' (Chorkor, 1993; Ogbazi, 2013).

This has resulted in fragmented, dysfunctional transport and planning systems (Miraftab, 2017) among other things. Improved planning may require a change and ceasing with legacy of traditional constructed forms, separated spaces and methods. Across SSA there is polarisation of planning capacity. Unequal access to planning capacity and resources prevents settlements from developing policies and programmes prioritising the most urgent actions. As a result, African urban planning tends to be outsourced to multinational consultancy firms (Watson, 2014), who are out of touch with the local culture. When looking at how African cities can be governed and planned, Smit and Pieterse, (2014) suggested a new hybrid institutional forms to be developed, as conventional forms of governance often fail.

The formal and informal bifurcation has immediate relevance for urban governance and by extension any development policy (Forster and Ammann, 2018). Urban and development planners must learn to work with these areas regardless of whether they emerged as unregistered or as registered settlements (Roy, 2005) act of 'inverse governmentality', they thus breed similar forms of urban housing and governance (Nielsen, 2011). The grey zones may become dominant when an institution disintegrates or when it loses interest in a particular area. Such transformations were sometimes labelled as 're-informalisation' (Myers, 2010; 2011). Very much as the processes of inverse governmentality, they may lead to partial formalisation—that is, to hybrid forms where 'formal' and 'informal' rules coexist or overlap (Oldfield, 2002).

Using conventional development language leads to contradictory statements: 'formal' and 'informal' often merge in everyday life. Myriad forms of 'informal' practices exist within the 'formal' economy. At the same time, the activities in the 'formal' sector very much depend on those in the 'informal' one (Froster and Ammann, 2018). Pieterse and Simone, (2013) suggested that it is irresolvable to draw a clear line between the 'informal' and the 'formal' in African cities. They further suggested that it depends on the actors and the situation whether a particular practice may fall under the Western rubric of 'formal' and state governed or 'informal' and regulated by others, but it is also possible—and often much more likely—that it merges the two.

African cities are still disjointed with ineffective circulation and planning systems (Miraftab, 2017). Across SSA there is polarisation of planning capacity. Unequal access to planning capacity and resources prevents settlements from developing policies and programmes prioritising the most urgent actions. As a result, African urban planning tends to be outsourced to multinational consultancy firms (Watson, 2014). This planning as best practice approach focuses on creating developed-market style cities and is underpinned by governments rejecting any 'improper' solutions, defined according to Northern standards. As an example Gastrow

(2017) discussed the creation of cities that lacked identity due to poor planning, and referred to Angola as 'a world city for foreigners by foreigners', supporting the kind of practice mentioned by Watson, (2014).

2.6 Knowledge, competence and professional skill

Politicians, planners, local entrepreneurs, development experts as well as ordinary urbanites have different and often contesting visions for their city (Froster and Ammann, 2018). Under the duress of existing financial constraints, efforts to control the consequences of urbanization are often mismanaged, and rarely incorporate urban planning expertise (*ibid*). Their involvement, from the conceptualisation and preliminary design of a project, inclusion in the regulatory rules and maintenance methods, is crucial to ensuring urbanization risks are minimised. Additionally, very few institutions support training in urban or city planning in the developing world, depleting future sources of expertise (Saghir and Santoro, 2018). Thus, capacity strengthening and training for local city planners is a critical tool (*ibid*).

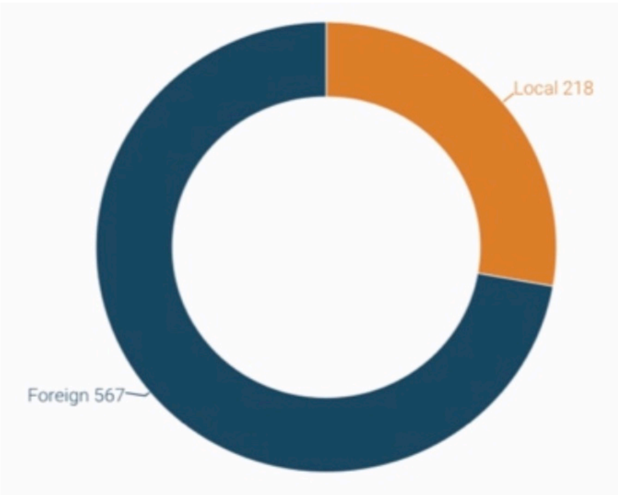
Without competent, effective and accountable urban governments, it is not possible to tap the great potential that cities have for supporting good living conditions and good health (Satterthwaite, 2017). Most small urban centres in the region have local governments with very little capacity or funding to fulfil their responsibilities for risk reducing infrastructure and services (*ibid*). Of these, the inadequacies in provision for water and sanitation are the best documented (*ibid*) implications on risk. Many private companies invest resources to see through the execution of projects that meet infrastructure and building needs. However, the execution of real estate development projects requires professional skill and unique skill set of a combination of professionals working together to create bankable, commercially viable project schemes that will attract investment capital as investors often seek a return on investment.

2.6.1 Technical and professional skills

Watson, (2014) underscored the proposed new urban master plans for many of Africa's larger cities are found on the websites of international architectural, engineering and property development companies, suggesting that foreign professional expertise is utilised to plan and execute property developments. Additionally, Gatsrow (2017) observed foreign labour and expertise flowing into Angola to bring expertise to execute property developments.

Major private property developments that are largely funded by international investors utilise their own foreign expertise to deliver their 'dreams' (Watson, 2014). To execute these large-scale property developments a range of expertise is compulsory, that is imported including property developers, quantity surveyors, contractors, engineers, town planners, market researchers, architects, project managers, real estate agents among others.

Figure 2.18: Number of local and foreign construction companies active in Africa

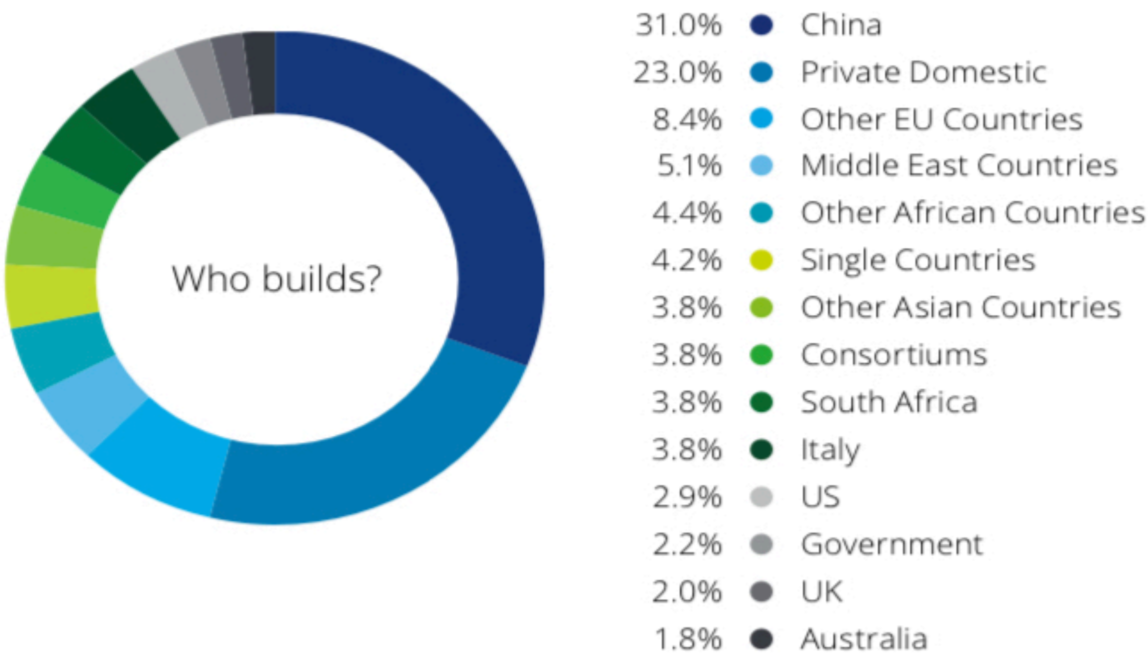


Source: Fitch Solutions, RMB Report, (2019)

The above Figure 2.18 depicts the level of involvement of foreign construction companies in Africa. As can be seen 567 foreign construction companies were active in Africa compared to 218 local companies according to Fitch Solutions, showing a dominance of foreign expertise suggesting a lack of expertise in Africa to execute property development projects.

In their 2016 analysis, Deloitte also further listed countries that actively build in Africa. China was one of the top countries actively involved in construction in Africa after private domestic companies, followed by Italy and France. In 2019 the picture remained fairly similar with China dominating construction in Africa, followed by private domestic and other EU countries. South Africa plays a pivotal role among African countries, with an emergence of other African countries (grouped together) gradually gaining traction.

Figure 2.19: Who builds in Africa?



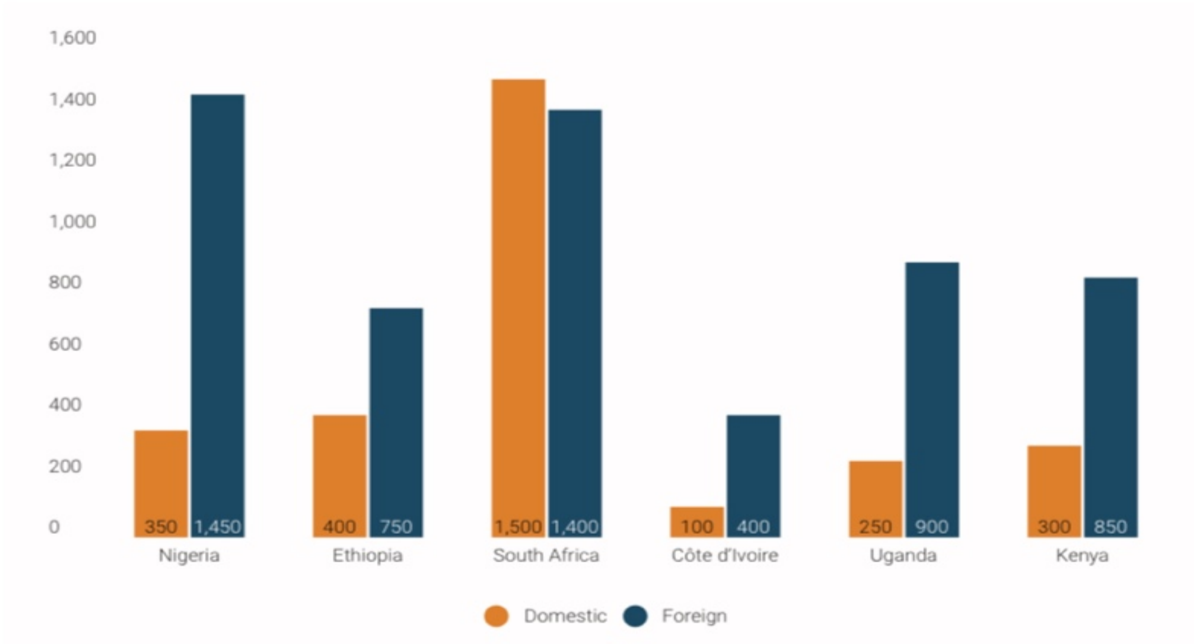
*Other African countries include Burkina Faso, Egypt, Ethiopia, Ghana, Côte d'Ivoire, Kenya, Mali, Mauritius, Morocco, Mozambique, Nigeria, Tanzania, and Tunisia.

Source: Deloitte analysis, (2019)

South Africa has sustained dominance as the African country that builds in Africa, comparing with Deloitte analysis 2016 where South Africa was the only African country recorded that builds outside its principal domain in other African countries. Other African countries have emerged and because of the sheer size of their participation have been grouped together under the category of other African countries.

Whereas the RMB Report, 2019 illustrated the involvement of both foreign and domestic firms in the construction of various development projects. Figure 2.19 displayed the dominant participation of foreign firms in many countries including Nigeria, Ethiopia, Uganda, Kenya and Cote d' Ivoire. South Africa appeared at an almost even balance of foreign and domestic participation of firms. The dominant involvement of foreign firms in Africa suggests a lack of skill and exposure of firms within African countries to execute projects. For instance, Osabutey *et al.,* (2014), accentuated their local companies in Ghana lacked the ability to not only participate, but also to compete with foreign companies. Adequate literature supports that many firms in Africa lacked capacity, resources and professional skill to undertake construction projects (Corkin, 2012; Laryea, 2010; Aissibey-Mensah, 2008; Aibinu and Odeyinka, 2006; Ofori, 1994a; 2000).

Figure 2.20: Project by value (US $m) showing involvement of domestic and foreign firms



Source: Fitch Solutions, RMB Report, (2019)

South African firms provide an assortment of services entailed within the real estate development process in Africa. Also among African countries, the Deloitte (2016); (2019) analysis showed statistics depicting South Africa as the principal African country funding and owning investment across Africa, outside its principal boundary.

Figure 2.20 shows the dominance of foreign countries in project involvement in Nigeria, Ethiopia, Uganda, Kenya and Cote D'ivoire suggesting also that foreign firms are involved in high valued projects which are likely bigger in scale. South Africa shows an almost balanced foreign and local firms involvement of firms in high value projects, but significantly the domestic involvement is slightly higher than foreign, reinforcing that South African firms have capacity and capability to execute.

2.7 South African Real Estate Perspective

South Africa is among the leading outward foreign direct investor nations from emerging countries in the world. The country's transnational businesses have their investments located in all the seven continents (Munyachi and Mugabe, 2018). The integration of the country into the global economic and trading system boosted its outward foreign direct investment (OFDI) (*ibid*), particularly in Africa. Games (2017) contends that the uniqueness of South Africa emanate in binary form, their status as "African" additionally their position as 'the emerging power in the international system'. South Africa has developed the largest manufacturing sector on the continent, a developed service sector, and a deep and sophisticated capital market (Games, 2017).

However Knight Frank (2020) shares that, 'as a continent, Africa accounts for 1% of the international real estate market and 90% of this is located in South Africa', suggesting larger scope exists for real estate developments in the rest of the continent. They further suggests that SA comprises a market capitalisation of US$30 billion along with dual listed 46 REITS and listed property companies (Knight Frank, 2020). Other REITS markets in Sub-Saharan Africa are still at a nascent stage. Knight Frank, (2020) continues to suggest that the recent adoption of REITS legislation in Ghana and Uganda reflects an encouraging step that is set to add towards the formalisation of real estate market in Africa. By way of an example of this, a recent notable transaction for the acquisition of Stanlib-Fahari I REITS, in 2019 by ICEA Asset Management in Kenya further demonstrated the increasing awareness and interest in formalising real estate market in Africa (*ibid*).

Whereas, the South African real estate market has matured. The SA real estate players invest in all asset classes ranging from residential, commercial (office and retail), leisure, industrial and more growingly hospitals. There is sufficient supply of high grade quality real estate tradable in the formal market, with sufficient due diligence procedures and controls that are followed. The focus is on South African companies that invest through the development of real estate in the rest of Sub-Saharan Africa, contributing to the cross-border investment. South Africa contributes and plays a pivotal role in directing growth and investment in the African continent.

2.7.1 SA real estate firms' profile

The real estate development process consists of a wide-ranging number of companies offering a diverse range of services that supports the entire development process. Major players include real estate companies, pension funds, insurance companies, listed property trusts and banks among others. Most pension funds and insurance companies invested varying percentage of their portfolio in real estate depending each organisations risk appetite. Whereas, the real estate companies and listed property trust sector account for significant indirect real estate sectors listed on the Johannesburg Stock Exchange.

South African real estate industry depends on a well-established professional services sector that exist in South Africa. The professional services sector facilitates the real estate transaction processes that results in execution of real estate developments. The combination of these professionals include real estate developers, financiers, brokers/consultants, contractors, built professional consultants and real estate associations. Most professionals have worked in real estate for many years and have acquired good exposure, expertise and experience.

In order to comprehend their stature, South African real estate professionals belong to established real estate professional bodies and associations that are fundamental to the South African real estate industry. These regularly conduct training, research and offer educational programmes and other resources to real estate industry. South African Property Owners Association (SAPOA) is one of the leading associations in South Africa providing industry with real estate performance indices together with Independent Property Data (IPD). Property Valuers belong to the South African Council for the Property Valuers Profession (SACPVP) that accounts for at least 100% of registered valuers. Architects, Quantity Surveyors, Construction Project Managers, Engineers and many others have their own professional bodies that guide their respective professions, with a growing number of international bodies including RICS, CIOB and others who have established their own chapters within South Africa.

Most professionals have acquired the confidence to deliver real estate developments. In search of more opportunities, some professionals ventured outside South Africa to offer their professional services in various countries outside South Africa, in the rest of Sub-Saharan Africa.

2.7.2 Advantages of South African real estate firms

Unlike other real estate supply chain firms in SSA, one of the bigger advantages of South African real estate firms is the institutional, economic and business condition under which they operate in South Africa. South Africa largely has formal institutions that drive real estate development and real estate market. South African real estate markets are largely formal with REITS structure introduced in South Africa in 2013. Also, South Africa was recently ranked according to the perceived corruption levels based on experts and businesses. SA was ranked higher among African countries in the Transparency Index (2019), which however represented a drop from 2018, suggesting a worsening state of affairs.

For many years, a lot of private sector real estate developments have been successfully delivered, by the built environment professionals with expertise and competence. These are comprised of seasoned professionals that have predominantly been exposed to a diverse range of real estate developments from residential, offices, retail, industrial and hotels among other asset classes. They have the capacity to undertake scope of varying magnitudes from medium size to large scale developments. Capacity and capability to invest and execute real estate developments can be demonstrated by the high quality of investment grade assets delivered by these professionals in South Africa. Collectively, access to real estate information, transparency, REITS structures and a quality real estate product produced by SA firms gives advantage to SA real estate firms.

2.7.3 Entering new markets

South Africa reintegrated itself successfully in the global market and became a capital exporter after obtaining democracy in 1994 (Kiss, 2017). The South African multinationals are the principal transferors of outward FDI in Africa having been globalised much earlier than their counterparts in other emerging markets (*ibid*). This suggests that SA firms have more experience investing outside their principal boundary and have developed reliable and tested strategies to enter new markets. Much earlier, Wells (1977, 1981, 1983) suggested that the reason why third world multinational enterprises (TWMNEs), are able to invest abroad successfully was because their developmental strategy naturally afforded them with key 'new' advantages. These were listed as: 'a less costly management team; technology adjusted to the typical factor endowments of developing countries; the ability to purchase low-cost raw materials locally and a range of products developed in the setting of a third world economy'. SA firms entered SSA markets and chose to focus efforts into spearheading the delivery of 'capital intensive business services of which MTN was perhaps the archetype' succeeding their Northern transnational corporations who had founded their businesses in conventional fast moving consumer goods manufacturing' (Henley *et al.,* 2008). Later they progressed into food and beverages manufacturing and many other industries. When entering new markets, SA firms generally 'favour the formal governance structure of a parent company with operating subsidiaries in SSA with a few stand-alone South African investors and even fewer firms export' (Henley *et al.,* 2008). This strategy seemed to be applicable in real estate investment supported by Henley *et al.,* (2008) who proceeded to suggest that SA firms were very capital intensive and had huge plans for major investment in SSA. Primarily, 'their investment decisions were principally driven by home country push factors fuelled by the economic, social and political legacy of the apartheid regime, however market efficiency and strategic asset seeking strategies also played a role' (Kiss, 2017). The 'efficiency seeking motives are expected to become stronger leading to increasing international orientation, development of alliances and networks outside of the country' (*ibid*). Luiz and Stephan (2012) in their study of telecommunications firms entering Africa found the main reasons for entering Africa were for market and profit growth, and diversification of risk which was consistent with findings by Dippenaar (2009) of SA companies entering the rest of SSA.

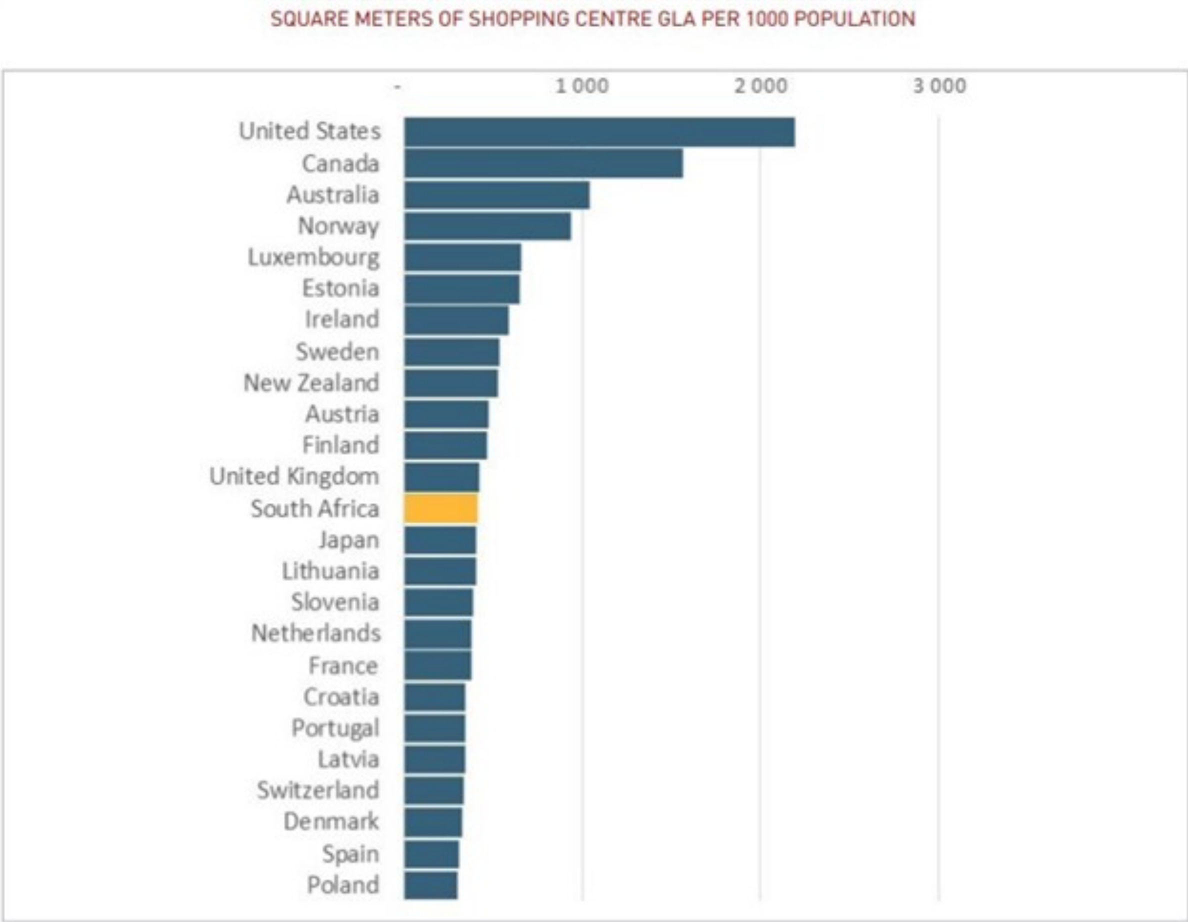
a) Push out of South Africa

Dippenaar (2009) suggested that SA firms believed they had "scale, knowledge and skills that gave them a lot more credibility" (Boso *et al.,* 2019) to pursue out of country opportunities. Dunning (1980b) and Kojima (1973), (1975) earlier posited that "it is the host-country locational factors which pull the firms into employing their inherent or acquired strengths to invest abroad". Dunning (1998) adds that locational benefits can be compartmentalised into four main categories namely: "strategic assets seeking; resource seeking; efficiency seeking and market seeking categories". They explain strategic assets as those that enhance processes or copyrights; resources seeking as gaining entry to home country to attain natural resources and or different other provisions that are not obtainable in your home; efficiency seeking as attaining reduced labour costs for your manufactured products; and market efficincy as obtianing quick entry to a big market.

The wide-ranging pattern was extended to integrate "networks and home–host-economy linkages" (Buckley, Forsans, and Munjal 2012; Dunning 2006). These ties often accommodate trade and investment links, and cultural and language similarity. This reflected the significance of market-related influences in companies' choice to start FDI, which is coherent with current literature (Akinkugbe, 2005; Asiedu, 2005; Hamori and Razafimahefa, 2005; Morisset, 2000; Bende-Nabende, 2002; Ngowi, 2001).

Dippenaar (2009) postulated that push factors were considered significant for other firms that had limited opportunity for further domestic growth as the market was nearing saturation in home country and they tend to look somewhere different for growth. Firms that envision themselves as global players look to expand outside of country boundary when confronted with in country market saturation. As an example, South Africa is ranked as Sub-Saharan Africa's most saturated retail market, representing 88% of the available space in the region. This also places SA as having the sixth most shopping centre space in the world. It was established that the current size of the South African retail market was estimated at around 23.4 million square metres (sqm) of gross lettable area (GLA) across 1959 individual shopping centres (as of July 2017) (SCCSA, 2017). Hence, the South African real estate firms and investors adopted geographic portfolio diversification strategies to spread risk by diversifying their investment and spreading their investment risk. Oversupply of shopping centre space in South Africa, contributed to one of the major push factors out of SA seeking opportunities outside SA that remained largely untouched.

Figure 2.21: Square meters of shopping centre GLA per 1000 population



Source: MSCI, Shopping Centre Council of South Africa (SCCSA), (2017)

In a different MSCI, (2017) study, they ranked SA in the 8th position in the world among 43 countries. South Africa is the only African country in the top ten just behind Australia and

France. The top three spot was taken by the US, China and Canada. MSCI (2017) suggested a unique link between retail space, economic activity and population density.

In a study conducted by Dippenaar (2009) of South African multinational firms internationalising in the rest of Sub-Saharan Africa, the findings revealed the key push factors contributing to the internationalisation of SA firms in SSA is tabulated in Table 2.1 below. The findings are in line with some of the factors pushing real estate developers and investors out of SA as illustrated in the example above.

Table 2.3: Push factors ranked by their importance

Ranking	
1	Geographical diversification
2	Earnings diversification
3	Saturated domestic market/Small domestic market
4	Global industry trends
5	Increased domestic competition
6	Capital account liberalization
6	Necessity to invest excess capital
8	Domestic regulatory constraints
9	Rising domestic costs

Source: Dippenaar, 2009

Geographic diversification, earnings diversification and saturated domestic markets were found to be the top three factors pushing SA firms out of their principal boundaries to seek opportunities in the rest of Africa (Dippenaar, 2009).

Similarly, findings in SA telecommunications firms internationalizing, suggested that the deciding factors for firms to access SSA for business benefits are due to the saturation of home markets and diversification of risk (Liuz and Stephan, 2012). Saturated domestic markets appeared to hit SA retailers heavily with a number of store closures announced recently by retailers to attempt to contain costs (Buthelezi, 2020). Retailers like Edcon, DionWired and Cambridge Foods announced store closures recently in SA (*ibid*). Other international brands like Burger King, Dunkin' Donuts and Starbucks struggle to locate themselves within the SA market and the Botswana-based Choppies seemed to have a difficult time in the SA market despite the brand targeted at a budget customer (*ibid)*. Vianelo (2018) suggested that the "saturation of the retail sector in SA would not pose a problem had consumers spending ability matched the rate at which new shopping centres were being opened".

b) Pull into the rest of Sub-Saharan Africa

Dippenaar (2009), indicated that there is a multiplicity of drivers pushing South African firms' growth into Sub-Saharan Africa and on a case by case and firm by firm, these are very industry specific. In their study they found that regional economic agreements were the least important factor for firms' decision to invest in Sub-Saharan Africa (Dippenaar, 2009) which may likely diverge with other sectors.

According to Henley *et al.,* (2008) SA investors in Africa were found to be the most bullish of any source country in their self-evaluation performance indicating that 75 per cent reported their performance over the last three years to be in line with or above expectations. The study compared investment patterns among three countries that invest in Africa - China, South Africa and India. Also in another study, findings revealed that SA firms demonstrated key competencies in directing the intricacies of internationalising in institutional voids. "The liability of being from the relatively small emerging market of South Africa and operating in a country of institutional uncertainty has allowed South African companies to internationalise into markets that other MNEs would not venture into and thus turn a liability into an advantage" (Luiz and Stephan, 2012).

SA real estate developers and investors recognise ample opportunities to develop property in the rest of SSA. They possess knowledge, capital and experience to convert development proposals into bankable or commercially viable projects and execute these from inception to completion using their real estate supply chain. The underdeveloped nature of real estate markets in Africa (Dippenaar, 2009) provides an impetus for the development of quality real estate assets. SA real estate firms take on these opportunities and they integrate with the local population, through joint venture initiatives with local firms. Henley *et al.,* (2008) also supported that SA firms employ a moderate number of employees, a high proportion are local graduates and are well-paid, reflecting the high productivity achieved. They further suggested that, overall South African foreign investors are very positive about the location of their operations in SSA, even acknowledging positive improvements in physical infrastructure and local markets. (*ibid*)

Dippenaar (2009) revealed the top five factors pulling SA firms to invest in Sub-Saharan Africa. The top ranked factors were high returns on investment, high profit margins, market growth, size of market and liberalisation or privatization. However, in a different study looking at SA multinationalisation of SA telecommunications firms into Africa, the study revealed that market size, regulatory environment and government policy were the top three most important factors influencing the decision to undertake FDI (Luiz and Stephan, 2012). Table 2.2 illustrates the pull factors by order of their importance to SA firms.

Table 2.4: Pull factors ranked by their importance

Ranking	
1	High returns on investment
2	High Margins
3	Market growth/GDP growth
4	Size of the market
5	Liberalization & privatization
6	Low host country competition
7	English as a key language
8	Low taxes and tariffs
9	Similar market environment/consumer preferences as SA
9	Acquisition opportunity
11	Similar institutional/regulatory environment as SA
12	Level of GDP per capita
12	Presence of key clients
12	Geographical proximity to SA
15	Low labour/ factor costs
16	Economic/fiscal incentives
17	Low cost entry

17	Similar culture as SA
19	Regional economic agreements
19	Presence of domestic competitor operating in market

Source: Dippenaar, (2009)

The Global Retail Development Index (2019) looked at the market attractiveness (MA), country risk (CR), market saturation (MS) and time pressure (TP) of each country and rated them on the global retail development index. The GRDI (2019) revealed 7 attractive countries for retail developments in Africa led by Ghana as the most attractive market, followed by Senegal, Morocco, Tunisia, Egypt, Tanzania and Nigeria in the top 30 list of countries. South Africa did not appear even in the top 200 of countries with attractive market for retail developments primarily due to its market saturation for retail space (GRDI, 2019). This suggests SA retail developers and retailers to look to invest in other frontiers for further growth and development.

The double edged sword for SA retail developers shows retailers (tenants) currently grappling to survive in both South Africa and the rest of Sub-Saharan Africa. Even though the GRDI (2019) ranked the 7 African countries as attractive markets for retail development, African retailers are under severe strain under the current economic conditions. This is evidenced by various deviations in performance of different SA retailers in the rest of Africa. In Angola, Shoprite experienced a drop of 38% in sales after having performed firmly in the rest of Africa for over 15 years (Buthelezi, 2020). Shoprite and Pick n Pay are some of the retailers that have successfully created solid footprint in other African countries (*ibid*). Pick n Pay's earnings from the rest of Africa dived 79.8% year-on-year in the period to 1 September 2019 as Zimbabwe and Zambia experienced significant currency devaluation and hyperinflation (*ibid*).

Pepkor announced late 2019 that it is exiting Zimbabwe after a R70m after-tax loss (*ibid*). Also, recent news of Shoprite planning to begin its divestment plans in Nigeria (Madubela, 2020) suggests a range of difficulties and risks that may be faced by SA retailers in the rest of Africa as also other SA retailers like Mr Price and Truworths recently exited the Nigerian market. In Madubela (2020)'s article, they suggested that "Nigeria had become a problem; the lines of communication are hard, and it is difficult to get goods into the country because of customs duties adding that the currency is also volatile". They further add that "this is further compounded by a near impossible distribution line, with being far away and there are problems in landing goods at the port and the bribery that takes place with payment of duties" (*ibid*).

2.7.4 Risks associated with entering new markets

Without retailers, there are no retail developments for the market. If retailers are hindered and incapacitated from trading, they are unable to service debt, pay rent and provide a decent service to their customers. However attractive markets in Africa can be, there are significant risks and obstacles associated with operating in these markets. Table 2.3 identified risks ranked by their severity to SA firms operating in rest of Africa.

Table 2.5: Risk factors ranked by their severity

Ranking	
1	Corruption
2	Political instability
3	Lack of skilled labour
4	Economic instability
4	Regulatory environment
4	Contract enforcement
7	Quality of infrastructure
8	Respect of property rights
9	Threat of economic policy reversal
10	Market growth/GDP growth
11	Ability to remit dividend earnings
12	Taxes and tariffs
13	Threat of nationalization
13	Level of bureaucracy
13	Quality of life
14	Crime/Physical insecurity
15	Underdeveloped capital markets
16	Availability of joint venture partners
17	Anticompetitive behaviour
18	Labour/Factor costs

19	Lack of local suppliers
20	Lack of raw material

Source: Dippenaar, (2009)

Dippenaar (2009) found the top five risk factors that SA firms ranked as most severe when doing business in the rest of Africa were corruption ranked number one, followed by "political instability, lack of skilled labour, economic instability, regulatory environment and contract enforcement". Among different factors found in Dippenaar (2009) that improved most in rank order of degree of improvement were: 'political stability (2), presence of key clients (8), availability of skilled labour (5), existence of other foreign investors in the country (15), and accessibility of regional markets (17)'. The study found 'only five factors that were on average considered to have deteriorated over the last three years and these were: quality of life (11), physical security (3), incentive package (13), 11 legal framework (7) and taking advantage of the EU 'Everything but Arms' (EBA) Agreement (26)' (*ibid*).

African countries are heterogenous in nature and similarly the risks vary depending on the context of each country. Each experience in each country depends largely on its context which is always different from one country to another. In order to deal with these risks and adopt mitigating measures, context-specific measures are likely to work better than generic measures as the risks are influenced by context and are largely different and unique for each country.

2.7.5 Context-specific challenges or differences in new markets

In order to flourish in new markets, most companies use unalike approaches to navigate emerging markets, approaches which are often different to the ones used in their home country markets, also adopting new strategic approaches to implement them. (Khanna *et al.,* 2005). The approaches of SA firms internationalising into Africa diverge and are unique to each firm and sector or, with fluctuating levels of achievement (White *et al.,* 2019) also their strategic responses are largely dependent on context-specific scenarios of each firms' exposure and experience in host country.

White *et al.,* (2019) suggested that the entry of South African MNEs into other African markets is persuaded by local institutional dynamics of the host countries. In the past, organisations were engaged by persons aiming to "create order and reduce uncertainty in exchange" (North, 1991). Institutions are broadly defined as "humanely devised constraints that structure political, economic and social interaction" (North, 1991). These are constituted of a binary arrangement of "formal rules such as property rights and constitutions as well as informal norms such as taboos, traditions, and codes of conduct" (*ibid*). Therefore, it goes without saying that each African country, has its own assortment of diverse institutions that may be similar or dissimilar to each other depending on each context and these are likely to evolve over time as emerging economy evolves (Chittoor, Kale, and Puranam, 2015), as they deal with infrastructural and resource constraints of their external environment (Saiyed, *et al.,* 2020) taking into account the temporal nature of an emerging economy (Bruton *et al.,* 2013; Child and Tse, 2001; Lu *et al.,* 2009). The difficulty in examining emerging economies is the constant state of institutional change (Meyer and Peng, 2016). Therefore, this underscores the importance of examining the context of emerging economies, exclusively in their unique form. Internationalising firms need to appraise themselves of the richness of diversity of contexts in emerging economies. As they are anticipated to respond appropriately to this richness of diversity of context based on institutional differences that exist in each emerging country.

Luiz and Ruplal (2013) argued that SA firms through their familiarity in home country, where institutions are comparatively fragile, South African firms have been advantaged and are adept when working in unpredictable locations. Accordingly, firms similar to the ones under study have "developed advantages over multinational enterprises from industrialized countries to doing business in these new frontiers" (Luiz and Ruplal, 2013). Additionally, Cuervo-Cazurra and Genc (2008) argued that "while developing-country MNEs possess significant disadvantages, from poor technology to relatively small sizes in revenues and market capitalization, when compared with their counterparts from developed markets, they can still be successful abroad, especially in other developing markets". They lean more on their capability of circumnavigating complex institutional settings better that firms from developed countries as they are not too removed from the setting. MNEs from developed countries cannot.

Recently scholars like Luiz *et al.,* (2017) examined the internationalization strategy of SABMiller and discovered that the firm entered diverse markets in Africa, especially those with institutional limitations, but was adept and utilised strategies gained in home-country to navigate comparable intensities of institutional growth (White *et al.,* 2019). As such, SABMiller was able to pull and integrate their embedded knowledge, capabilities and experience in handling challenging situation. Rolfe *et al.,* (2015) posited that "African investors are more likely to enter contexts with challenging institutional environments given their familiarity with similar contexts in their home countries, giving them competitive advantages over non-African MNEs".

Jackson and Deeg (2008) observed that deficient institutions do not always present a disadvantage. They suggested these may present opportunities for firms. Similarly, Massmart believed that the weak institutional environments in African countries can be an advantage, as there is less competition from outsiders and traditional rivals. Massmart did this by following a reinvestment strategy, which gives it the ability to trade through down cycles, putting the firm in a unique position compared to its competitors (White *et al.,* 2019).

White *et al.,* (2019) also revealed findings in their study that, South African firms when internationalising in other African countries valued resilient institutions for their actions, but the deprived quality such as governance configurations remained as less of a burden to their growth. In its place, they initiated approaches to circumnavigate difficult institutional situations. These studies strengthen the emerging body of literature on the internationalization of emerging-market MNEs, finding suggest that firms from emerging markets have perfected proficiencies within their home country that motivate them to invest and operate in complex markets, where institutional shortfalls are more usual and developing in fewer likely business conditions (White *et al.,* 2019).

2.7.6 Knowledge deficiencies and gaps

As they enter new markets, firms familiarise themselves with host country conditions and are expected to function according to the rulebooks set in each host country. These rules are either formal or informal in nature. Quer *et al.,* (2012) determined that these rules (informal and formal) guide the business decisions concerning entry into specific market and the method of entry chosen. Locals are expected to know and decipher these best, particularly the unofficial guidelines and standards (White *et al.,* 2019). This upsurges the value of local knowledge and it becomes the currency traded by locals to benefit in international projects. Most multinational firms do not possess local knowledge and rely on locals to offer guidance and understanding of local markets.

To illustrate the significance of local knowledge Ichijo and Kohlbacher (2008) showed how Toyota's knowledge creation changed from transferring knowledge from Japan to subsidiaries and affiliations around the globe to a focus of creating knowledge and tapping tacit local knowledge in foreign markets by local staff. They adopted a new strategy of 'learn local, act global' for international business development and it knowledge-based approach to marketing and this proved successful for tapping rich local knowledge bases, thus ensuring its competitive edge and global lead in the automotive industry.

In another study of SA firms entering new markets in Africa, White *et al.,* (2019) revealed that, the recognition that each country is unique politically, socially, economically, and culturally aided SABMiller not to implement "a one-size-fits-all approach" in novel markets in Africa. As Zaheer (1995) pointed out that firms frequently "lacked the required knowledge of a host country's culture when expanding into those markets". This gives real challenges that can be a real interference to the formation of prosperous subsidiaries (Zaheer, 1995). "Differences in areas such as economics and politics, and the difficulties that come with coordination across vast distances, can all contribute to increasing costs" (Zaheer, 1995). Conversely, SABMiller initiated functional steps to diminish the threats related to dissimilar institutional and social perspectives. White *et al.,* (2019) reported that they indicated that they knew they had to understand the local market in order to be successful, and that they had to be mindful of the differences of each culture and a distinct tactic in individual country. They further report that SABMillers senior managers underwent a process of assimilation to a different culture of the new country they plan to establish business links in. This aids in comprehending the past, topography, policies and other significant factors about a country of interest country. The significance of obtaining local knowledge when operating in local markets cannot be overemphasised.

Multinational firms lack local knowledge but bring with new skills, technology and expertise to host countries. Oftentimes locals from host country are inexperienced and unexposed to latest technology and expertise multinationals bring in home country. An approach of a mutually beneficial exchange and trade of local knowledge and technical knowledge facilitates an even-balanced association, that stabilises relationships and improve knowledge of both partakers from home and host country.

As South African firms that internationalise are of varying sizes, Autio *et al.,* (2000) debated another advantage that "international new ventures" have the innate "learning advantages of newness" because of the closeness of the "founder-owner" in the business, "new knowledge is assimilated quickly and therefore these firms grow much more rapidly than established firms that are more likely to be stifled by bureaucratic decision making procedures". However, Zahra (2005) enquired whether the new ventures actually have the capacity to absorb and assimilate new knowledge and expertise considering their non-inclusion in standard measures of FDI flows in World Investment Report.

2.7.7 Collaborations as a platform for knowledge transfer

Many Indian firms learned from developed-country multinational corporations through collaborations, partnerships, alliances, joint ventures, mergers, and acquisitions (Saiyed *et al.,* 2020). Predominantly firms prefer to use joint ventures (JVs) as their selected means of access into new markets in order to lessen the risks linked with poor institutions in African countries as some SA firms like MTN, Shoprite, SABMiller have done (White *et al.,* 2019). Collaboration networks form an ideal platform to transfer bidirectional knowledge to benefit both host and home country partakers as both have knowledge required by the other in a network. Also, within a real estate context both local and technical knowledge is significant in contributing to project success, as one cannot choose the one over the other.

However, Okwandu *et al.,* (2005) in their diagnosis of Nigeria's oil sector found that joint venture arrangements were not mutually beneficial and had only made insignificant contribution towards capacity building of local members of the joint venture agreement. They suggested that participants are to be resourceful and support entrepreneurial alternatives (*ibid*).

2.8 Conclusion of Chapter

This chapter displayed a perspective of different dynamics taking place in Sub-Saharan Africa. It started off by discussing urbanisation as a by-product of rising population growth that results in relocation of people to cities in search of better opportunities. The rising populations create a further demand for accommodation, offices, retail and other recreational facilities. Urban authorities are placed under pressure to provide these facilities in cities, opening opportunities for private real estate developers and investors.

Through foreign direct investment, private real estate developers champion a range of private real estate developments across Africa attempting to meet the demand for a quality real estate that exists. These developments are championed by SA firms working in new territories. SA firms use collaboration networks and joint ventures as an entry mode to host country relying on locals for local knowledge they do not yet possess. The collaboration networks and joint ventures provide a fertile ground and impetus for knowledge transfer to take place between host and home country partakers as SA firms also possess technical skill, experience and expertise in undertaking large scale real estate developments. Also, they have the capacity and capability to impart technical knowledge to local participants.

3. KNOWLEDGE TRANSFER IN TRANSNATIONAL (CROSS-BORDER) NETWORKS

3.1 Introduction

This chapter reviews literature on knowledge transfer in transnational or cross-border networks. It begins by discussing the relevant types of knowledge within the context of real estate. It also looks at diverse collaboration networks within real estate that create a conducive environment for knowledge transfer to take place. The chapter further discusses the different classification of knowledge transfer detailing attributes such as knowledge transfer level, knowledge transfer actors, knowledge transfer component, knowledge transfer factors. These attributes are discussed within the real estate context of transnational knowledge networks highlighting the relevant scenario of attributes that create a conducive platform for transnational knowledge transfer in real estate developments.

3.2 Knowledge

According to Davenport, Long and Beers (2009), knowledge refers to information combined with context, experience, interpretation as well as reflection. Whilst, Awad and Ghaziri (2004) and Tserng and Lin (2004) define knowledge as the skills, facts, as well as understanding, which are gained through learning or practice that boost the process of evaluation, decision making and implementation of actions.

McDermott (1999), while describing the differences, which exists between knowledge and information, pointed out six major features of knowledge, which include: ‘being a human act; being the residue of thinking; being created in the present moment; belonging to the communities; knowledge circulating through communities in different ways; and the fact that new knowledge can be created at the boundaries of old’.

Polanyi (1966) introduced into discussions a distinction between tacit and explicit knowledge as two interwoven dimensions of knowledge. The scholar indicated the need to start from the point that *‘individuals always know more than they can tell’*. He termed this pre-logical stage of knowing as ‘tacit knowledge’ (Polanyi, 1966). This difference was taken up by authors in the field of management and has been recognized by various authors (Nonaka, 1994; Bernstein, 1999; Osterloh and Frey, 2000; Kreiner, 2002; Train and Egbu, 2006).

3.2.1 Tacit or Implicit and Explicit Knowledge

Tacit or implicit knowledge (as opposed to formal, codified or explicit knowledge) refers to a type of knowledge, which is hard to transfer to another individual through writing it down or through verbalizing it. Tacit knowledge is gained through experience over time. Professionals in the real estate and built environment possess high levels of tacit knowledge, as real estate development is mostly an application profession. Tacit knowledge also refers to the ideas, skills, as well as the experiences, which individuals are having in their minds and, hence, hard to access since it is always not codified and might not necessarily be expressed easily (Chugh, 2015). With tacit knowledge, individuals are not always aware of the knowledge they are possessing or how the given knowledge can be valuable to the other people. The effective transfer of tacit knowledge needs extensive personal contact, regular interaction as well as trust. This type of knowledge can be revealed only through practice in a given context and its transmission can be done through the social networks.

In construction and real estate development environment, knowledge that is shared in practice can be understood as a combination of both tacit and explicit knowledge. Examples of explicit knowledge can be identified in the form of regular reports issued (health and safety reports, cost reports, project management reports, geotechnical reports) drawings, minutes of meetings and various studies reports conducted (feasibility studies, market study, traffic study). These forms of knowledge are expressed in words and numbers and shared in the form of data as recognized by Nonaka and Konno (1998).

Tacit knowledge is also a nuanced kind of knowledge that one learns through experience and in specific context. Tacit knowledge is defined as being part of ‘common sense’ or ‘local’ knowledge (Bernstein, 1999). Nonaka and Konno (1998) describe tacit knowledge as ‘highly personal and hard to formalize, making it hard to communicate or share’. They state that tacit knowledge itself can be broken down in two further spheres, namely a sphere concerned with ‘skill’ or ‘craft’, and a sphere concerned with ‘beliefs, ideas and values’ (Nonaka 1994, Nonaka and Konno 1998).

3.3 Strategic Alliances and International Collaborations

Cooperative alliances are always created with the aim of enjoying economies of scale, minimizing or sharing different kinds of risks (Hennart 1988, Buckley and Casson 1998) for gaining international competitiveness (Porter and Fuller 1986, Harrigan 1988), and for learning and internalizing new knowledge and skills (Hammel 1991, Inkpen 2000, Kogut 1988, Lyles 1988, Makhija and Ganesh 1997, Mowery, Oxley and Silverman 1996). This is especially applicable when cross-border corporations get into new markets; they arrange collaborative relationships with domestic firms as one of the viable strategies for overcoming foreignness (Pak and Park, 2004).

The emergence of international joint venture collaborations between cross-border firms and local firms in Sub-Saharan Africa is the subject of investigation in this study. These collaborations are unique in that they exist in a particularly nuanced context in Sub-Saharan Africa. It is significant to examine this context in order to understand how partakers navigate difficulties and differences they encounter in this particular context. Cross-border firms come to the network embedded in their own ways of understanding, doing and working. When these firms come to work together in a collaboration, they generally experience differences with each other as the collaboration system is materially altered to include different approaches to working. The way in which these differences are navigated by partakers is the focal point the study seeks to drill into to offer a better understanding of the strategies utilised to overpass the differences.

Boso *et al.,* (2016) and Ibeh *et al.,* (2012) commented that the internationalisation actions of African firms surged considerably in 'scale, scope and sophistication over the past two decades'. These international firms, particularly SA firms use joint ventures among other several strategies as a market entry strategy to mitigate risks associated with entering new markets (White *et al.,* 2019). Through collaborating with local firms the collaboration network create a conducive platform for transnational knowledge transfer to occur.

The structure, composition and objectives of these emerging international joint venture collaborations differ from the traditional joint venture collaborations that dominated Africa in the past. They appear to be positioned to work better for partakers as they are structured to minimize risks and their platform enables transnational knowledge transfer to occur. The study aims to use empirical evidence to investigate if transnational knowledge transfer occurs in this setting or not. Table 3.1 itemizes different approaches to structure, composition and objectives between traditional (infrastructure) international joint ventures and emerging (real estate) international joint ventures in Sub-Saharan Africa.

Table 3.1: Different approaches to IJV configuration between infrastructure and real estate IJV's in SSA

Traditional (Infrastructure) Collaborations (IJV)	Emerging (Real-estate) Collaborations (IJV)
Government led/ driven	Private sector led/ driven
Government funded	Privately funded
Largely Infrastructure projects	Real Estate focused
Composition (non-African firms vs. local)	Composition (cross-border firms vs. local)
Largely involuntary arrangements (partners coerced by legislative requirements)	Generally voluntary arrangements (free choice of partner, no government requirements forcing partnership)
Social Objectives	Financial Objectives
Single project –unlikely to utilise acquired skill (if any) on new project as these type of projects occur occasionally	May occur across several projects – Likely to utilise acquired skill on another new project
Complex projects and technological difference severe therefore competitive advantage of foreign firm dominant	Less complex and technological difference less acute therefore competitive advantage of cross-border firm not so dominant.
It is often not always possible to choose your own partner as often times partners are imposed. If at all due diligence is done, it may be difficult to choose/change a partner	Each has flexibility to conduct thorough due diligence on the other beforehand to satisfy themselves on their credibility before deciding to collaborate with the other
Unidirectional flow of knowledge possible as one firm is dominant and only one party see value in the other and only one party is positioned for something to gain (knowledge) at end of project.	Both parties see value in the other and that facilitates the transfer of knowledge as both sides stand to gain something in the longer term. Supports a bi- or multi directional flow of knowledge.

Source: Author, (2022)

As demonstrated in the above table, within a joint venture setting, the emerging international joint venture collaborations form a suitable platform for transnational knowledge transfer to take place. This potential transfer supports a bi-directional and multi-directional flow of knowledge. Partakers share the same vision and are positioned to gain something from each other, with each partaker possessing something of value to contribute to the collaboration network. Whereas in most studies an emphasis on the uni-directional flow of knowledge transfer that is suited to a traditional international collaboration is highlighted, comprising of one dominant partner to the network with knowledge valued by the other and a potential mismatch of vision. Upadhyayula and Kumar (2004) referred to shared vision 'as a facilitator of the internal resources of individual and social capital factors, and shared vision could mediate their influence on organizational outcome of knowledge transfer'. Shared vision was indicated as vital to the long-standing accomplishments of many companies (Neff, 2015; Wang and Rafiq, 2009; Ismail *et al.,* 2016). Also in their study of bidirectional knowledge transfer between expatriates and host country nationals Ismail *et al.,* (2019) revealed in their findings that shared vision meaningfully facilitated the 'influence of cultural intelligence and feedback-seeking behaviour on knowledge transfer as perceived by expatriates as well as host country nationals (HCN)s'. This suggest the significance of a two-way flow of knowledge and the importance of collaborating with partners that possess something to contribute to the collaboration network.

3.4 Local Knowledge or Contextual knowledge

International business scholars are increasingly focusing on local knowledge in foreign direct investments (Chan *et al.,* 2020) and when looking at entry mode of organisations in host countries. Because organisational members are boundedly rational and organisational practices are complex and partly tacit, knowledge regarding such practices and their outcomes is virtually always causally ambiguous (King, 2007). The causal ambiguity of practices increases with their tacitness (King 2007, King and Zeithaml, 2001; Lippman and Rumelt, 1982; Powell, Lovallo and Caringal, 2006; Reed and DeFillippi, 1990; Ryall, 2009), as the non-codified and non-codifiable components of the knowledge and skills embedded in a practice significantly increase the challenges of understanding it and its link to organisational outcomes (King, 2007; King and Zeithaml, 2001; Reed and DeFillippi, 1990; Simonin, 1999). As can be explained through Zander and Kogut, (1995) who found that knowledge that is codified in documents can be transferred easier than knowledge that is not. The formal structure and systems of the organisational context (Bower, 1970; Chakravarthy and Doz, 1992; Chew, Bresnahan and Clark, 1990; Hayes and Clark, 1985), sources of coordination and expertise (Argote *et al.,* 1990 and Chew, *et al.,* 1990), and behaviour-framing attributes, such as organisational culture and leadership (Ghoshal and Bartlett, 1994; Schein, 2010), can influence the number of attempts to re-create knowledge, as well as the outcome of those attempts (Szulanski and Lee, 2020). Taking into account that knowledge is contextually bound, it is important that studies focus and obtain adequate understanding of the context of transnational projects. In order for a project or asset built to be relevant, relatable and sustainable, the asset must serve the intended needs of the community its built for. Firms that obtain more 'contextual knowledge' are better suited to tailor-make products, offer services that speak to locals, with local preferences and supported by local regulations, resulting in higher legitimacy among local actors such as employees, customers, and officials and, hence, higher performance and survival chances compared to local rivals (Hymer, 1976; Zaheer, 1995).Therefore local knowledge becomes pertinent in order to understand the needs, patterns, behaviours of the local population so they can be better served. Cautioned that not all foreign firms have the same need for this knowledge.

3.5 Knowledge Transfer

Bouty (2000), Hansen (1999) and Melin (2000) established that knowledge is highly likely to be transferred between sources and recipients having strong social relationships. Strong social relationships create positive platform for knowledge transfer to occur. A strong relationship and trust between the source and recipient is a positive ingredient for the sharing of knowledge between two parties.

Firms are regarded as a pack of abilities and knowledge where people's skills, organization as well as technology are inextricably entwined together (Nelson and Winter, 1982). Economies of scale, competing technologies that differ in costs, resource requirements, speed and efficiency are some of the variables reflected in tender figures and serve as basic preference requirements by clients. Firms can eliminate a lot of rivals through being in possession of technologies which are not common. In most cases, in the construction industry, management is not given the attention it deserves despite the fact that it is one of the most essential aspects of the construction process. This is because construction involves human resources and other kinds of resources, which ought to be managed in the right manner (Aziz, 1993). Raftery *et al.,* (1998) notes that while more nations participate in globalization there will be an increase in the levels of competition, which would result in both opportunities and threats to the real estate development and construction industries in developing countries. They further state that companies would be pushed to attain global standards of project delivery and hence improve their competitiveness.

Professionals interact with their counterparts in various ways during the conceptual development, project planning and execution stages. The most common form of interaction between project participants is through meetings to primarily discuss project issues, problem solving and progress monitoring. The potential for knowledge transfer is greatly increased during such interactions. Both local and foreign project participants are greatly positioned for an interaction of sorts during project meetings. Irrespective of the arrangement, collaboration set up or any other form of alliance formed, the professional individual is positioned to either transfer or receive knowledge. Osabutey, Williams and Debra (2016) contends that bi-directional knowledge transfers can take place through the interaction of the foreign and local firms.

3.6 Transnational Knowledge Transfer

Duan, *et al.,* (2010) indicate that transnational knowledge transfer (TKT) is knowledge transfer (KT) across different nations, or across-borders and this transfer occurs through Multi-National Corporations (MNC), Transnational Organizations, International Collaborations (IJV), and international project supported by governments, the United Nations, the European Commission, and national and international funding organizations helping underdeveloped nations. Transnational knowledge transfer (TKT) is still an emerging phenomenon in literature and little is known about the extent of complexities involved in it. Most scholars have written a lot about knowledge transfer (KT) and its complexities, but TKT presents additional complexities in knowledge transfer that require further probe.

Many studies on knowledge transfer have focused on transfer of knowledge from Multinationals (MNC's) to subsidiaries. In most emerging countries foreign firms have been preferred as the entities to transfer knowledge to local firms. The Sub-Saharan African region has not mostly reaped the benefit of this type of transfer. There is however a reorientation of focus and empirical evidence shows a rising number of cross-border collaborations between emerging countries in SSA. Not much is understood about the interaction, experience and benefits of these collaborations with respect to KT. The transfer of knowledge is conceptualized in literature as being uni-directional by Cummings and Teng (2003) and Nonaka and Toyama (2003), following a one-way path from source to recipient. According to Gharawi and Dawes (2010), this assumption is contradicting one of the major characteristics of the transnational knowledge and process of sharing information in which knowledge and information can flow in both directions and the participants are regarded both as information sources and recipients of information. The researcher adopts a similar view in the study of the cross border collaborations and views KT as bi-directional; where participants are considered as both sources and recipients.

The study focuses on the KT between inter-organizational networks of cross border firms and local firms in SSA. Knowledge transfer, knowledge sharing and ICT practices are highly effective strategies used to address the critical problems that are faced across the globe. In most instances sharing and transfer of knowledge occurs through strong networks of trust. Previous research indicates that organizational practices differ from one country to another (Lincoln, Hanada and McBride, 1986) because they are affected by the sociocultural environments that they evolve and that they are being applied (Adler, 1995; Janssens, Brett and Smith, 1995; Kogut, 1991). Cross-country differences have been observed in a number of organizational practices, like negotiations (Graham, 1985), leadership as well as distribution of power and authority within the organizations (Hofstede, 1980). Kostova (1999) focuses on three broad factors of transfer success, namely: 'social context, organizational context and relational context'. She analyses how the distance in these factors will ultimately cause a misfit between transferred practice and the receiving environment, which in effect can bring about difficulties or even transfer failures (Kostova, 1999). She also submits that transfer's success will be influenced by the extent to which the home country profiles as well as the recipient country profiles are related or different with regard to the practice, whose transfer is taking place (Kostova, 1999).

3.7 Classification of knowledge transfer

Knowledge transfer is a crucial circumstance for acquiring efficient knowledge among actors involved in a collaboration network (Nyaga, 2010). In a value network, knowledge transfer refers to the process by which actors share knowledge among themselves through ongoing interactions (Bagheri, 2015). In this instance, knowledge is collaboratively created and transferred through 'iterative and mutually interactive processes among the actors including customers that are involved in the value co-creation process' (Vargo, 2004).

An increasing number of organisations use temporary organisations, such as projects through joint ventures and task forces, to carry out their economic and societal activities (Bakker *et al.,* 2011; Whittington *et al,.* 1999). In instances where a major part or all of these activities of an organisation are conducted in the form of projects, these organisations are referred to as project-based organisations (van Waaren, 2017). This organisational form is increasingly present in a variety of industries. Examples of relevant industries are engineering (Winch 2014), advertising (Grabher 2004), construction (Eriksson 2013), shipbuilding (Levering *et al.,* 2013) and television (Manning & Sydow 2007). Many scholars (Godenhjelm, Lundin & Sjöblom

2015; Packendorff and Lindgren 2014) contend that the rise of a ‘project-oriented way of organising activities is part of a broader societal trend, which they label as projectification’.

Van Waaren (2017) distinguished between a narrow and broad explanation of the idea. The narrow idea considers the growth towards the use of projects for conducting complex responsibilities, bringing a resourceful difference in modern organisations. The broad idea of projectification involves cultural and societal methods whereby projects and related settings are embedded in the behaviours of individuals, the organisations and society.

Love *et al.,* (2003) contends that, knowledge is a fundamental means to any organisation involved in a projectized and technological world. van Donk and Riezebos (2005) agree that this is more relevant in project-based companies as they require to provide new products and grow in new markets, they require relevant aspects of knowledge and information in the source company and familiarities of workers and unit members are availed to succeeding projects.

In a project-based organisation, 'the knowledge, capabilities, and resources of the firm are built up through the execution of major projects' (Hobday, 2000). The importance of knowledge and its application to create sustainable competitive advantage puts project-based learning at the centre of attention (van Waaren, 2017). Project-based learning comprises of the creation and acquisition of knowledge within projects, and the codification and transfer of this knowledge across project boundaries, for example, to subsequent projects (Bakker *et al.,* 2011). In project-based organisations, this type of learning is regarded as a key performance driver as prior projects offer potentially valuable experiences that can be applied in similar projects in the future or generate new knowledge about the organisation's technology and market base that could lead to new business offerings (Bartsch, Ebers and Maurer 2013).

Table 3.2: Taxonomy for understanding knowledge transfer

Attributes	**Examples**	**Flow**
Knowledge transfer level	Individual level	Uni-directional /Bi-directional

	Intra-organizational level	Uni-/Bi-/Multi-directional
	Inter-organisational level	Uni-/Bi-/Multi-directional
	Transnational level	**Uni-/Bi-/ Multi-directional**
Knowledge transfer component	Actors	
	Content	
	Context	
	Media	
Knowledge transfer factors	Actor related factors	
	Content related factors	
	Media related factors	
	Context related factors	
Knowledge transfer model	Process based model	Individual KT model
	Factor based model	Intra-organisational KT model
	Process and Factor based model	Inter-organisational KT model
	Component based model	**Transnational KT model**

Source: Duan, Nie and Coakes (2010) (expanded 2022)

In their taxonomy for understanding knowledge transfer, they observed knowledge transfer as a set of attributes broken down into four parts. This summary of the knowledge transfer attributes provides a comprehensive breakdown of diverse attributes with broad examples of each attribute that make up knowledge transfer. The proposed four key attributes of knowledge transfer are knowledge transfer level, knowledge transfer component, knowledge transfer factors and knowledge transfer model.

Knowledge transfer level indicate the level at which knowledge transfer takes place or the level at which it is situated. It can be situated at an *individual level*, or within an organisation at an *intra-organisational level*, can also be located between two or more organisation at an *inter-organisational level* and lastly located at a *transnational level* with organisations that are outside the territory of the host country.

Since knowledge transfer is not always flowing from source to recipient or home country to host country, reverse knowledge has emerged in literature and also the significance of local knowledge, suggesting that there is no longer a flow dependant on more resourced organisations and also that knowledge transfer flow take many directional forms. At an individual level it can flow from one way in a uni-directional position or both ways in a bi-directional way. At an intra-organisational level, knowledge transfer may take many forms including unidirectional, bidirectional and multidirectional flows depending on the individual context. Similarly inter-organisational and transnational levels support many forms of knowledge transfer flows including unidirectional, bidirectional and multidirectional flow.

The second attribute submitted is the knowledge transfer component. This KT component is made up of actors (*those involved in the transfer process: sender, recipient and intermediary*); content (*referring to that which is being transferred in the transfer process*), context (*referring to the circumstances under which the transfer occurs*) and media (referring to that which carries the transfer). This research focuses on the transnational context of knowledge transfer. More elaboration will follow on the motivation for the choice and focus on context as the key component of knowledge transfer in this research.

The third attribute is the knowledge transfer factors where actor related factors are included, *content related factors, context related factors* as well as *media related factors*. The focus of this study expands on context related factors in line with the context component breakdown of knowledge transfer attributes.

The fourth attribute is the knowledge transfer model, indicating different types of models that are relevant depending on the scenario. These knowledge transfer models are *process based model* that aligns with individual KT model, *factor based model* in line with intra-organizational KT model, *process and factor based model* in line with inter-organizational knowledge transfer model and the *component based model* in line with the transnational knowledge transfer model. This study focuses on component based model that aligns with a transnational knowledge transfer model supported in this study. The transnational knowledge transfer model is suited to this study with its focus on context, and is appropriate to be applied in this study. The transnational knowledge transfer model that is selected will be tested for its relevance and reliability in the private real estate sector in SSA.

Table 3.3: A summary of the literature on associated factors affecting knowledge transfer

Knowledge transfer component	Associated Factor	References
Actors: involved in the knowledge transfer process, always central to the process	Openness	Goh, S.C.,(2002)
	Prior experience and knowledge	Cummings, J.L. and B.S. Teng (2003); Gupta, A.K. and V. Govindarajan (2000)
	Trust	Gupta, A.K. and V. Govindarajan (2000)
	Motivation	Minbaeva, D., (2003); Osterloh, M. and Frey, B.S. (2000); Szulanski, G.,(2000)
	Leadership	Goh, S.C.,(2002)
	Absorptive capacity	Kayes, D.C., B. Kayes Anna, and Y. Yamazaki, (2005)
	Competence	Delios, A. and I. Bjorkman, (2000)
Context: where the interaction takes place transferring knowledge is contextually bound, so its transfer is constrained by the contexts in which it is embedded.	Culture difference	Abou-Zeid, E. S.,(2005); De Long, D.W. and L. Fahey, (2000); Goh, S.C., (2002); Ipe, M., (2003); Schlegelmilch, B.B. and Chini, T.C. (2003)
	Relationship	Inkpen, A.C. and Pien, W. (2006)
	Social capital	Seibert, S.E., M.L. Kraimer, and R.C. Liden (2001)
	Physical distance	Hansen, M. T. and Lovas, B. (2004)
	Organisational infrastructure	Goh, S.C., (2002)
Content: to be transferred between actors	Nature and content of knowledge	Goh, S.C., (2002); Szulanski, G., (2000)
Media: by which the transfer is carried out	Language and translation	Kayes, D.C., Kayes Anna, B. and Yamazaki, Y. (2005)
	Communication channels	Pedersen, T., Petersen, B. and Sharma, D.
	Transfer channel	Pedersen, T., B. Petersen, and D. Sharma (2003)
	Use of ICT	Syed-Ikhsan, S.O.S. and Rowland, F. (2004)

Source: Duan, Nie and Coakes, (2010)

Expanding further, as indicated in a table above, all the knowledge transfer components namely actors, context, content and media have their associated factors studied in literature that affect knowledge transfer. As an example the actors component has been studied in literature and showed a diverse range of factors among which openness (Goh, 2002), prior experience and knowledge (Cummings and Teng 2003; Gupta and Govindarajan 2000), trust (Gupta and Govindarajan 2000), motivation (Minbaeva *et al.,* 2003; Osterloh and Frey 2000; Szulanski 2000), leadership (Goh, 2002), absorptive capacity (Kayes *et al.,* 2005) and competence (Delios and Bjorkman 2000) were identified among actors as affecting knowledge transfer. Similarly under context, content and media a diverse range of factors associated with these categories impact on knowledge transfer as illustrated in Table 3.3. As the focus of the study is on cross-border investments in emerging economies in SSA, context is considered relevant and significant and a bigger focus afforded to it under Table 3.4.

Transferring knowledge is contextually bound, so its transfer is constrained by the context in which it is embedded (Duan *et al.,* 2010). International collaborations operate in a contextually bound environment. There has been an emerging literature focusing on the context under which knowledge transfer takes place, despite that, there remains a lack of evidence of work done in literature focusing on the context of cross-border or transnational knowledge transfers in Sub-Saharan Africa, particularly in the real estate sector. This study intends to contribute towards extending literature in this area and offer a better understanding on the context of transnational networks in Sub-Saharan Africa.

The Sub-Saharan Africa context is unique and has the potential to enrich literature. There is emerging evidence of literature from Business Management Journals, International Management Journals, Education Journals and Government Information Journals on cross-border or transnational knowledge transfers in developed countries like Asia, North America and Europe, but one may argue that the context of these countries are exclusively different from Sub-Saharan Africa as they are more developed countries as opposed to countries in Africa that are still developing. This suggests that the context of the two is dissimilar and factors that affect the context of knowledge transfer or transnational knowledge transfer are likely to be dissimilar. Implying that, Sub-Saharan Africa requires its own unique understanding in order to enrich literature on its uniqueness as this study intends.

Different theories and models developed that take cognizance of context in transnational knowledge transfer environment may work in most countries but in others, they may require adjustments to fit different and unique settings. Similarly SSA, as an emerging segment of a continent of Africa, it has its own supplementary distinctive and special characteristics that contribute to a predominantly unique context. For this reason, there is merit in the choice of context as a component of focus to be studied and understood in all its uniqueness.

Attention on the context of emerging economies is increasing, making researchers emphasize less on traditional settings (Kriauciunas, Parmigiani and Rivera-Santos, 2011). Typically there has been different deliberations revolving around whether the theories of management are context-free or context-specific, around the degree to which studying non-traditional contexts may help refine the present theories, and whether the new theories should be developed in order to understand these diverse settings (Kolk and Rivera-Santos, 2018). Meyer *et al.,* (2011) also argued in support of local context suggesting that irrespective of the number and strength of 'interactions across local contexts, they continue to retain their distinctive differences'.

This study was undertaken in line with this perspective in order to gain a deeper understanding of an African setting that will document context-bound and context specific practices of transnational knowledge transfer within the real estate private sector in SSA and aimed to contribute elements on the non-traditional context to assist refine current models of transnational knowledge transfer.

Many scholars have sought to expand literature and identified a number of factors that are associated with knowledge transfer, particularly in host country location and also between collaborations of local and cross-border setting. These factors vary significantly from country to country, firm to firm and signify the differences that exist between participants collaborating within the network.

Table 3.4: Context-related factors affecting knowledge transfer

Context: where the interaction takes place transferring knowledge is contextually bound, so its transfer is constrained by the contexts in which it is embedded.	Culture difference	Abou-Zeid,E.S. (2005); De Long, D.W. and Fahey, L. (2000); Goh, S.C. (2002); Ipe, M. (2003); Schlegelmilch, B. and Chini, T. (2003); Shin, D., Hasse, V.C. and Schotter, (2017); Lee, J.Y., Taras, V., Jimenez, A. and Choi, B. (2020); Wang, Y., Larimo, J. and Hennart, (2020); Kim, H.G., Gaur, A.S. and Mukherjee, D. (2020)
	Relationship	Inkpen, A.C. and Pien, W. (2006)
	Social capital	Seibert, S.E., Kraimer, M.I, and Liden, R.C. (2010); Rondi, E., Debellis, F., DeMassis, A. and Garzoni, A. (2020)
	Physical distance	Hansen, M.T. And Lovas, B. (2005); Hendriks, G. (2020); Bahar, D. (2020); Bi, Y., Ren, Z. and Bao, K. (2020)
	Organisational infrastructure	Goh, S.C.(2002); Su, C., Kong, L., Ciabuschi, F. and Holm, U. (2020)
	Cultural, Geographical, Institutional, Economic difference	Duan, Xu and Feng (2012)
	Cultural differences, Language barriers, Geographical distance and Technological infrastructure diversity	Adenfelt, M. (2010)
	Business Unit features, Transferred knowledge and context, Motivational Factors	Adenfelt, M. and Lagerstrom, K. (2006)
	Political, Cultural, Intention, Organisation, Resource, Relational, Knowledge, Physical and Technical distances	Dawes, S., Gharawi, M. A. and Burke, G.B. (2012)
	Institutional and cultural norms, temporal dynamics, geographical and spatial context, social context and teams, organisational context and roles	Wright, M., Tartari, V., Huang, K., Lorenzo, F. and Bercovitz, J. (2017)
	Political, Legal, Cultural, Technical, Managerial/Organisational, Economical, Environmental, Social, Corruption and Physical	Kwak, Y. H. (2002)
	Geographic, cultural and psychic distance	Ojala, A. (2015)
	Cultural, geographic and linguistic distance	Ambos, TC and Ambos, B. (2009)
	Psychic distance	Johanson and Vahlne, 1977; Johanson and Wiedersheim-Paul, (1975); Erramilli, M.K., Srivastava, R. and Kim, S.S. (1999); Hassel, L.G. and Cunningham, (2004); Chen, C., Zhan, Y., Yi, C., Li, X. and Wu, Y. J. (2020)
	Institutional distance	Cezar, R. and Escobar, O.R. (2015); James, B. E., Sawant, R. J. and Bendickson, J. S. (2020); Ihan-Nas, T., Okan, T., Tatoglu, E.

		and Demirbag, M. (2018); Yi, C., Xu, X., Chen, C. and Wu, Y.J. (2020)
	Corruption distance	Qian, X. and Sandoval-Hermandez, J. (2016); Karhunen, P. and Ledyaeva, S. (2012)
	Economic distance	Tsang, E.W.K and Yip, P.S.L (2007); Le, T. H. (2017)

Source: Duan, Nie and Coakes, (2010) expanded by author, (2022)

All the factors presented in Table 3.3 above largely show the type of contextual difference or distance that exist between host partner and home partner landscape. Distance remains the dominant idea in international business (Beugelsdijk, Ambos and Nell, 2018). As widely accepted, 'distance refers to difference' (Dawes *et al.,* 2012; Zaheer *et al.,* 2012) its verbatim explanation related to geographic or physical distance, that take a physical form, referring to a geographic location (Blomkvist and Drogendijk, 2013; Buckley *et al.,,* 2007) between the two countries, the home country where investment originates from and host country where investment is destined or located. Also, distance can be explained using an emblematic explanation (Shenkar, 2012) referring to 'the collective differences between countries' (Zaheer *et al.,,* 2012). Additionally 'distance can be measured between any two entities, be it individuals, teams, organizations, nations, ethnic groups, language groups, even organizational fields' (Beugelsdijk, *et al.,* 2018). Distance also goes hand in hand with its context and Beugelsdijk, *et al.,* (2018) added that distance refers to variation in context that transpires as firms go beyond their national boundaries. The degree of environmental differences between a foreign country and a firm's home country has been referred to as the 'contextual distance' faced by a firm and has been argued to have a cultural, administrative, and economic dimension (Beugelsdijk, *et al.,* 2018; Beugelsdijk *et al.,* 2017).

When multinational firms invest beyond their principal domain the issue of distance is central. As alluded to earlier, distance manifests itself in a multitude of forms, practically and conceptually. For a firm investing outside its domain to practically and effectively manage its investment, proximity of investment to host country is connected to the decision to invest. Many authors highlight the negative role distance plays on cross border investments. Whilst, others have underscored different mechanisms to shrink the distance (Dawes *et al.,* 2012;) between host country and home country in cross border investments. Others boldly speak of the advantages of distance (Jackson and Deeg, 2008) and debate that weak institutions may present an advantage for firms as opposed to looking at them as a disadvantage.

Travel time between the home country and host country is also an important determinant in cross-border investment (Nyaga, 2010). When travel time is less, firms make more investments in their divisions and better manage the division (Giroud, 2013). Several authors have alluded to proximity of the host country as one of the considerations in determining a decision to invest in a country (White *et al.,* 2019). As an example, the strategic geographic location of North Africa for instance, lends itself to a favourable position for consideration for investment originating from Middle East and Europe due to the proximity of these countries, among other reasons (Knight Frank, 2019). Whilst, South Africa which is geographically dispersed from most investment source countries, it is still preferred by overseas multinationals due to other reasons like better infrastructure (Osabutey *et al.,* 2014; Knight Frank, 2019) among other reasons. Even though proximity plays a huge role in investment decision, there are other factors taken into consideration to effect an investment decision in a country. Such other factors include instances when investors opt to prioritise high returns (Dippenaar, 2009) irrespective of geographic proximity of host country, and implement measures available in addressing the physical distance. All these different factors are characterised as internal and external factors (Dawes, *et al.,* 2012). Firms generally have a well-thought out strategy on their priorities and intensions for investing outside their boundaries.

The entry mode of FDI include cross-border mergers and acquisitions, greenfield investment and joint ventures and the optimal entry mode depends on the industry sector and the firms' available resources (White *et al.,* 2019). As an example, Brouthers, (2000) suggested that firms making relatively small investments, possessing high levels of technology and multinational experience, with high levels of diversity, making investments in high growth, high uncertainty markets prefer greenfield start-up ventures to acquiring existing organizations. Furthermore, in industries where firms differ mainly in their mobility, the most efficient firms will engage in cross-border mergers and acquisitions, while in industries where firms differ mainly in their country specific non-mobile capabilities, the greenfield investment and joint venture are the better entry mode than cross-border mergers and acquisitions (Nocke, 2007).

However, in emerging economies, Chipp *et al.,* (2019) demonstrated that entry mode to emerging markets may have a different dimension due to institutional voids in most emerging markets particularly Sub-Saharan Africa. They suggest that the dominant outlook focuses on the entry option of joint venture, acquisition or greenfield as the three modes of entry available to access resources and knowledge for the establishment of a subsidiary, and researchers have had difficulty in matching modes of entry to market conditions (Dikova and Brouthers, 2016). SA firms from different sectors have made largely different market entry choices in emerging markets for an example SABMiller and MTN used joint venture strategies when entering new markets in Africa to deal with underdeveloped institutions (White *et al.,* 2019). Joint ventures are used as a means of reducing risk ‘by allowing firms to gain a better understanding of the context through partnership on the ground’ (*ibid*). Massmart, however opted for a greenfield approach in their expansion in Africa citing the preference of control, and wanting to ‘plot their own destiny’ (White *et al.,* 2019). The approach is different from MTN and SABMiller and also inconsistent with literature that suggests that firms choose low commitment modes of entry similar to JV’s where there is a significant discrepancy in culture and institutions between home and host country (White *et al.,* 2019).

However, viewing entry from the standpoint of a single firm does not explain the phenomenon of a group of MNCs, that have an existing relationship, entering a market simultaneously and establishing a network in the host country (Chipp *et al.,* 2019). This phenomenon is observed in many subsistence economies in Africa, particularly from South African firms expanding into Sub-Saharan Africa (*ibid*). They argue that there are market conditions where firms enter as a network and these conditions are accentuated within markets with institutional voids (*ibid*). Multiple firms loosely cooperate to enter a market simultaneously with the objective of establishing a new local network. This new local network is a joint solution for MNCs to overcome voids in the host market. There is empirical evidence of SA real estate firms that enter new markets with their own real estate supply chain from SA that includes developers, engineers, quantity surveyors, project managers and other professionals to execute projects due to institutional voids in host country. Institutional voids in these countries are ‘largely due to a lack of local firms that have this capability and the lack of infrastructure that makes the development of this capability costly and risky for other firms in the network’ (Chipp *et al.,* 2019).

These institutional voids present a ‘double-edged sword’ (Boso *et al.,* 2019) making it difficult for firms that cannot handle ‘uncertainty and ambiguity’ that exists in these markets and their limitation and deficiencies results in hinderances to doing business. On the opposite side, (Gao, *et al.,* 2017) suggests that firms that are able to traverse weak institutions and are able to handle changes are better poised for attaining a competitive advantage in these markets. This is supported by evidence of South African firm, SABMiller successes in the African context, where the firms are able to 'leverage knowledge of successfully doing business in weak institutions in home and exploit this knowledge when they expand to countries with similar institutional imperfections' (White *et al.,* 2019; Luiz *et al.,* 2017).

Institutional voids and market imperfections may include for an example underdeveloped intermediary markets, limited access to capital markets, poor infrastructure, and weak regulatory environment (Boss *et al.,* 2019; Adeleye and Boso, 2016). There are many other contextual differences or distances encountered by firms when entering new markets that are dissimilar to home country. These contextual differences are unique to each firm, sector and country entered into. In further unscrambling the context of cross-border investment, distance in literature is not limited to physical distance between home country and host country as alluded to earlier. Distance extends to the differences between the characteristics and context of the two countries including cultural distance, institutional distance, political distance among others.

The challenge is for every firm to navigate this contextual distance successfully. For instance Wang, *et al.,* (2020); Kim, *et al.,* (2020); Shin, *et al.,* (2017); Wright *et al.,* (2017); Duan *et al.,* (2012); Adenfelt, (2010); Ambos and Ambos (2009); Kwak, (2002) and Goh, (2002) investigated cultural distance, between interaction of home and host country. Also many other authors prioritised institutional distance for cross-border investments like James, *et al.,* (2020); Yi, *et al.,* (2020); Ihan-Nas, *et al.,* (2018); Xie and Li, (2017); Cezar, and Escobar, (2015); Eden and Miller, (2004); Xu and Shenkar, (2002); Kostova, (1996) when entering new markets. Cultural and institutional distance is the most used distance dimension (Beugelsdijk, *et al.,* 2018). Also Anderson and Wincoop, (2004); Buckley *et al.,* (2007); Quer *et al.,* (2012) review technological and knowledge distance, resource distance, relational and intentional distance (Dawes *et al.,* 2012).

With such a huge likely combination of dissimilarities in context, firms expanding in new markets, particularly in emerging economies find novel ways to deal with institutional voids and market imperfections. The dominant choice for market entry strategies chosen by internationalising firms are joint ventures, greenfield and mergers and acquisitions (M&A). However, a new emerging kind of entry in African markets referred to as loose networks or bridging networks (Chipp, *et al.,* 2019) where firms move in host country as a group of firms with existing relationships to aid international expansion and reduce institutional voids. Similar to a real estate development project that requires a complete real estate supply chain to execute its development projects. This real estate supply chain tends to include all professionals that make crucial contribution towards project success by cooperating and coordinating responsibilities to produce the intended outcome. SA investors in SSA, on the evidence of the UNIDO Survey (UNIDO 2007) seem to have rapidly established an enviable position in many of the markets they now serve. They have managed to raise, by African standards at least, large amounts of capital which they have deployed more efficiently than established investors from the North, pay higher wages, employ significant numbers of local graduates and invest in training their employees (Henley *et al.,* 2008).

3.8 Conclusion of Chapter

This chapter has given an overview of the challenges of internationalising in Africa. It started by focusing on how network collaborations, particularly joint ventures create suitable platforms for transnational knowledge transfer between home country and host country when they collaborate. It emphasised the significance of local knowledge possessed by locals in host country and the technical knowledge and expertise possessed by foreign firms when moving to host countries. The two partakers in a collaboration network of a joint venture provide a ripe scenario for transnational knowledge transfer to take place as knowledge possessed by the other in the network is valuable to the former and vice versa.

The chapter also discussed the market entry strategies used by SA firms when internationalising in Africa. As a mode of entry, joint ventures are preferred to minimise risk and understand local markets better through the leans of a local partner on the ground as was the case with MTN and SABMiller. But also greenfield entry strategy is preferred by others looking for control of their business as was the case with Massmart's expansion in Africa after conducting extensive market research and analysis of the context and market they seek expansion in. Also an under researched mode of entry referred to as loose network or bridging network was discussed and relates to the context of real estate supply chain networks cooperating and coordinating their services to expand in international markets in Africa to deal with institutional voids. Additional to that firms constantly deal with contextual differences they encounter in host countries and constantly find new ways to find balance and achieve success. The contextual differences experienced by each firm, in any sector or country vary time to time and the firms resilience and experience in dealing with these may give it a competitive advantage. Some of the contextual differences were identified in literature as cultural distance, political distance, economic distance, technological distance, geographic distance, psychic distance, corruption distance and many more. Firms that succeed in host countries with underdeveloped institutional voids find ways to navigate these differences.

4. CONCEPTUAL AND THEORETICAL FRAMEWORK

4.1 Introduction

This chapter will discuss the conceptual and theoretical framework adopted in the study. The interaction of partners within the transnational network is a complex process. The chapter begins by contextualising how transnational knowledge transfer is viewed in this study supporting this with a summary description illustrated in Table 4.1. It then proceeds to give detail of how the conceptual framework of the study was conceived and formulated in the context of transnational knowledge networks. Further on, it discusses the three theories used in the study as a lens through with to view the transnational knowledge networks and the potential for knowledge transfer within these international joint venture collaboration networks. It discusses how the interaction of host country and home country partakers is well positioned for transnational knowledge transfer. Finally, to further understand the interaction of partakers within the network, a transnational knowledge transfer model is discussed and proposed to be used and tested when collecting empirical data to validate its relevance and applicability in the real estate development context.

4.2 The context of transnational knowledge transfer

The study focused on knowledge transfer that potentially takes place between home country and host country partakers at a transnational level as one or more of the partakers interacting and collaborating in the network participates beyond their principal domain. In order to emphasise the view point further, the study is concerned with gathering empirical evidence to aid in understanding the contextual differences resulting in context related factors that partakers bring to the network that create conflict and how these are addressed within the network. The adoption of the transnational knowledge transfer model to explain this interaction through the use of contextual differences was utilised in the study and also to test its applicability and relevance in the context of real estate sector.

Table 4.1: A summary table describing how transnational knowledge transfer is viewed in this study

Attributes	Examples	Flow
Knowledge transfer level	**Transnational level**	Uni/Bi/Multidirectional flow
Knowledge transfer component	**Context**	
Knowledge transfer factors	**Context related factors**	
Knowledge transfer model	**Component based model**	**Transnational KT model**

Source: Duan, Nie and Coakes, (2010) expanded by author, (2022)

The above table 4.1 summarises the attributes relevant to this study and the structure of how knowledge transfer will be discussed and observed throughout this study factoring the context related factors of all partakers that interact within the international joint venture collaboration network.

4.3 Conceptual Framework of the study

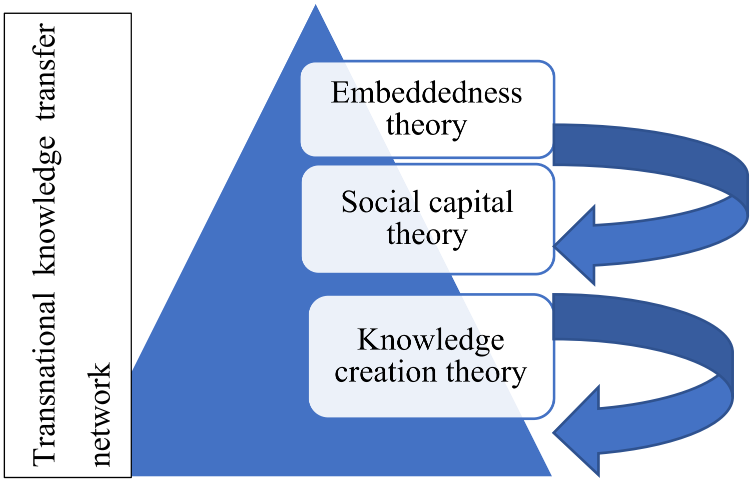
To conceptualise the view of these international joint venture collaboration networks, there exist a comprehensible understanding that knowledge transfer is adjoined to its context and therefore its transfer is inhibited by the context in which it is rooted (Duan *et al.,* 2010). When examining this context further, there are internal and external factors relating to the context that affect this transfer and these factors are separated into three categories by Dawes *et al.,* (2012) cataloguing them as: national, organizational and the knowledge and information contexts. Suggesting that contextual factors that emanate both within the organisation and external to the organisation may affect the interaction of partakers, hindering or facilitating transnational knowledge transfer within the international joint venture collaboration networks.

To begin, the study adopts an embeddedness theoretical lens to view this problem. Looking at this study closely, it takes into account the circumstance of partakers within the international joint venture collaboration network, cogitating they originate from different contexts. The process of interaction attempts to synchronize different ways of doing things, different viewpoints and different experiences suggesting a possibility that they may come to the network misaligned with their partners, however the expectation to perform within the network, through interacting and working with one another towards to achieving the same goal remains. Meyer, *et al.,* (2011) suggested that TKNs are continuously dealing with a number of experiments in controlling the complication of interactions, since they have to control 'multiple embeddedness' across dissimilar environments at two levels: primarily, at the TKN level, they are expected to arrange their networks to use 'effectively both the differences and similarities of their multiple host location' and additional, at the secondary level, they are expected to find equilibrium in the 'internal' embeddedness within the TKN, with their 'external' embeddedness in the host setting' (*ibid*). Finding equilibrium in the planned functions of the MNE aligning with its home-grown uniqueness and its domestic connections may present a compromise (*ibid*). Further on, Meyer *et al.,* (2011) suggested that 'multiple embeddedness may create both business opportunities and operational challenges'.

To deal with embeddedness of partakers within the network that may pose contextual differences, the process of interaction is fundamental within the network. As the interaction develops over time, social relations are established by partakers within the network. These relationships develop to trust, which becomes the currency under which is traded in the social capital theoretical lens point of view. Trust enables reciprocity among partakers in a TKN. Depending on the value of the currency procured through the social relationship established, partakers are able to share and transfer knowledge to others within the network depending on the strength of relationship established and the level of trust attained. Constant interaction achieves a level of connectedness with partakers and social capital is developed. Authentic interactions are key to unlocking strong connections and trust.

Throughout the interaction process within the network, knowledge is exchanged explicitly and tacitly. With a strong currency established through trust partakers are able to benefit using this currency to exchange and transfer knowledge. Also, the constant interaction process has a potential of creating new knowledge through the interaction of parties as creating new knowledge that is constantly changing shape from explicit to tacit and tacit to explicit gaining refinement to create new knowledge. Constant communication within a network signifies sharing and transfer of knowledge that result in creation of new knowledge that enables actors to deal with differences that exist within the network to enable them to provide new and creative ways of bridging the distance. Knowledge creation theory is adopted in this process to explain the constant interaction and interface of knowledge shared and transferred within the network that results in creation of new knowledge. Figure 4.1 details the conceptual analysis process adopted to view activities happening within the transnational knowledge networks of partakers from home and host country.

Figure 4.1: Conceptual framework of activities within transnational knowledge network



The figure 4.1 above illustrates the activities that take place within the transnational knowledge network. On the left hand side, the box identifies that all the action happening on the right hand side takes place within a transnational knowledge network where transnational knowledge transfer occurs. It starts with embeddedness theory at the top of the triangle depicting that when partakers come to the network, they come embedded in their own context that creates distance. However as they interact further they accumulate a currency of trust they are able to trade with their counterparts for exchanges of knowledge. This is looked at through the social capital theory that aids partakers to develop trust through interactions within the network. Looking at the second theory social capital in the middle on the triangle, through constant interaction, knowledge transfer and sharing within the network is expanded as depicted by the expansion of the triangle size from embeddedness to social capital. As continuous interaction and exchanges take place, further growth, creation of new knowledge and exchanges of knowledge from tacit to explicit and vice versa is enhanced growing the triangle broader depicting growing knowledge that is attained using the knowledge creation lens.

4.4 Theoretical Framework of the study

Based on Kerlinger's (1970) definition, theory is "a set of interrelated constructs (concepts), definitions and propositions that presents a systematic view of phenomena by specifying relations among variables, with a purpose of explaining and predicting phenomena". Silverman (1998) believes that "social sciences theories act like living entities, and they are developed and modified just by good research”. Nevertheless, because they bring a different perspective, they are self-confirming and they cannot be undermined, even though they may be less functional (Jafari and Rezaeenour, 2010). A theory is strongly influenced by the development level of its field (*ibid*). Walliman (2001) suggested that a theory needs to be constantly improved, sometimes even changed as it is a figurative conception from real life.

The study focuses further on unpacking the three theories utilised in the study to aid in explaining what takes place within the transnational knowledge networks. A combination of theories were scanned through literature to find an appropriate way through which the activities within the transnational knowledge networks can be explained theoretically. Theories such as Organisational theory, learning theory, communities of practice and networks of practice, internal networks of practice were investigated for use in the study but were not taken further to application as the chosen three theories fitted the explanation sought to understand activities of transnational knowledge networks. The final three theories sequentially fitted well in attempting to explain the complexity of transnational knowledge networks beginning with the embeddedness theory, followed by social capital theory and lastly the knowledge creation theory that wrapped up the process of interaction resulting in creation of new knowledge through the knowledge transfer and sharing process. The study investigated each of the three theories further to situate them sufficiently within the complexity of the transnational knowledge networks.

Through literature the researcher seek to explain

4.4.1 Embeddedness Theory

The theory of embeddedness was largely advanced by Granovetter (1985) subsequently after Polanyi (1944) first suggested and proposed the theory. These researchers (Granovetter, 1985; Polanyi, 1944) recognized that economic transactions occur within the context of social relationships, refuting the under socialized assumption of atomistic one-on-one competition among actors in an efficient market. Accordingly, “economic relationships, such as buying, selling, and allying, should be understood as critically determined by their embeddedness and trust in the existing network of social relationships, such as professional friends and prior relationships” (Fan *et al.,* 2019). Actors are embedded within a network to the extent that they have a strong record of repeated transactions with network members (*ibid*).

The theory of embeddedness incorporates the viewpoint on the quality of dyadic links when referring to relational embeddedness and structural viewpoint incorporates the locating of the position of an actor within a network, when referring to structural embeddedness (Granovetter, 1985; Gulati, 1998). Relational embeddedness emphases on the strength of a dyadic connections on firms' activities. Literature supports that "strong ties are important for a successful transfer of complex, tacit, and sensitive knowledge" (Huang, 2014). According to Nowell and Steelman (2014) continuous interaction and improved acquaintance are associated with enhanced communication in international knowledge networks. Transnational knowledge networks share 'trust in strong ties that facilitate difficult cross-boundary collaboration' (Tortoriello and Krackhardt, 2010).

Structural embeddedness on the other end, focusses on the "information and control advantages accrued from a premium position in a network" (Fan, *et al.,* 2019). Suggesting that networks are ladders of social terrain inferring an element of hierarchy is involved (*ibid*). Within a hierarchical network, several firms "enjoy strategic locations and are more important for diffusing information and exerting social control" (*ibid*).

Embeddedness was further catalogued by Zukin and DiMaggio (1990) into four categories: structural, political, cultural and cognitive. They define, structural embeddedness as signifying the "manner in which the quality and network architecture of the materials-exchange relationship affects economic actions" (*ibid*). Political embeddedness is seen as the "political forces and in particular to the legal constraints that shape economic institutions—the embeddedness of economic relations in their political surroundings" (*ibid*). In their case study of emerging market multinationals sourcing knowledge from advanced markets, Ciabuschi *et al.,* (2017) underscored specific effects of political embeddedness at organisational level, which were critical for the possibility of reverse knowledge transfer. Whilst "cultural embeddedness refers to the ways in which shared understanding and meaning shape economic strategies and goals" (Zukin and DiMaggio, 1990). And finally, cognitive embeddedness is seen as focusing on the ways in which "structured regularities of mental processes limit the exercise of economic reasoning" (*ibid*).

Diani (2002) described network centrality as the degree to which firms that are linked to others (directly or indirectly) within the grid of interactions encompassing a network. Fan *et al.,* (2019) suggested that "central organizations are more embedded in the flow of information and resources in the network compared with non-central or peripheral actors and have typically been found to have greater power”.

This study adopts a relational perspective of embeddedness of firms within a network to analyse transnational knowledge transfer within a transnational knowledge network collaboration due to continuous interactions of dyads is likely to enhance the strength of social ties that may result in trust within the network. Relational suggests the holistic characteristic of the network, such as interaction and communication. Ghemawat (2007) indicated that knowledge that is embedded in local context remains a major success factor. Meyer *et al.,* (2011) argues that the international business literature has moved towards recognizing that global integration as relevant to MNE activity is about increasing interfaces between people, nations, and cultures that in most instances, continue to retain their local distinctiveness. Guillén (2001) looks at globalisation as “a process leading to greater interdependence and mutual awareness among economic, political and social units in the world, and among actors in general” and Meyer *et al.,* (2011) support this view and suggest that it is better to view globalisation this way.

There are limitations and challenges with existing theory by Bartlett and Ghoshal (1988) of integration–responsiveness framework that has traditionally been used as a lens to view local context. With many other expansions, the contradictions remain and the perspective that suggest the theory to be inadequate focussed on ‘the degree of local adaptation (versus global integration) but does not provide an analytical framework on how companies adapt to a variety of widely varying local contexts simultaneously’ (Meyer *et al.,* 2011). Rugman *et al.,* (2011) supposes it does not ‘recognize the full measure of complexity that is associated with adaptation to local contexts’.

4.4.2 Social Capital Theory

For theoretical grounding, this research adopted a social capital theory view and used this theory as a lens through which it viewed the performance and interaction of partakers within the cross border firms and local firms in private real estate collaborations. Social capital refers to a kind of cultural and economic capital where social networks are central and transactions are characterised by trust, reciprocity, as well as by cooperation (Adler and Kwon, 2002). The collaboration is viewed as a platform through which actors can create social relations that can potentially benefit or even disadvantage them, depending on the level of trust and connectedness established. The study will review and analyse the interaction of cross border partners within a collaboration to understand how transnational knowledge transfer takes place between the actors within the network. Social capital is also synonymous with embeddedness (Granovetter, 1985). In this perspective, it is not possible to comprehend the behaviours of economic actors without considering the social structure in which these economic actors are rooted. The different actors in a network (collaboration) come to the interaction with different ideas that shaped their view of the world. These ideas are influenced by various internal and external factors or conditions.

Scholars have argued that the value of social capital is dependent on its context (Burt, 1997; Xiao and Tsui, 2007; Stam *et al.,* 2013). Adopting a contingency view on the value of transnational knowledge transfers for the recipient unit, the value of obtaining and using knowledge should be accessed by evaluating the benefit of the received knowledge to the recipient unit, rather than by measuring the quantity of the knowledge flow (Ambos and Ambos, 2009). Recent literature contends that it is the benefit, relevance or performance rather than the mere occurrence of knowledge flows that matters (Schultz, 2003; Mahnke *et al.,* 2004; Haas and Hansen, 2005). The contingency view infers that significant contextual variables are highly likely to affect the degree to which the recipient unit is capable of benefiting from the transfer of knowledge.

4.4.3 Knowledge Creation Theory

Guglielmo (2011) demonstrated the power of networks in knowledge flows within "networked communities of professionals and the associated virtual community environments that foster horizontal dynamics in the management, sharing and development of fresh knowledge". When using his own working definition of knowledge Al-Najjar (2008) considered it as the 'fluid mix of framed experiences, values, contextual information, and expert insight that provides a framework for evaluating and incorporating new experiences and information'. According to Nickols, (2000) this "knowledge originate and is applied in the minds of the knower in the organizations; it often becomes embedded not only in documents or repositories but also in organizational routines, processes, practices and norms".

Knowledge transfer or knowledge flow involves the interchange of knowledge from source to recipient. The movement of knowledge from one country to another referred to as transnational knowledge transfer is vital to competitive advantage of multinational firms. (Kasper *et al.,* 2013; Monteiro *et al,*, 2008; Kotabe *et al.,* 2007; Schlegelmilch *et al.,* 2003). But, Subramaniam (2006); Tavcar, *et al.,* (2005); Ghoshal and Bartlett (1988); cautions that the deficiency of trust and cultural differences within networks are considered to be fundamental barriers to efficient knowledge transfer across borders.

Trust and understanding of 'cultural traits affect the motivational disposition to share knowledge' (Sarala and Vaara, 2010), which is the fundamental to effective knowledge transfer (Gupta and Govindarajan 2000). Bathelt and Li (2015) also agreed that the approach of engaging other companies and individual members necessitates the development of trust, as a risk of critical knowledge being misplaced exist through unplanned knowledge transfers that may be pocketed and copied by others.

When multinational firms internationalise when there is a global geographical spreading of branches (Bartlett and Ghoshal, 2000). Literature on geographical distance between organizational units undesirably affect trust among partners (Castellano *et al.,* 2017; Haas and Cummings 2015; Ghemawat 2001). But also, other have shown that geographical distance can be overcome (Bathlet *et al.,* 2018). Cultural differences have a similar effect as barriers of mutual understanding are increased when trust levels are low (Liu, 2019). "To link different local and national settings and to generate trans-local and transnational corporate networks always requires connecting the diverse social, cultural, institutional and political contexts that produce different understandings, practices, expectations and views of the world" (Bathelt *et al.,* 2018).

Multinational firms gain competitive advantage by leveraging talent and knowledge through cross-border knowledge transfer in the international scene (Liu, 2019; Andersson *et al.,* 2016; Kasper *et al.,* 2013; Michailova and Nielsen 2006; Scalera *et al.,* 2014). They bring along a compendium of business attributes, including capital, processes, marketing methods, trademarks, skills, technology and, most significantly, management (Wilkins, 1998). In a multinational setting, local knowledge is transferred through cross-border cooperation and communication (Liu, 2019). However, a lot of challenges remain, such as tacitness of overseas knowledge (Bjorkman *et al.,* 2004; Subramaniam and Venkatraman 2001) and communication barrier in global teams (Sosa *et al.,* 2002). Communication barriers can be caused by lack of trust and cultural differences across organizational units globally. Literature identified many factors that affect the success of cross-border knowledge transfer in multinational firms and organizational culture was highlighted in most literature (Appeldorn 1997; Cavaliere and Lombardi 2015; Hong and Nguyen 2013). Subramaniam (2006) suggest conflicts are avoided when international team members are more willing to listen to others and compromise, showing greater level of cooperation.

Most studies on innovation and knowledge creation relied on frequently cited work of Nonaka and Takeuchi (1995) who posit that organizational knowledge is created through a continuous and dynamic interpersonal interaction between tacit and explicit knowledge (Stenmark, 2000). Despite the distinction between tacit and explicit knowledge, Nonaka and Takeuchi (1995) believe that tacit and explicit knowledge are mutually complementary entities, which interact with and interchange into each other in the creative activities of human beings (Kathuri, 2002). They also emphasize in their work that there are four modes in which organizational knowledge is created through the interaction and conversion between tacit and explicit. These are socialization, externalization, combination, internalization (Wei-choo, 1998). Organisational knowledge creation refers to the process of preparing and developing knowledge generated by organizational members as well as crystallizing and joining it with organizational knowledge system (Jafari and Rezaeenour, 2010). Suggesting that organisational partakers, their colleagues and the organisation benefit from what is learned by participants involved in organisational knowledge creation process (*ibid*) and similarly within the transnational knowledge network.

Over a period of about two decades, many scholars studied and added to a surge of literature on knowledge creation theories seeking management solutions to challenges and elucidating actions in several domains such as theory of organization (Osterloh and Frey, 2000), organizational behaviour (Peterson, 2002), organizational performance management (Tsai and Li, 2007; Riera *et al.,* 2009), human resource; business transformation through innovation and knowledge management (Ranft and Lord, 2000), innovation and technology management (Nonaka *et al.,* 1996; Schulze and Hoegle, 2008) and strategic management (Choo and Bontis, 2002) among other arenas. In fact, Ichijo and Kohlbacher (2007) went as far as advocating that knowledge Management (KM) has developed into a 'ubiquitous phenomenon both in the academic and in the corporate world'. Further suggesting that, 'it has turned into one of the most prominent and widely discussed management concepts of the post-modern era' (*ibid*).

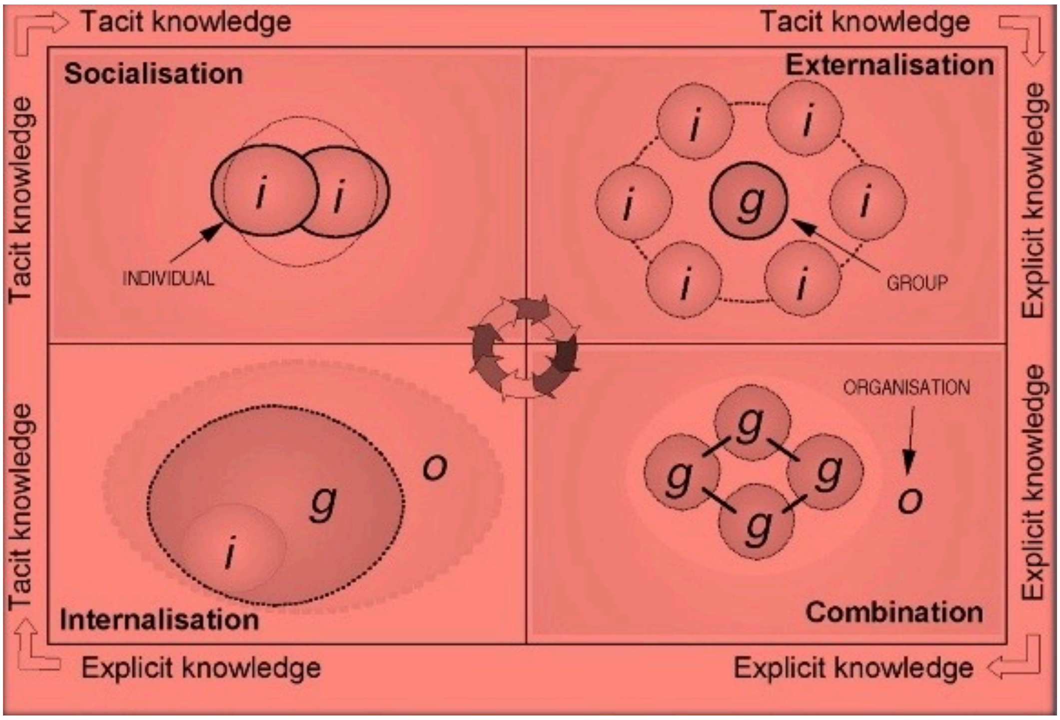
Currently, the significance of organisational knowledge creation theory is enormously esteemed by management and offered as a fundamental study program of numerous universities (Jafari and Rezaeenour, 2010). Its influence on general management is certainly extensive (*ibid*). Many companies, like Siemens, Unilever, ABB, General Electrics, Sony, Toyota and Phonak have introduced programs based on ideas explained in organisational knowledge theory (Von Krogh *et al.,* 2000; Nonaka *et al.,* 2006; Jafari *et al.,* 2009; Jafari and Rezaeenour, 2010).

It therefore follows that, knowledge creation theory has relevance in transnational knowledge networks focused on in this study. The networks are viewed as a constant exchange structure where knowledge is shared and transferred between actors. Taking form of a SECI model, the study views the interaction of parties in the transnational knowledge network as creating new knowledge that is constantly changing shape from explicit to tacit and tacit to explicit gaining refinement to create new knowledge. Constant communication within the transnational knowledge network suggests a sharing and transfer of knowledge that result in creation of new knowledge. This facilitates partakers to deal with contextual differences that exist within the network enabling them to find creative ways of reducing or bridging their distance.

4.5 Adopting the Ba, Basho concepts and SECI Model

The introduction of SECI model comprehends knowledge conversion through an ongoing coil of socialisation, internalisation, combination and externalisation (Nonaka, 1994). The SECI model was developed and elongated to accommodate the 'place or contexts where these conversions take place' called the Ba's and Basho (Nonaka and Konno 1998). Lakoff and Johnson (1999) emphasized that knowledge is always understood in a given context. Conceptually, the 'Ba', 'Basho' (bigger Ba's) within the transnational knowledge network is the place where partakers in a network interact and it refers to the context that preserves meaning and is seen as a shared space for developing relationships (*ibid*). This shared space can be in a form of 'physical space (dispersed business space, offices), virtual space (email teleconferences), mental (ideas, ideals, experiences) and any combination of the three' (Gupta *et al.,* 2014). The study distillates what transpires within the 'Ba', 'Basho' when parties in a network interact.

Figure 4.2: The SECI model



Source: Nonaka & Takeuchi, (1995)

The SECI model above depicts the conversion of knowledge through a continuous coil within the four knowledge conversion stages including: socialization, externalisation, internalisation and combination. The socialisation quadrant depicts tacit to tacit knowledge is shared, externalisation involves tacit to explicit knowledge shared, with internalization depicting explicit to tacit knowledge and lastly combination quadrant involves sharing of explicit to explicit knowledge. All the interaction and conversion of knowledge takes place within a 'Ba'.

Participating in a 'Ba' entails participating deeply and surpassing each partakers own restricted perspective or periphery (Gupta *et al.,* 2014 and Bathlet, 2017) also proposed that the knowledge-based relationships between actors in transnational contexts depend on three processes, or phases, of a complex translation process: (i) connecting, (ii) sense-making and (iii) integrating. They developed a simple model from a multinational firm perspective that illustrates how, the respective knowledge flows are managed, what types of frictions, barriers and differences have to be overcome, and which processes are at work (*ibid*). When Fuchs *et al.,* (2017) referred to these similar context as interspace, Nonaka and Konno, (1998) referred to them as a 'Ba' and distinguished between the four types of 'Ba' that correspond to the four phases of the SECI model namely, the originating Ba, interacting Ba, cyber Ba and the exercising Ba. They elaborated on each and are summarised as follows:

Originating 'Ba': It is the space for day-to-day social interaction where people share emotions, feelings, experiences as well as mental models. Knowledge creation begins in this Ba and it represents the socialization stage. Central characteristics include, physical, individual (face to face), context for socialising, empathising.

Interacting 'Ba': This space is man made by carefully selecting different team members with the correct set of specific knowledge and abilities to contribute in a dialogue. Tacit knowledge is converted to explicit and this represents the externalisation process. Basic characteristics include physical, collective (peer to peer), context for externalisation, articulating.

Cyber 'Ba': Interaction in this Ba takes place in a 'virtual world or cyber space where a mixture of new and existing explicit knowledge take place in collaborative networks. This Ba represents the process of conversion and the essential characteristics include virtual, collective (group to group), context for combination, connecting'.

Exercising 'Ba': This Ba simplifies the translation of explicit knowledge to tacit knowledge and offers support to the internalisation stage. Explicit knowledge is internalised by on the job training and participation. Key characteristics include, physical, individual (on the site), explicit, context for internalisation, embodying.

Table 4.2: Summary of conversions in SECI model and corresponding 'Ba'

Phases of SECI Model	**'Ba'**		
SOCIALIZATION	Originating Ba	face-to-face	existential
INTERNALIZATION	Exercising Ba	on-the-site	synthetic
EXTERNALIZATION	Interacting Ba	peer-to-peer	reflective
COMBINATION	Cyber Ba	group-to-group	systemic

Source: Nonaka and Konno, (1998)

Nonaka and Takeuchi (1995) distinguished between four groups of knowledge assets namely, experiential knowledge assets, conceptual knowledge assets, routine knowledge assets as well as systematic knowledge assets. These four groups are relevant and crucial in real estate development projects as execution of these projects largely rests on these knowledge assets. The conversion of real estate development knowledge between actors in a network is largely centred around these four knowledge areas.

Systemic knowledge asset refers to systemised and packaged explicit knowledge in the form of documents, specifications, manuals, databases, patents and licences (Nonaka & Takeuchi, 1995). Within the transnational knowledge networks of real estate development projects explicit knowledge forms the foundation of projects shared by partakers in the form of drawings design for construction, specification of materials required for construction and various types of reports including cost reports, project management reports, leasing reports and many other explicit documents that are shared within the network to communicate the requirements of the project.

Conceptual knowledge assets refers to explicit knowledge articulated through images, symbols and language (*ibid*). The real estate development process commences with conceptualisation of ideas. These ideas are born and exist in the mind of architect, clients other partakers before they are communicated explicitly in the form of drawing designs. Further communication of such work within the transnational knowledge network occurs through the use of language discussing aspects of designs and other components to verify common understanding with partakers to enable them to make their relevant contribution around the development of construction designs and real estate development scheme as a whole.

Experiential knowledge assets refers to tacit knowledge through common experiences that include skills and know-how of individuals, care, love and trust, energy, passion and tension (*ibid*). The real estate development process is a long, complex and time consuming process that require resources in the form of materials, capital and human expertise. For complex commercial private real estate projects, investors often aim to receive financial returns on investment on such projects. The project requires the meticulous coordination of resources and expertise by relevant professionals with extensive know-how in the industry like real estate developers, architects, quantity surveyors and construction projects managers with relevant skills and expertise to achieve project success. A display of know-how by professionals in a network collaboration may earn the professional a decent level of trust within the network as the real estate development projects seek to create viable and safe structures or asset that comply with all necessary regulatory requirements. Tensions, inaccurate designs and lack of sharing of relevant information may impede this and result in unviable, unsafe and collapsing structures that may cause harm.

Routine knowledge assets refers to tacit knowledge and embedded in actions and practises such as know-how in daily operations, organisational routines, organisational culture (*ibid*).

Within the network, scheduled routine meetings discussing each professionals progress, information required, challenges and proposed solutions takes place. The real estate development process is long, complex and unique necessitating manifold of participants. In this regard, constant communication is necessary to underscore unique context and any challenges identified by partakers within the network. This knowledge is expected to be shared on a regular basis with partakers in the network. Since the network is comprised of partakers from diverse organisations, cultures, experience and knowledge dimensions, the complexity of sharing knowledge increases. According to Martin and Root (2009) who assessed literature on critiques of the SECI model, they suggested that because "knowledge management (KM) and organisational learning" is progressively adopted in the construction industry (Palaneeswaran *et al.,* 2004, Suresh and Egbu, 2006) backing for, and "criticism of Nonaka's theory from other academic disciplines need to be taken into account before one can attempt to judge the applicability of the SECI model in construction management (CM) research".

Such criticism emanating from the conventional management research borders around primarily the 'theoretical underpinnings of the model, the process of how the model was developed, plus the final product' (Gourlay, 2006; Griffin *et al.,* 1999; Mc Creedy, 1999) these were some of the contentions around Nonaka's theory (Martin and Root, 2009). This study views the transnational knowledge networks using embeddedness, social capital and the knowledge creation as the theoretical lens to analyse activities within the network. This study therefore supports the use of the SECI model and uses it to explain activities occurring within the transnational knowledge transfer network by both local and cross-border partakers. The involvement of a diverse assortment of partakers in the transnational knowledge network suggests a potential distance or difference may exist within the network.

As partakers connect and interact within the network from different organisations, different organisational cultures, different countries and come together with the intent to create a successful real estate development project. The scale, extent and impact of this potential distance or differences within the network will be scrutinised further using empirical evidence of South African real estate firms and local firms in host country that collaborate to form this transnational knowledge network. Empirical evidence that will be collected is envisaged to fulfil three parts, 1. to identify the kind of distance or difference that exist between both local and cross-border partakers to the network; 2. indicate if partakers were able to bridge or narrow the distance and 3. identify the mechanisms utilised to deal with the distance in line with the objectives of the study.

4.6 Transnational knowledge transfer model

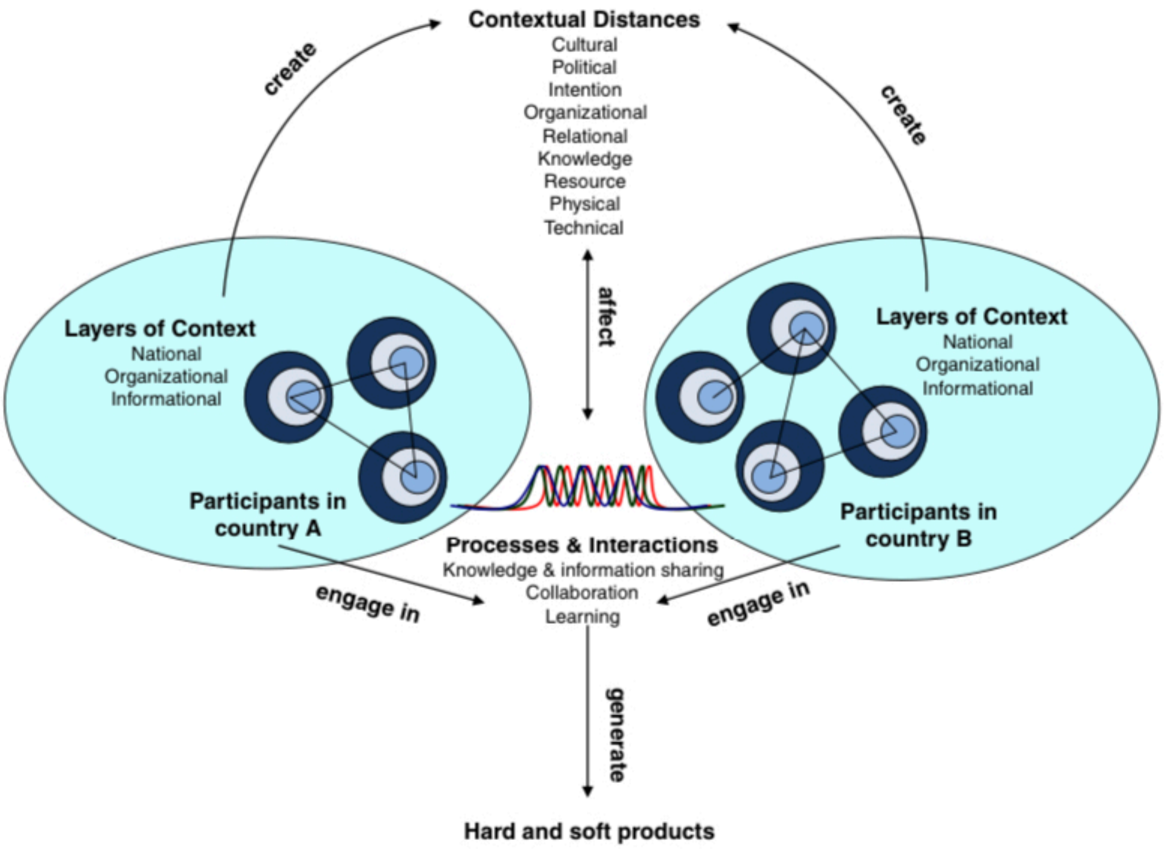
The component-based model was used in the study specifically the transnational knowledge transfer model. The component-based model supports the use of a breakdown of elements, sections, modules or factors as opposed to a process-based model that supports individual knowledge transfer or a factor-based model which supports intra-organizational knowledge transfer (Duan *et al.,* 2010).

4.6.1 The Transnational Model of Contextual Complexity

The component based model adopted in the study was the transnational public sector knowledge network (TPSKN). The study used a transnational public sector knowledge network (Dawes *et al.,* 2012) to analyse the context of transnational knowledge collaboration networks comprised of local and cross-border partakers within the network. The model was chosen in the study because it allowed for the analysis of a broader spectrum of contextual distances. As the model was traditionally used in the public sector, its relevance and applicability was tested in a different setting of private real estate networks. The model was developed by Dawes *et al.,* (2012) who used it to analyse specific experiences of government and partner organizations between the US, China and Mexican governments as the foundation for both conceptual models and practical techniques for transnational knowledge sharing in various air quality projects undertaken.

Adopting the transnational public sector knowledge network (TPSKN) model, we seek to identify the contextual differences applicable in the real estate context in Sub-Saharan Africa. The model categorizes different layers of context into three areas, which include: information and knowledge; organizational and national contexts. These are the layers that actors come embedded in to the network and they affect the way actors act and understand the world within the network. Figure 4.3 gives a detailed illustration of two partakers joining the network from country A and country B and details what consequently happens as they interact within the network.

Figure 4.3: Dynamic Model of Transnational Networks



Source: Dawes *et al.,* (2012)

In a cross border setting that is influenced by different actors in a network, it is critical to take into consideration external and internal factors that may influence the actors. Dawes *et al.*, (2014) assert that one of the key challenges for network actors is the fact that all participants come to the engagement extremely rooted in different layers of context. They further point out that individuals or organizations act, communicate and understand the world via contextual lenses, which are well-established, but mainly invisible.

It is also understood that in a cross border inter-organizational network. Partakers come to the collaboration embedded in their own different context. The embeddedness creates a contextual difference and distance between the collaborating organizations is created. The distance that exists is understood to affect the performance of the collaboration. Ambos and Ambos (2009) in their study, found that there needs to be a co-alignment or fit between transfer strategy and the transfer context that will generate greater transfer effectiveness. The larger the distance between parties in a network the lesser the effectiveness of the transfer. Bridging this distance enhances the knowledge flow within the network.

Key people within the collaboration network solidify relationships across the companies' international network and with important groups of customers and business partners in a wide array of foreign locations – relationships which improve coordination, collaboration as well as knowledge sharing in the company and contribute to the international success of the company (Griffith and Harvey, 2004; Kostova and Roth, 2003; Makela, 2007; Nahapiet and Ghoshal, 1998; Taylor, 2007; Tsai and Ghoshal, 1998; Reiche *et al.,* 2008). Therefore, with business environment becoming increasingly global and highly complex, it is always crucial for people to develop transnational social capital, which refers to the actual and potential resources embedded within, available through and derived from a network of professional relationships and ties spanning national borders (Nahapiet and Ghoshal, 1998).

4.7 Conclusion of Chapter

This chapter gave a detailed analysis of the conceptual and theoretical framework guiding the study. It conceptualised the study and looked at how the transnational knowledge network are analysed in this study. The study used embeddedness, social capital and knowledge creation as the theoretical lens to view and explain the activities of partakers within the transnational knowledge network.

A further transnational knowledge transfer model was used to guide the study when collecting empirical evidence to identify the contextual distance of cross-border and local partakers in the transnational knowledge network in Sub-Saharan Africa. The model will assist in learning the strategies adopted by partakers within the network to bridge or narrow distance. Finally, the model was to be tested for its relevance and applicability in the private real estate collaborations as it has traditionally been used in the public sector.

5. RESEARCH DESIGN AND METHODS

5.1 Introduction

This chapter provides a detailed account of the research design and methodology, which was used to achieve the objectives of this research and answer the main research question. The main aspects that are covered in this chapter that address the research design include the research philosophy, research approach, research strategy, research population, sample, the sampling technique that was used, as well as the research instruments that was used to collect data. The chapter also provides the procedures, which were used for collection of data and provide detail on how the data was analysed once collected. The section also provides the research constraints, ethics, limitations of the research, validity and reliability of the study.

5.2 Research Design

A research design provides an outline to be followed while conducting a research. Mouton (2008) and Kumar (2005) also concur and describe it as a general investigation plan that is used by researchers to conduct their study. The approach takes into consideration the strategy to be used, the research framework and the manner in which the research will be conducted. Coldwell and Herbst (2004) point out that the research design is often used for structuring the research to indicate how all the key sections of the research, like the samples and methods, will work together with the aim of effectively addressing the research objectives. As Coldwell and Herbst (2004) point out, it is imperative for researchers to always consider the nature of the data, which will be collected during the selection of the research design.

5.3 Research Philosophy

Saunders *et al.,* (2016) refers to research philosophy as a system of beliefs and assumptions about the advancement of knowledge. Research philosophy guides a researcher to select an appropriate research design and methodology. Throughout the research process, the researcher embarks on a journey of developing knowledge in their chosen field of study, and constantly makes assumptions knowingly or unknowingly along the way to advance the research process (Burrell and Morgan, 1979). Crotty (1998) suggests that these assumptions shape how the researcher understand their research questions, the methods and how to interpret findings. There are three types of research assumptions to distinguish research philosophy, ontological, epistemological and axiological assumptions (Saunders *et al.,* 2016). Creswell (2013) underscores the implications the philosophical choices and assumptions have in academic practice and purports that they form the grounding on which research design choices are formulated. The table below illustrates the philosophical assumptions showing distinct extremes on a continuum.

Table 5.1: Philosophical assumptions as a multidimensional set of continua

Assumption Type	**Questions**	**Continua with two**	**sets of extremes**
		Objectivism	**Subjectivism**
Ontology	• What is the nature of reality? • What is the world like? • For example: - what are organisations like? - what is it like being in organisations? - what is it like being a manager or being managed?	= Real = External = One true reality (universalism) =Granular (things) = Order	=Nominal/ decided by convention =Socially constructed = multiple realities (relativism) = Flowing (processes) = Chaos
Epistemology	• How can we know what we know? • What is considered acceptable knowledge? • What constitutes good quality data? • What kinds of contribution to knowledge can be made?	= Adopt assumptions of the natural scientist = Facts = Numbers = Observable phenomena = Law-like generalisation	= Adopt assumptions of the arts and humanities = Opinions = Narratives = Attributed meanings = Individual and contexts, specifics
Axiology	• What is the role of values in research? How should we treat our own values when we do research? • How should we deal with the values of research participants?	= Value-free = Detachment	= Value-bound = Integral and reflexive

Source: Saunders, Lewis and Thornhill, (2016)

5.3.1 Ontological assumptions

Ontology refers to the assumptions about the nature of reality (Saunders *et al.,* 2016). These assumptions guide how the researcher views and investigates the research objects. The ontological basis for qualitative research is that different social actors interpret the social world from their own perspectives (Bryman, 1988) and the research should capture those perspectives. Whereas the ontological basis of quantitative research is that there is an objective reality that exists independently of how the social actors interpret the world. Critiques of the quantitative research are of the opinion that quantitative research loses the understanding of the deeper causal structures shaping not only reality itself, but also the context and meaning of human perceptions (Bryman, 1988).

5.3.2 Epistemological assumptions

Epistemology concerns assumptions about knowledge, what constitutes acceptable, valid and legitimate knowledge, and how we can communicate knowledge to others (Burrell and Morgan, 1979). Every component is explained, after which the relationships between the variables are examined. In social research, whilst ontological issues are generally concerned with the nature of social bodies or entities and specifically with questions that pertains to the kinds of things, which are existing in the society, epistemological issues are concerned with "knowledge", the question of what is or what ought to be viewed as acceptable knowledge and specifically, who can supply valid information (Jupp, 2006). Epistemology mainly deals with the manner in which researchers can have knowledge regarding reality, and the criteria to be used to check what should be regarded as knowledge. Epistemological assumptions are adopted in this study as the it seek knowledge about the contextual distance of cross-border and local partners working in joint venture collaborations in SSA.

5.3.3 Axiological assumptions

According to Saunders *et al.,* (2016) axiology refers to the role of values and ethics within the research process. This extends to how researcher handles values of the participants in a study as well as researchers' own values. Saunders *et al.,* (2016) suggests that for credible results to be attained, the role that the researchers value plays throughout the research process is fundamental in ensuring this credibility.

5.3.4 Objectivism and Subjectivism

In attempting to distinguish between the research assumptions that different research philosophies make, there are two philosophical positions to consider *Objectivism* and *Subjectivism.* Objectivism as explained by Saunders *et al.,* (2012; 2016) argues that the social reality that we research is external to us and others, therefore social objects and social phenomena exist independent of and social actors. While, on the other hand the subjectivist philosophical view asserts that the social reality is made from the perceptions and resulting actions of social actors (Saunders *et al.,* 2016). Table 5.2 above illustrates two distinct extremes between philosophical assumptions objectivism and subjectivism. The contextual distance of actors in a transnational network represents a social reality that exist from the perception of social actors in a transnational network, allowing for a *subjectivism* philosophical position in the study. Easterby-Smith (2015) posits that *social constructionism* is where the 'social reality' is determined by people and not by external factors. Individuals seek understanding of the world from their own perspective, they view the world as 'socially constructed'.

5.4 Research Paradigms

5.4.1 Positivist and non-positivist paradigms

As explained by Remenyi *et al.,* (1988) the positivist approach is followed when researchers believe that there is only one reality, which is stable, and that reality can be described from an objective point of view. In other words, positivists believe in a scientific approach where methodological rules are independent from the content and context (ibid.). Within this philosophy, quantitative measures that involve mathematical, and statistical methods and techniques are employed to test hypothetical generalizations (Hoepfl, 1997). Positivists also believe that you can separate the phenomenon you are researching on from its context in which it is evolving.

The interpretivist approach on the other hand, is a naturalistic approach, which generally strives to understand a phenomenon in context-specific settings (Patton, 2001). This approach is followed by qualitative researchers who seek illumination, understanding as well as extrapolation to same situations (Hoepfl, 1997). Interviews and observations are dominant in the interpretivist approach (*ibid*). Proponents of the interpretivist or non-positivist approach believe that there are many subjectively derived realities or worlds.

This study is an interpretivist study, as it seeks understanding of situation in their context. Interviews will be conducted with cross-border (SA) participants and their local partners in the rest of SSA. The study seeks to understand the level of embeddedness of participants within the collaboration which result in distance by identifying the different contextual differences that exist within the collaboration. This approach is chosen because of the nature of the information the study seeks to find. The study seeks understanding of current phenomena and seeks to find ways to improve the existing. Through interviews the study is able to seek and acquire better understanding to inform the improvements sought. Below is a table depicting a summary of characteristics of research philosophies applicable to different research approaches.

Table 5.2: A summary of characteristics of Research Philosophies in Business and Management Research

Research Philosophies	**Ontology** (concerned with the nature of reality)	**Epistemology** (concerned with what constitutes acceptable knowledge)	**Axiology** (what is the role of value)
Positivism	external and independent of social actors and objective	depends on observable phenomena to collect data, and focuses on the search for regularities, causal relationships and law-like generalisations	research is value-free, the researcher is independent of the data
Interpretivism	socially constructed and subjective	subjective meaning and social phenomena. Focus on details of specifics, and reality behind these details.	research is value bound, the researcher cannot be separated from what is being researched
Realism	exists independent of human thoughts and beliefs of knowledge of their existence but interpreted through social conditioning and objective.	observable phenomena provides credible data and facts. Insufficient data means inaccuracies in sensations (direct realism). Alternatively phenomena create sensations which are open to misinterpretation (critical realism). Focus on explaining within a context or contexts	research is value laden; worlds views, cultural experiences and upbringing bias the researcher. These will impact on the research
Pragmatism	external , multiple view chosen to best enable answering of research question	either or both observable phenomena and subjective meanings can provide acceptable knowledge dependent upon the research question. Focus on practical applied research. Integrating different perspective to help interpret the data	values play a huge role in interpreting results, the researcher adopting both objective and subjective points of view

Source: Saunders et al., (2012)

5.5 Research Approach

Saunders*, et al.,* (2012; 2016) identified three research approaches namely deductive, inductive and abductive approaches to an inquiry. Deductive approach is adopted when a research begins with an existing theory, emanating from literature and research strategy is designed to test the theory for distortions or confirmation. The inductive approach on the other end, is used to collect data that seeks to develop a theory.

The abductive approach is the approach where data is collected to explore a phenomena, identify themes within collected data and explain patterns to generate a new or modify an existing theory. In the current study the researcher is looking to identify different contextual differences that exist within a collaboration and find ways to bridge or reduce the distance between cross-border and local participants in a collaboration. This will entail identifying the differences between the two parties per case, identify patterns within the data and group these together, generate themes from the data. It is considered appropriate to adopt an abductive approach in this study as was similarly adopted in other studies like Owoseni *et al.,* (2020); Akintola *et al.,* (2018); where they adopted an abductive approach as well as seek to improve theory by supporting, extending or modifying it as opposed to developing new theory as would apply in deductive approach.

5.6 Research methodology

Methodology is a system of various procedures that are used in research to ensure that it is carried out in a proper manner (De Vos, 2001). Methodology generally includes a brief detail regarding the manner in which collection of data will be done and the manner in which analysis and reporting of the given data will be done. Neumann (2004) defines research methodology as a portion of research which outlines the methods that are supposed to be used for collection and analysis of data. Therefore, the research methodology lays much focus on the research process as well as on the kind of procedures and tools that are supposed to be used in the research process (Mouton, 2001; Bryman, 1998). There are different methods that can be adopted to carry out research, namely quantitative method, qualitative method (Creswell; 2009; 2013) and mixed method (Saunders *et al.,* 2012; 2016), which are detailed in table below.

Table 5.3: Characteristics of Quantitative, Qualitative and Mixed Research Methods

Characteristics	**Quantitative**	**Qualitative**	**Mixed Method**
Research Philosophy	Positivist/ Post positivist	Constructivist/ interpretivist/ Participatory philosophy	Pragmatism
Research Approach	Deductive approach (focus is on using data to test theory)	Inductive/ abductive approach (research outcome is used to develop theoretical perspectives)	Employs practices of both quantitative and qualitative research
Standardisation of data collection	Data collection is standardised (closed ended)	Data collection is non standardised (open ended questions and procedures may alter and emerge during a research process)	Both open and closed ended questions, both emerging and predetermined approaches
Sampling techniques	Probability sampling techniques to ensure generalisability	Non-probability sampling	Employs practices of both quantitative and qualitative research
Researcher role	Independent from those being researched	Require physical access to participants	Employs practices of both quantitative and qualitative research
Person(s) being researched	Respondents	Participants	Both respondents and participants
Research strategies	Experimental and survey research strategies	Variety of strategies, including action research, case study research, ethnography, grounded theory and narrative research	Sequential, concurrent and transformative
Method of data collection	Questionnaires or structured interviews	Variety of techniques including semi-structured interviews, unstructured interviews, documentary analysis and observation	Collects both quantitative and qualitative data

Source: Saunders *et al.,* (2012); Creswell, (2009; 2013)

Table 5.3 above depicts the summary of characteristics of quantitative method, qualitative method and mixed method approaches. These characteristics include research philosophy, research approach, research strategies, standardisation of data, person being researched, sampling techniques and method of data collection and provide a guide on the appropriate method to adopt to answer different kinds of research questions.

In choosing a research methodology one either uses a single data collection tool and corresponding analysis procedure, which is referred to as mono method or uses more than one data collection tool and analysis procedures to answer the research question, referred to as mixed methods (Saunders *et al.,* 2009). The most suitable design to be adopted for this study will be a mono method (single method) approach for qualitative survey design and corresponding data collection techniques and analysis procedures. The methodology selected is appropriate and corresponds to the research aim and research objectives which seek to answer the main research question.

Similarly, Leedy and Ormrod (2012) identified characteristics of qualitative and quantitative methods that are helpful in deciding on the approach that will answer the research question, these are illustrated on a table below.

Table 5.4: Distinguishing characteristics of qualitative and quantitative approaches

Question	**Quantitative**	**Qualitative**
What is the purpose of the research?	▪ To explain and predict ▪ To confirm and validate ▪ To test theory	▪ To describe and explain ▪ To explore and interpret ▪ To build theory
What is the nature of the research process?	▪ Focused ▪ Known variables ▪ Established guidelines ▪ Pre-determined methods ▪ Somewhat context-free ▪ Detached view	▪ Holistic ▪ Unknown variables ▪ Flexible guidelines ▪ Emergent methods ▪ Context-bound ▪ Personal view
What are the data like, and how are they collected	▪ Numeric data ▪ Representative, large sample ▪ Standardized instruments	▪ Textual and/or image-based data ▪ Informative, small sample ▪ Loosely structured or non-standardised observation and interviews
How are data analysed to determine their meaning?	▪ Statistical analysis ▪ Stress on objectivity ▪ Deductive reasoning	▪ Search for themes and categories ▪ Acknowledgement that analysis is subjective and potentially biased ▪ Inductive reasoning
How are the findings communicated?	▪ Numbers ▪ Statistics, aggregated data ▪ Formal voice, scientific style	▪ Words ▪ Narratives, individual quotes ▪ Personal voice, literary style

Source: Leedy and Ormrod, (2005)

5.6.1 Justification for selecting qualitative method in this study

Qualitative methods makes it easy for researchers to identify issues or factors, which were previously not known. Besides, it also provides the fundamental reasons why and how the issues and factors exist (Scotland, 2012), while quantitative methods are ideal for measuring phenomena. This study seeks to identify the contextual distance that exists between cross-border and local partners in a collaboration and seek to understand how the two participants bridge this distance in order to deliver projects successfully. This, therefore requires an in depth engagement with participants in order to understand their perceptions.

In other similar studies (Liu and Meyer, 2020; Park, 2019 and Osabutey *et al.,* 2014) adopted qualitative methodological approaches that guided their research processes. They conducted interviews to collect data, transcribed, coded and sorted data into categories/patterns that contributed to answering their research question.

This qualitative study approach follows these similar studies, and is justified to select the same methodological approach following similar studies. Also, the characteristics of the research methodology demonstrated in both Table 5.3 and Table 5.4 provide a logical guideline to justify the choice of a qualitative method to adopt in this study. The characteristics of research methodology and similar studies conducted in the past are key parameters used to guide researcher in selecting the qualitative research method for this study.

The study investigated the contextual differences that exist when cross-border and local partners work together in a collaboration. These participants both come to the network embedded in contextual differences that create distance between them in a network. In order to identify the differences that exist, and further understand the strategies they use to reduce or bridge this distance, in depth interviews are necessary to collect this kind of data from respondents. The data can be gathered through talking and asking questions to the participants as understanding is required. This supports a qualitative approach to the study. Correspondingly, Adams and Smith (2003) offered a framework suitable in qualitative research with emphasis in radiography. They suggested wide-ranging areas where the methodology may be beneficial, when gathering data relating to intra-professional issues, inter-professional issues and patient care, underscoring the complexity of data that may be gathered along from a subdivision of professionals, alliances or collaboration between different disciplines and broader collection of data from experiences of patients during their ailments, therapy and diagnostic phases of their experiences. Asking participants questions using characteristics depicted by quantitative approaches in this instance is not feasible. The approach of this study requires physical access to participants to ask, probe further and clarify issues through face to face interviews or telephonically to obtain credible data as accentuated in the radiography illustration.

As was indicated in Chapter 1 of this report, the study was intended to answer the following main research question and sub questions:

What practices do local and cross-border private real estate firms adopt to bridge contextual distance that exist in collaboration networks in SSA?

- What are the contextual differences between cross-border and local firms in real estate?
- How do firms respond to these contextual differences?
- Are the responses successful in bridging contextual distances?

The type of research questions asked guides the nature of the method to be followed. In this study, the type of inquiry uses words like ‘what’, ‘why’ and ‘how’ that align with qualitative approaches of research method (Saunders *et al.,* 2012; 2016). This type of question further substantiates the choice of method in the study.

5.7 Research Strategy

There is a diverse fit of strategies that are used in qualitative research, that share ontological and epistemological roots and common characteristics (Saunders *et al.,* 2016). Each individual strategy underscores a particular importance and scope and also a specific set of procedures (*ibid*). The main strategies adopted in qualitative research include action research, ethnography, grounded theory, narrative research and case study research and some of these strategies can also be employed in quantitative research design (*ibid*). Yin (2009) further elaborates on the situations for different research strategies in the table below.

Table 5.5: Situations for different research strategies

Method	**Form of Research Question**	**Requires control of behavioural events**	**Focuses on contemporary events**
Experimental	How, why?	Yes	Yes
Survey	Who, what, where, how many, how much?	No	Yes
Archival Analysis	Who, what, where, how many, how much?	No	Yes/No
History	How, why?	No	No
Case study	How, why?	No	Yes

Source: Yin, (2009)

Since the study is an in depth study of a given situation and because it is such a narrow field, the study will adopt a case study design. Case studies are best suited for answering questions why and how in situations where researchers do not have much control on research conditions – especially when studying complex phenomena. Generally, the criticism about the case study approach is that it tends to be 'soft' with several uncontrolled variables. It is also ambiguous in design and integrally biased (Mouton and Marais, 1990). The other major weaknesses of case studies include the fact that through them, focus can be lost, generalisability of the results as well as subjectivity of data.

5.7.1 Adoption of a case study research strategy

Yin (2014) describes a case study as an in-depth enquiry into a phenomenon within it real life setting. A case study is usually adopted when the boundaries between the phenomena being studied and the context within which it is being studied are not always evident (*ibid*). According to Saunders *et al.,* (2016; 2012), understanding context is essential to the case study research. A case study strategy has the potential to 'generate insights from intensive and in depth research into the study of a phenomenon in its real life context, leading to rich, empirical descriptions and the development of theory' (Ridder *et al.,* 2014; Yin, 2014; Eisenhardt and Graebner, 2007). Dubois and Gadde (2002) posits that the 'the interaction between the phenomena and context is best understood through in-depth case studies'. An in depth inquiry can be developed to identify what is occurring and why, also to comprehend the results of the situation and implications for action (Saunders, *et al.,* 2016; 2012).

Misunderstandings, debates and criticisms of the case study strategy to offer generalizable, reliable and theoretical contributions to knowledge (Flyvberg, 2011; Saunders *et al.,* 2016) have been countered in many other works (Buchanan, 2012; Flyvberg, 2011). According to Saunders *et al.,* (2016), at the core of the criticism is the 'positivist criticism of using small samples and more generally about interpretive, qualitative research'. Saunders *et al.,* (2016) positions that this type of criticism is waning as the value of qualitative and mixed method research is being recognised much more widely (Bansal and Corley 2011; Denzin and Lincoln; 2011).

The prevalent use of case studies in research has occasioned creativity of use in 'different ways and for different purposes' (Saunders *et al.,* 2016) and in blended ways. The choice of case studies has come from both 'positivists and interpretivists researchers; have used them deductively and inductively; for descriptive, exploratory and explanatory study purposes (*ibid*). 'Positivists have used case studies inductively to build theory and develop theoretical hypothesis which are tested'(*ibid*). According to Stake (2005) 'interpretivists researchers prefer to describe their case study in detail leaving it to a reader to make links to theory while others work inductively analysing their data, identifying themes and locating it in existing literature' to ultimately refine, extend or generate new theory (Ridder *et al.,* 2014).

Yin (2009) acknowledges the blurring of boundaries between the phenomena and the context being studied in a case study which is a direct contract for a survey or an experimental research strategy. The selection of case to be studied, needs to consider whether it is based on single case or multiple cases. Assessing the features and traits of the case to determine its quality and capacity to measure what its intended to measure is critical in case selection.

Creswell (2013) characterises a case study strategy as follows:

- Case identification in terms of type and number of cases;
- Clear definition of intent;
- Providing in-depth understanding of the problem through case analysis;
- Cases may be simple or layered with multiple units of information embedded within one or more cases. They may be single-intrinsic/instrumental type or multiple-collective type;
- Rich case description; and
- Themes or issues may be categorised and connected chronologically to help development of theoretical models.

Research can be conducted using a single or multiple cases. A single case represents critical case or alternatively an extreme or unique case, it also provides an opportunity to observe and analyse a phenomenon that few have observed whereas a case study with multiple cases adopts a rationale that the findings can be replicated across cases (Saunders *et al.,* 2016; 2012). While illustrating how governments struggle with innovation in smart cities due to complex technologies, high investment and numerous stakeholder involvement, Neuman *et al.,* (2019) adopted a case study design using four Swiss cases to illustrate this complexity indicating how collaborations are governed to ensure public value creation. However, Liu (2019) relied on a single case study to explore the knowledge transfer process for new product development in automotive MNC's. Single case study design allows for in-depth investigation of a case and more information can be collected from this interview.

Case study design using multiple cases used in this study to identify and bridge the contextual distance of cross-border and local partners involved in collaboration projects in SSA. This approach made allowed for comparison across multiple cases and between cross-border and local participants' views and experiences in a collaboration.

5.7.2 Justification of the choice of case study research strategy

From the beginning, the researcher took many decisions that have led the research to this point. As emphasised by Saunders *et al.,* (2016; 2012), the research design is a blueprint to be followed by a researcher, involving many decisions along the path, whether researcher is aware or not, many decisions and choices are made to develop the study. At this point, many decisions have led the researcher here. From the adoption of the *'interpretivist'* research philosophy, the researcher took a philosophical position to use epistemological assumptions that support *'subjectivism'* and chose a research approach that is an '*abductive approach'.* All these choices led the researcher to a qualitative research method that was selected and justified under 5.5 above, which is supported by the research question asked. The selection of a case study research strategy follows on from the qualitative research method that was selected.

To assess the potential for other research strategies in conducting this study, taking ethnography for instance, it gives a 'written account of a people or ethnic group when studying culture or social world of a group' (Saunders *et al.,* 2016; 2012) and adopts a qualitative research strategy. The researchers' presence in the real life field work setting is critical for the success of the research (*ibid.*). They further submit that 'due to a lot of blurring and misrepresentations in ethnographic research when the researcher writes up their account of events or tell the story how they see it, other ethnographic strategies emerged' that sought to address this problem. Cunliffe (2010) outlines the three strategies as '*Realist Ethnography, Interpretive Ethnography* and *Critical Ethnography.* Taking interpretive ethnography for instance as it is more subjective and accept multiple meanings than a single true meaning. Despite all of this, the theoretically rigorous standard essential to ethnography of a life fieldwork setting is impossible to carry out in this study' context and therefore eliminates this research strategy as an option to consider for this research. In order to identify contextual distance and understand practises used to bridge this distance does not require the researcher present within the cases. Also, the researcher will gain more value through interviews with participants that have undertaken projects already and have gained knowledge and experience, who are able to discuss in hindsight about their experiences, rather than the researcher intruding into the real life setting of participants.

A narrative research strategy involves the telling of a life story of an individual, it helps understand lived experience of individuals as narrated by them (Creswell, 2013). In a narrative inquiry, 'the participant is the narrator, with the researcher adopting the role of a listener facilitating the process of narration' (Saunders *et al.,* 2016; 2012). This inquiry seeks to 'preserve chronological connections and the sequencing of events as told by the narrator (participant) to enrich understanding and aid analysis' (*ibid.*). Interviews are the primary source for data collection, but other methods are also used like observation and document analysis. This inquiry is best for life stories of individuals or aspects of life and is not suitable for this study.

Action research strategy is designed to develop solutions to real organisational problems through a participative and collaborative approach (Saunders *et al.,* 2016). Coghlan and Brannick (2014) termed action research as 'research in action rather that research about action'. Participation is a critical component of action research (Saunders *et al.,* 2016) and this rigorous theoretical standard limits the adoption of this research strategy in this study as the researcher is an external observer.

Grounded theory is used to 'develop theoretical explanations of social interactions and processes in a wide range of contexts, including business and management' (Saunders *et al.,* 2016). Its main focus is on the development of a theory. This study uses an 'abductive approach' and its focus is not to build or generate new theory which conflicts with the grounded theory research strategy.

After a review of a few research strategies, ethnography, narrative inquiry, action research, grounded theory above, and following a plan adopting decisions throughout the process informed by the research philosophy (interpretivist), a qualitative research methodology, the epistemological position of the research (subjectivism) and the research approach (abductive approach) to this study. Additional review of similar studies that have adopted case study approach in their studies (Lannon and Walsh, 2019; Osabutey *et al.,* 2014); this justifies the choice of a case study strategy in this study.

5.7.3 Research population under study

As Burns and Grove (2003) point out, a population includes every component which meet some criteria for the given research. A population is generally a representation of a group, which the researcher wishes to generalize the findings of the research and is often defined based on geography, demography, occupation as well as time. Population objects can include groups, individuals, human products, organizations as well as events (Burns and Grove, 2003). According to Polit and Hungler (1999), there is a difference between the target population and accessible population. The target population encompasses every case about which generalization can be made. Whilst accessible population entails every case conforming to the designated criteria and the researcher can access as a pool of subject for the research. In this research, the target population included all SA cross-border private real estate firms that have experience of working in a collaboration with local firm executing projects in the rest of SSA.

The population size is generally big and this makes it impractical as well as uneconomical to involve all the population members in the research project. This calls for the use of a sample, which refers to the subset of the population, which is chosen to take part in a research in order to understand the whole population (Polit and Hungler, 1999).

5.7.4 Selection criteria for each case within the population

To maintain validity and reliability of the data collected (Saunders *et al.,* 2016), careful selection of cases that provided relevant data to answer the research questions and objectives of the study was prioritised. The researcher relied on own experience to identify cases that met the criteria for selection as study cases. The researcher possesses over 20 years' experience working in construction and real estate development sector in South Africa and is familiar with South African firms undertaking real estate projects outside the boundaries of South Africa.

The criteria that was set in this study for the selection of appropriate cases that were studied included:

Criteria used for selecting cases to participate in the study:

- SA firm with over 10 years' experience in real estate projects in home country;
- SA firm that completed at least one project working with local firm in the rest of SSA delivering real estate projects (worked outside SA); and
- SA firm willing to co-operate and share their local partner details to be invited to participate in the study.

This criteria was established based on the conviction that firms with these characteristics would possess the information the researcher needed in order to be in a position to address the research question. There was no criteria established for local firms participation in the study.

5.7.5 Sampling

Two sampling techniques were adopted in the study. First, a purposive sampling technique was used to sample SA firms known to the researcher for delivering real estate projects transnationally. The researcher selected the participants based on her own judgment, knowledge of the population and eligibility criteria. Saunders *et al.,* (2016) reaffirms that for 'purposive sampling, one needs to use judgement to select cases that best enable one to answer the research question and meet objectives of the study'. Similarly, Neuman (2005) added that 'purposive sampling is often used when working with very small samples such as in case study research and when you wish to select cases that are particularly informative'. In the context of real estate firms working in collaboration with local firms in the rest of SSA, the researcher identified that the entire population of firms working transnationally is small and this resulted in a smaller sample chosen. This was expected as the phenomenon of SA firms working outside their principal domain in the rest of SSA is still emerging, therefore it follows that the research population will be small.

Once the researcher gained access to the SA cross-border firm working transnationally, the second sampling technique, snowballing sampling technique was used to select local firms in the rest of SSA that the first sampled SA cross-border firm had worked with in rest of SSA. The combination of the two, cross-border and local firm formed a single case to be studied under this research. More such cases were identified in line with a case study design of multiple cases.

Table 5.6: A summary of cross-border and local firms that participated in the study

Purposive Sample (SA cross-border firms)	**Snowballing Sample (Recommended Local Partner)**	**No. of cases (11)**	**Type of project**
CB1- Property Developer	▪ LP1 Ghana ▪ LP2 Ethiopia ▪ LP3 Kenya	*SA vs Ghana* *SA vs Kenya*	*Ghana – Retail* *Kenya – Retail and offices*
CB2- Property Developer	▪ LP4 Nigeria		
CB3- Property Developer	▪ LP5 Zambia	*SA vs Zambia*	*Zambia - Retail*
CB4- Architect	▪ LP6 Kenya	*SA vs Kenya*	*Kenya - Retail*
CB5- Engineer	▪ LP7 Mozambique	*SA vs Mozambique*	*Moz – Offices, Residential*
CB6- Engineer	▪ LP8 Angola ▪ LP16 Botswana	*SA vs Botswana*	*Botswana - Offices*
CB7- Quantity Surveyor	▪ LP9 Zambia ▪ LP17 Nigeria		
CB8- Architect (snowball)	▪ LP10 Ghana ▪ LP18 Nigeria ▪ LP19 Mauritius ▪ LP20 DRC	*SA vs Ghana* *SA vs Nigeria*	*Ghana – Retail and Hotel* *Nigeria – Retail, Hotel, Offices*
CB9- Property Developer (snowball)	▪ LP11 Ghana	*SA vs Ghana*	*Retail, Industrial warehousing*
CB10 - Architect	▪ LP12 Tanzania	*SA vs Tanzania*	*Tanzania -Hotel, Offices*
CB11- Engineer	▪ LP13 Rwanda		
CB12-Quantity Surveyor	▪ LP14 Ghana	*SA vs Ghana*	*Industrial (warehousing)*
CB13- Property Developer (snowball)	▪ LP15 Nigeria		

Legend: CB- cross border; LP- local partner

Saunders *et al.,* (2016) suggested a minimum sample size of 5-25 for semi-structured and in-depth interview and Kumar (1989) suggested a sample size of 15 -35 participants for interview study. In this study, ten SA firms were identified by the researcher and invited to take part in the study based on the selection criteria. The selection criteria ensured that the participants in the study will have the relevant knowledge of the subject matter. All ten firms accepted the invitation and some recommended an additional 3 firms to partake in the study. The additional

3, that snowballed from the purposive sample were invited and also accepted the invitation. A total of 13 SA cross-border firms took part in the study. The participating firms were coded for ease of reference with SA cross-border firms depicted as CB and local firms as LP in the Table 5.6.

To get local firms, a further snowballing technique was used, using 13 cross-border firms and it yielded 20 local firms and they are represented by code LP, but not all of them participated in the study. The total of 20 local firms that were supplied by the 13 cross-border firms, were as a result of SA cross-border firms experience in more than one transnational project. They offered more than one local firm contacts depending on the project they were discussing and their involvement in each country.

All 20 local contacts were invited to participate in the study but only 11 participated. Reasons for non-participation from the 9 differed, ranging from: unreachability due to telephone contacts no longer working (4), no response on emails (3), telephone connectivity issues (1), too busy and constantly travelling (1), – none of the 'potential local partners' formally declined the interview.

The 11 LP's that participated made a significant contribution in the study. Data was collected from 11 cases spread out in seven countries namely, Ghana (4), Nigeria (1), Kenya (2), Zambia (1), Botswana (1), Mozambique (1) and Tanzania (1), through telephonic interviews with LP's. A total of 11 cases made up of CB and LP were interviewed. There were 11 CB participant and 11 LP participants making the total 11 cases and resulting in a total of 22 participants interviewed in the study of 11 cases. The additional 2 CB participants that were interviewed, did not form a case as their corresponding 2 LP's were not interviewed. A total of 24 participants were interviewed, but the study will rely on the data of 22 participants that formed 11 study cases as the researcher is studying cases comprising of cross-border and local partners. The table below gives a summary of the 24 participants profile.

Table 5.7: Breakdown of number of participants from both CB and LP

Participants Profile	**CB**	**LP**
Property Developers	5	3
Architects	3	3
Quantity Surveyors	2	2
Engineers	3	3
TOTAL	**13**	**11**
		24

Table 5.7 highlights the mismatch of participants that could not form a case. The 5 CB (property developers) participants that were interviewed shows a discrepancy of 2 LP participants to achieve a match. This indicates that 2 LP could not participate in the study and therefore 2 CB (property developers) participants did not count as a case to be studied and were adjusted, resulting in 11 CB participants and 11 LP participants forming *11 cases* that were studied and *22 total credible interviews*. Even within the 11 CB that participated, further cases were not formed as matching LP's did not take part, therefore adjustments were made only for cases where cross-border interview was matched with its local partner interview that formed a case. This resulted in a consideration of 9 CB participants, that were interviewed on 11 cases, as some participants spoke on more than one project in different countries as they made a comparison of their experiences in country A and country B.

Table 5.8: Summary of participants (CB) profile

Code	**Discipline**	**Profile**
CB1	Property Developer	Over 40 years' experience developing real estate projects in South Africa and abroad. Focus on retail projects and offices
CB2	Property Developer	Over 25 years' experience developing
CB3	Property Developer	Over 15 years' experience developing commercial real estate in South Africa
CB4	Architect	Over 40 years' experience developing commercial real estate from retail, offices and hotels in South Africa
CB5	Engineer	Over 40 years of multidisciplinary engineering services offered in South Africa and abroad
CB6	Engineer	Over 20 years involved in all engineering projects in South Africa
CB7	Quantity Surveyor	Over 15 years offering QS services in both public and private sector in South Africa

CB8	Architect	Over 20 years' experience in commercial projects in South Africa
CB9	Property Developer	Over 20 years' experience developing residential and offices in South Africa
CB10	Architect	Over 20 years' experience in South African real estate projects with a focus on residential and office designs
CB11	Engineer	Over 20 years involved in both public and private sector projects in South Africa
CB12	Quantity Surveyor	Over 40 years involved private sector projects in South Africa
CB13	Property Developer	Over 20 years developing real estate in South Africa

Table 5.8 above summarises the profile of CB participants and their work experience in South Africa. Most professionals have over 20 years' experience in the field developing diverse types of real estate projects. Most of them also focus on private sector work compared to public sector.

Table 5.9: Summary of participants (LP) profile

Code	**Discipline**	**Profile**
LP1	Property Developer	10 year experience in residential developments
LP3	Property Developer	7 year experience in public sector project
LP5	Property Developer	Over 10 years in public sector project
LP11	Property Developer	Residential and public sector projects
LP6	Architect	Over 20 years international experience, in retail, offices, residential and hotels
LP10	Architect	Over 10 years' experience involved in public sector projects and residential
LP18	Architect	Over 7 years' experience in public sector projects
LP12	Architect	Over 15 year involvement in public sector and private residential
LP14	Quantity Surveyor	Large involvement in public sector project for over 10 years
LP7	Engineer	Large involvement in public sector projects over 10 years
LP16	Engineer	15 years involvement in public sector projects and private residential

Table 5.9 gives a summary of LP's experience in their home country. It reflects professionals that have extensive experience of working in public sector projects. Most professionals have

worked in their home country and not abroad except for one Architect who discussed their international exposure working in France and other countries outside their home country. The professional had been involved in private sector for many years.

Table 5.10: A summary of the number of cases under study

Property Developers	**Architects**	**Quantity Surveyors**	**Engineers**
CB1 - LP1	CB4 - LP6	CB7 - LP9	CB11 - LP13
CB1 - LP3	CB8 - LP10	CB7 - LP17	CB6 - LP8
CB1 – LP2	CB8 - LP18	CB12 - LP14	CB6 - LP16
CB2 – LP4	CB8 - LP19		CB5 - LP7
CB3 - LP5	CB8 - LP20		
CB9 - LP11	CB10 - LP12		
CB13 – LP15			
(4) CASES	**(4) CASES**	**(1) CASE**	**(2) CASES**

Table 5.10 shows a total number of (11) cases studied in this research. The '*probable cases*' depicted in red (CB1 -LP2; CB2 -LP4; CB13- LP15; CB8- LP19; CB8 -LP20; CB7-LP9; CB7 -LP17; CB11-LP13 and CB6-LP8) represent the potential cases lost due to non-participation of LP's. The remainder of the cases in black are the credible cases studied in this research.

5.7.6 Selection of key participants in the study

The process of selecting participants for research purposes is critical. Kumar (2002) highlights the importance of choosing the right participants for the interview that have intimate knowledge of the subject matter under discussion. In order to ensure the researcher selects the right participants that will be able to answer the research question and research objectives, the researcher communicated with identified firms to verify the correct person in the organisation who could answer the question.

Saunders *et al.,* (2016) recommends developing incremental access as a means to overcome organisational concerns about time consuming multiple requests. In their example, Johnson (1975) used a three-stage strategy to achieve the 'desired depth of access'. The first stage was a request to conduct interviews, the second involved negotiating access to undertake observations and final stage was requesting permission to audio-record the interaction being observed (*ibid.*). Similarly in this study, the researcher developed incremental access to participants in organizations. Firstly, the researcher identified all the firms that met the selection criteria using internet search and personal knowledge of industry. A list of these organisations was populated. At least half of the firms on the list, the researcher had an existing contact within the firm. Buchanan *et al.,* (2013) and Johnson (1975) suggests that one is more likely to gain access in an organisation where you are able to use existing contacts and suggested that they have been most successful to gain access in organisations where there was an existing relative, friend or student working there.

In the same way, the researcher in this study was able to gain access successfully using existing contacts. The researcher called contacts and enquired who in the organisation would be the most appropriate person to interview for this study. Equally within organisations where the researcher had no contacts, the researcher called the CEO's personal assistant to enquire who the best person to contact was for the study.

The second step was to call the appropriate people to request an interview and emailed all relevant documentation to give more detail about the study, including participants information sheet outlining in brief the purpose of the research, what is likely to be involved and how the person contacted can contribute (Saunders *et al.,* 2016). The interview date was scheduled and consent forms were signed and emailed back. Thirdly, permission to record the interview was requested during the interview session.

The selection process for LP's worked slightly different as the participants were not the researcher's existing contacts. Once their telephone numbers or email contacts were provided by the CB partners after the interview, LP's were contacted and an interview was requested and arranged through emails. Even though these contacts did not know the researcher, the mention of someone they knew, their CB partner as a referral, positively influenced their position to trust the intentions of the researcher and the guarantees given on the use and protection of the data they provided. Saunders *et al.,* (2016) agrees that in order to request access they have used present or past students, course advisors, LinkedIn connection or those known to them through their networks. In this case most LP's interviewed were known to the researcher through the researchers network.

5.8 Methods of data collection

In attempting to understand perspectives of the participants about a research problem and trying to answer the research question, the use of interviews was the suitable form of strategy to adopt to help with probing, clarifying and illuminating issues the researcher needed to understand. Consequently, the primary method for data collection used was interviews followed by documentary analysis as a secondary method.

Interviews are a method of data collection using chosen participants to investigate what they feel, think, do and know (Naoum, 1998; Hussey and Hussey, 1997). Easterby-Smith *et al.,* (2002; 1991) suggests that interviews provide a good platform to access people's perceptions, meaning, definition of situations and construction of reality. They further submit that the key advantage of interviews is their flexibility and adaptability to suit a broader circumstance arising out of research process. Furthermore they cite the response rate for interviews to be higher than questionnaires (*ibid*).

Table 5.11: Common sources of evidence for case studies

Source of evidence	**Strengths**	**Weaknesses**
Documentations	• Stable - can be reviewed • Unobstructive -not created as a result of the case study • Exact – contains exact names, references and details of an event • Broad coverage- long span of time, many events and many settings	• Retrievability – can be repeatedly difficult to find • Biased selectivity, if collection is incomplete • Reporting bias- reflects (unknown bias of author • Access-may be deliberately withheld
Archival records	• Same as in documentation • Precise and usually quantitative	• Same as in documentation • Accessibility due to privacy reasons
Interviews	• Targeted -focuses directly on case study topics • Insightful – provides perceived causal inferences and explanations	• Bias due to poorly articulated questions • Response bias • Inaccuracies due to poor recall • Reflexivity – interviewee gives what interviewer wants to hear

Direct observation	• Reality covers events in real time • Contextual – covers context of "case"	• Time- consuming • Selectivity- broad coverage difficult without a team of observers • Reflexivity – events may proceed differently because it is being observed • Cost – hours needed by human observers
Participant observation	• Same as in direct observations • Insightful into interpersonal behaviour and motives	• Same as in direct observations • Bias due to participant observation manipulation of events
Physical artefacts	• Insightful into cultural features • Insightful into technical operations	• Selectivity • Availability

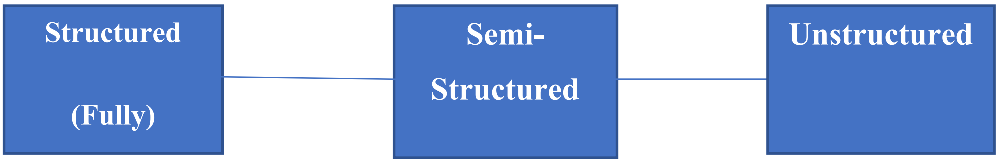
Source: Yin, (2009)

Qualitative researchers can use various kinds of strategies like ethnography, grounded theory, as well as phenomenology, and methods such as interviewing, observation, pictures, focus group discussion and other materials. As illustrated in Table 5.11 above each method has its own strengths and weakness' to contend with. For instance, Easterby-Smith *et al.,* (2002;1991) notes the time consuming nature of interviews, in preparing and application and also the high costs of travel. Interviews can also often be affected by subjectivity, due poor recall, reflexivity and the results may also be biased (Yin, 2009). The very subjectivity of the inquiry result challenges the establishment of the validity and reliability of the strategies and information. It is very hard to hinder or to detect bias induced by the researcher (Saunders *et al.,* 2016).

5.8.1 Data collection through interviews

A research interview is a 'purposeful conversation between two or more people, requiring the interviewer to establish rapport and ask concise and unambiguous questions, to which the interviewee is willing to respond and to listen attentively' (Saunders *et al.,* 2016). Welmen *et al.,* (2005); Punch, (1998) and Naoumi, (1998) classify interviewing methods based on the degree of structure that is required. They posit that the degree of structure differs from structured to unstructured interviews, and locate semi structured interviews halfway in between the two extreme points as demonstrated in Figure 5.1 below.

Figure 5.1 Differences in the degree of structure of interviews



Source: Welmen *et al.,* (2005)

Structured interviews use pre-determined and standardised questionnaires or identical set of questions often referred to as interviewer completed questionnaire (Saunders *et al.,* 2016). According to Welmen *et al.,* (2005); Punch, (1998); Naoum, (1998) open ended questions may sometimes be used in structured interviews, but there is very little room for changes in response and the interviewer is restricted to the same questions including their wording and order with little deviation. Structured interviews are often used to collect 'quantifiable data and are referred to as quantitative research interviews' (Saunders *et al.,* 2016).

Unstructured interviews are informal and used to investigate in depth a general area of study and interest (Saunders *et al.,* 2016; 2012). They are generally referred to as in-depth interviews. There is no pre-determined list of questions to ask but requires a clear idea about aspect one seek to investigate (ibid.). The interviewee is allowed to speak freely about events, behaviours and beliefs relating to the topic of study and the interaction is often referred to as non-directive. (Saunders *et al.,* 2016; 2012; Welmen *et al.,* 2005; Punch, 1998; Naoumi, 1998). This method had been labelled the 'informant interview' indicating that it the interviewee's perceptions that direct the conduct of the interview and the topic as opposed to the 'respondent interview' where the interviewer is the drives the direction of the interview while allowing interviewee's opinions to emerge as they answer the questions (Saunders, *et al.,* 2016). There are some disadvantages raised about this approach to interviewing. Because they lack structure, unstructured interviews can be time consuming, costly, collect unnecessary data and produce large amounts of information that may be difficult to analyse (Welmen *et al.,* 2005).

Semi-structured interviews together with unstructured interviews are non-standardised and are often called qualitative research interviews (Saunders *et al.,* 2016; 2012). Semi-structured interviews use an interview guide comprising of a list of themes and questions to be covered and may be used differently from interview to interview (Saunders *et al.,* 2016; 2012; Welmen *et al.,* 2005 and Naoumi, 1998). The order of questions may be adjusted depending on the flow of the conversation and the organisational context, but the interviewer may run the risk of omitting some questions in this way (Saunders *et al.,* 2016).

Given the above assessment of different interview methods, this study adopted a semi-structured interview method of collecting data. This was the most appropriate type of interviewing method as it allowed flexibility to capture perception of participants and concepts but also some structure to direct the process (Punch, 1998). Interviews were used to collect detailed information and explore the phenomenon using a qualitative data collection technique.

The qualitative research interview used a small sample base of 11 cases already identified. The interviews were all conducted in the interviewees offices in their office boardroom. One observation made was, all 13 interviewees seemed prepared, organised and ready for discussions. This was seen through having boardroom ready, coffee offered and sometimes biscuits and constant checking in with interviewer if they are comfortable and needed anything more or coffee. As the interview process unfolded, the researcher was allowed to record 6 interviews out of the 13 CB's interviewed. The 7 CB participants indicated they did not wish to be recorded because they wanted to speak freely. The interview process advanced and the depth of the organisational differences and different contexts and experiences of participants began to emerge throughout the process and the interviewer used the flexibility of the semi-structured interview to adjust the line of questioning to push or source for more information from the participants who presented new or different views, experiences and dealt with extreme contexts while adjusting questions downwards for participants that did not go through extreme experiences. This adjustment was directed largely by the flow of the conversation.

The key observation from the interviews was the level of interest of the interviewees, they were engaged and were very happy discussing their experiences of working outside their frontier, in a foreign country, relaying different context experienced and coping mechanisms they adopted to 'survive' as one interviewee cited. These observations were noted through smiles, laughter, frown, eyes opening wide expressing shock and unbelievability and hand gestures – while other signs were picked up through interviewee offering more coffee to interviewer (*so they could keep talking*), going over scheduled time etc. All interviews were scheduled for 1 hour but most went on for more than an hour.

For LP's, the interview method adopted was also a semi-structured approach. However, with LP's the interviews were conducted telephonically as the interviewees were spread out within

SSA, in Kenya, Ghana, Mozambique, Nigeria, Tanzania and Zambia. The interviewer did not have financial means to visit the interviewees in their countries and conduct face to face interviews, but this was the preferred method of interviewing. The interviewer would have been able to similarly make more observations with LP's and be able to paint a full picture of their experiences, perceptions and level of interest. Having said that, there are more development options in video telephony that could have been explored further to assist with observations, through different applications (apps) like Skype video call, WhatsApp video call, MS Teams, FaceTime and others. Due to connectivity issues, the interviewer resorted to stick to traditional voice telephony for the interviews. All interviews with LP's were not recorded, the interviewer relied on note taking to capture the conversation. Interviews were also scheduled for 1 hour, as with CB's some interviews took a little longer than an hour.

Interviews proceeded very well with interviewees. Some had a lot to say whilst others were brief, stern and to the point. From the telephonic conversation, one was still able to pick up on laughter, some jokes, some frustration whilst others as mentioned above were straight to the point and seemingly in a rush and the interviewer was also able to adjust again in these instances, adjust accordingly by pushing to source for more or slowing down and be guided by the conversation. The interview was conducted in English language and all interviewees were English speaking, however in some instances accent differences were noted and this required the interviewer to ask again what the interviewee meant in order to gather sufficient understanding of words that were difficult to understand or make meaning of the first time they were pronounced. This was easily dealt with and interviews proceeded smoothly and were completed.

Interviews for both CB's and LP's were scheduled in advance and commenced on 06 July 2019 and were completed on 16 September 2019. The researcher was ready to start with the interview process as soon as the University of the Witwatersrand issued ethics clearance to the student allowing the student to proceed to collect empirical data in the field in order to advance and complete the research work.

5.8.2 Data collection through documentary analysis (secondary data)

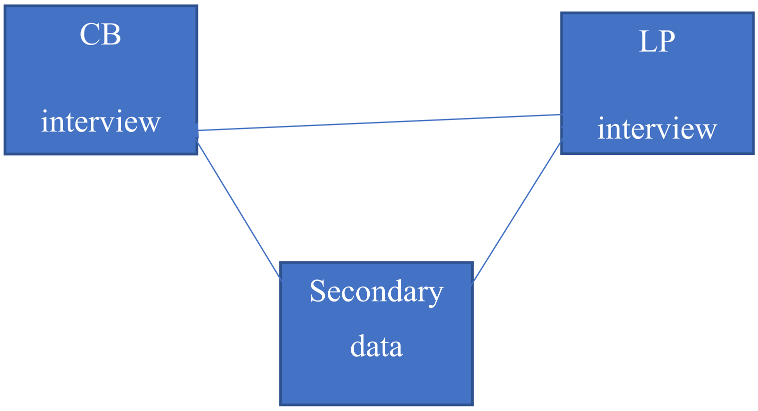
Bowen (2009) describes document analysis as a 'systematic process of evaluating both printed and electronic documents in order to find meaning, gain understanding and develop empirical knowledge'. The method involves locating, choosing, evaluating and synthesising data included in documents (*ibid*). Semi structured interviews were supplemented by documentary analysis of accessible documents relating to the study. Documentary analysis offered substantiation to ascertain and verify the findings from the conducted interviews (Patton 2002). In order to establish areas of conformity or nonconformity with collected data, triangulation of different bases of information may yield results that are stronger and insightful, that do not depend on a single source of information that may be criticised for bias (Cresswell, 2012). By allowing for more sources of evidence to validate findings, the researcher reduces bias that can exist from a single source (*ibid.*). Approaching research using a single method, single source or allowing single investigator bias makes the findings of the research easily susceptible to accusations of bias (Patton, 2002).

In this study all 13 CB interviewees were able to share documents with the interviewer. The interviewer was allowed to view documents only for research purposes and was advised that documents are confidential and are not allowed to leave the premises of the interviewee. The interviewer was allowed time to peruse documents for as long as necessary. The documents were viewed alone in the boardroom after the interview was completed. Most documents shared with the interviewer were confidential documents ranging from construction contracts, appointment letters, joint venture agreements, drawings, cost reports and final accounts, work emails between partners in different files.

The interviewer browsed through the documents to review the type of contract, contract value, joint venture partners, location of contract and completion status among other things. There was sufficient time afforded to the researcher to look through as many documents as required. This enabled researcher to have a broader understanding and cross-check some of the information that arose during interviews. The documents provided were sufficient to support the involvement of interviewee in partnership with LP executing a project located in SSA.

No secondary data was requested from LP's as interviews were through telephonic mode. Most interviews corroborated what had been perused in documents and discussed with CB first. CB's were first to be interviewed for each case followed by LP. Reason for this order was that the interviewer relied on interviewing CB first, to get contact details of LP and also to avoid back and forth emails and getting contacts for a different project either than the one(s) discussed. The same secondary data reviewed from CB's was applicable to LP's as the two formed one case working on the same project.

Figure 5.2: Triangulation of data corroborated for each single case



5.8.3 Overcoming data quality issues

Qualitative research generates in-depth and highly comprehensive information concerning a phenomenon. One of the main disadvantages of qualitative approach is the fact that it is often affected by subjectivity. It also strives to explore a wide and deep comprehension of the whole condition. The very subjectivity of the inquiry result in challenges in the establishment of the reliability and dependability of the strategies and information. Saunders *et al.,* (2016) cautions that lack of standardisation in semi-structured and in-depth interviews has a potential to lead to reliability and dependability issues. These concerns emanate from whether other researchers would uncover comparable information conducting the same study. However, findings from semi-structured and in-depth interviews are not intended to be repeatable since they reflect reality at the time they were collected, in a situation which may be subject to change (Saunders *et al.,* 2016). This type of research assumes that the circumstances to be explored are complex and dynamic.

The value of using in-depth and semi-structured interviews is derived from the flexibility used to explore the complexity of the topic. To expect to ensure that qualitative, non-standardised research could be replicated by other researchers is impractical and unrealistic, and cannot be done without undermining the strength of this type of research (Saunders *et al.,* 2016). However, explaining the research design in detail and giving reasons underpinning the choice of strategy and methods is strategic. Again, ensuring rigorous design is adopted in the study and explanation of how data was obtained and analysed is sufficient to show that findings are dependable (Saunders *et al.,* 2016).

The other disadvantage is the fact that the results can also be biased. Reliability and dependability also relates to issues of bias. It is very hard to hinder or to detect bias induced by the researcher. Saunders *et al.,* (2016) identified three types of bias, *interviewer, interviewee* and *participation bias*. Interviewer bias is when the non-verbal behaviours of interviewer create bias in the way the interviewee responds. Almost similar to when the interviewer subtly dictates direction to interviewee. The interviewee bias or response bias is caused by interviewee's perception of the interviewer resulting in interviewee providing a partial picture because they may be uncomfortable to share more fearing being judged. Participation bias relates to individuals or organisations deciding not to take part in the study due to time constraints as interview may be deemed time consuming. This may bias the sample from whom data are collected. At all times the researcher must keep his or her perceptions, impressions and biases to him or herself. What matters is to get the truth.

5.9 Methods of data analysis

According to Burns and Grove (2003), data analysis involves the evaluation of the data that has been collected logically and analytically with the aim of examining all aspect of the data. It also entails making sure that the data is inspected, cleansed, transformed and modelled with the sole aim of discovering highly useful information and also for informing conclusions. This is aimed at making sure that proper decisions are made (DeVos, 2002).

5.9.1 Thematic Analysis

Braun and Clarke (2006) refer to thematic analysis as a 'foundational method for qualitative analysis'. The basic purpose of this method is to 'search for themes and patterns that occur across a data set'. Saunders *et al.,* (2016) suggests that thematic analysis can be used to help with:

- Comprehend often large and disparate amounts of qualitative data;
- Integrate related data drawn from different transcript and notes;
- Identify key themes or patterns from a data set for further exploration;
- Produce a thematic description of these data; and or
- Develop and test explanations and theories based on apparent thematic patterns or relationships;
- Draw and verify conclusions.

Examining the vast amount data produced through interviews, the data collection and data analysis process occurred side by side. This was beneficial and ensured that all data was captured and if there were any omissions or modifications required with the interview schedule, this would be attended to promptly before succeeding interviews, and if a second interview was necessary it can also be arranged promptly. This approach helped researcher stay close to data as it came in, and be able to detect any potential shortfalls earlier on.

The analysis focused on finding evidence that supported the presence of contextual differences within the collaboration network. These differences were evident as participants worked with partners in new frontiers, also understanding how these differences were handled to reduce or bridge distance to achieve delivery of projects within time, cost and quality. So, constant analysis of data was occurred to pinpoint this, and ensure the research objectives and research questions were answered while also assessing to determine when a point of saturation was achieved.

There are a number of tools, which are used for analysis of data. Through the use of the tools, it is generally easy to explore, and to visualize data. The notes taken during telephonic interviews and face to face interviews were typed verbatim as word processed account after each interview to keep information recent and circulating in the brain and audio recordings were also documented the same way. The researcher also recorded non-verbal communication of participants and different tones used in interview transcribed along with the account of what was said. Interviews tend to generate ample amount of data and one has to reduce it to manageable proportions to be able to interpret it. The transcribed qualitative data, was categorized into themes, patterns and trends using Microsoft Excel software.

Since one of the objectives of the study was:

- To test the relevance and applicability of Transnational Public Sector Network (TPSN) model to close contextual distances in the private real estate context in SSA;

The categories of themes used in the study emanated from theory used from the adoption of the model of contextual complexity. The categories of themes and the interview questions were fashioned and framed from this basis. The study adopted a deductive approach to analysis, meaning, themes were linked to theory. As Yin (2009) suggested, deductive approach may be adopted when using existing theory to 'formulate research questions and research objectives, one may use theoretical propositions as a means to devise a framework to organise and direct data analysis'.

The interview themes sourced from theory are illustrated in Table 5.12 below and emanate from a model of contextual complexity (Dawes *et al.,* 2012). Among other objectives to be achieved in this study, the researcher seeks to text the relevance and applicability of the model of contextual complexity in real estate context. Dawes *et al.,* (2014) in the model identified 9 themes that create distance in collaboration networks between participants. The themes are detailed in Table 5.12 below.

Table 5.12: Summary of themes and variables of the study

Themes	Variables
Cultural Distance	language, communication style, trust, beliefs, norms, generational or gender differences
Political Distance	laws (intellectual property, transborder data flow, privacy protection, tax, contracting) policies, trade barriers, political interest
Intention Distance	goals, mission, vision, MOU, MOA
Organisational Distance	authority, hierarchical structure, processes, values, org. culture, business practices, perceived cost & benefit, absorptive capacity
Relational Distance	duration and type of historical interaction
Knowledge Distance	existing knowledge base
Resource Distance	funding, staff, physical plant, discretion overspending-ability to control refl. Differences
Physical Distance	geographical locations
Technical Distance	IT infrastructure, telecoms, hardware, software, data schemes

Source: Dawes *et al.,* (2012)

After capturing answers to all interview questions in Excel and incorporating all cases that were studied. The Excel spreadsheet was used comprehensively to organise, rearrange, explore, clean and combine data to compare between cases. The data was read considerable searching for meaning, separated and coded according to themes. Coding of the transcripts was completed manually. Each case of the transcribed data was read and coded exclusively before starting a new case. Even though this was time consuming, it benefitted the researcher in comprehension of different pieces of information within their context (de Wet and Erasmus 2005).

Qualitative researchers always group data into patterns and themes as the main foundation for the organization, interpretation and reporting of the results. This has a limited scope because of the fact that in-depth and comprehensive data gathering approaches are needed. There are several different strategies like case study design, grounded theory design, ethnographic design and phenomenological design, that can be used but they all focus on phenomena in their natural settings in the real world and involve studying the phenomena in all their complexities, multifaceted and all their dimensions.

Analysis of documentary data was also included in the transcript to support the approach of using two source of data to give more credence and meaning to the analysis, also allow more insight on themes and patterns that emerged. Also documentary data was used to validate and cross-check the interview findings to ensure the rigorousness of the method. The continuous reiterative process of analysis, commonalities of themes and meaning began to emerge and the researcher was able to identify contextual differences under different circumstances experienced by participants and the approaches they adopted to bridge the distance.

5.10 Research Protocol

Data was gathered from 24 participants that were interviewed in the study. These participants comprised of 13 cross-border participants that took part in face-to-face interviews. Also, 11 local participants that took part in telephonic interviews. All the interviewed conducted developed into 11 cases comprising of one local and one cross-border per case. Some of the cases utilised had one participant that discussed two projects in different countries, forming two cases. See Table 5.6 for further elaboration. Since we had two excess participants we had collected data from, but did not form a case as their local partners did not take part in the study, this resulted in an excess of two cross-border participants who could not be aligned with a local partner to formulate a case of local and cross-border partners. The data collected from the two cross-border participants originating from a sample of 13 cross-border participants, was discarded and not utilised further in the study, due to the discrepancy it caused, in forming a study case. Data utilised was from 11 cases of 11 cross border and local participants. The interviews collected data from both cross-border and local participants per case in order to maximise the research yield. All face-to-face interviews were conducted at the participants offices after the purpose of the research was elucidated. Permission was given to proceed with interviews. Telephonic interviews were scheduled at a convenient time for participants and took place as arranged. About of 50 to 90 minutes on average was spent interviewing each participant.

Qualitative data was collected from participants in the study using semi-structured questions during the interview process. The questions aided in exploring the context under which participants worked and identified differences in context and experiences encountered in new environments. Participants relayed their experiences, beliefs, viewpoints, ideas and knowledge. These conversations were central in understanding the point of view of participants, their experiences and perspectives on what challenges they encounter within the network how they deal with challenges encountered. Saunders *et al.,* (2016) admits that a study interview is a purposeful dialogue between two or more people that necessitate the interviewer to create a relationship and understanding that solicit succinct and explicit inquiry that the participant can counter.

The interviewer listened and took notes in all interview sessions during both face to face and telephonic interviews and recorded interview where permission was granted. The researcher was permitted to record 5 face to face interviews, but other participants declined to be recorded, citing that they wanted to talk freely. All telephonic interviews were not recorded and participants were not asked for permission to be recorded. The analysis of the recording, notes and recollection from memory were useful to the interviewer when transcribing data as all data was transcribed, coded and saved in Microsoft Excel document to preserve the content of the discussion and the order it followed. This was useful afterwards for sensemaking and when matching responses to relevant themes that had been pre-set for the study in testing the conceptual model of TPSKN. The data was then located in relevant categories under related theme. There was a constant review and analysis of data through reading, reflecting, identifying similarities and dissimilarities on the large amounts of data collected in order to formulate meaning and draw inferences. Systematic data analysis process was used to answer research question.

5.11 Validity and Reliability

Underpinning the discussion of research design is the issue of the quality of research and its findings (Saunders *et al.,* 2016). Reliability and validity are central to judgements about the quality of research (*ibid*). According to Leedy and Ormrod (2001), validity is mainly concerned with ensuring that there is accuracy of the data collected, that the data are meaningful and highly credible. Saunders *et al.,* (2016) refers to validity as 'appropriateness of the measures used, accuracy of the analysis of the results and generalisability of the findings'. Research instruments has to measure what it aimed to measure to ensure validity (Gray, 2006). Any given measure is often stated to be valid when it accurately reflects the concept that it is intended to measure. Evaluating the validity of a measure generally entail quantification of convergent validity as well as discriminant validity. Validity can also be said to be the extent to which a given measure covers the range of meanings, which are part of the concept that is being measured. The most common techniques, which are often used to assess content validity include expert views of the clarity, comprehensiveness as well as redundancy of the tool that is used for measurement. Validity can be attained when data saturation is achieved, this will show that what the study finds using the interview schedule is representative of the reality we are measuring.

Leedy and Ormord (2001) defines reliability as the degree to which the same research can be replicated and generate similar outcomes. However, in a qualitative approach, Saunders *et al.,* (2016; 2012) responds to the issue of reliability and affirm that 'reliability is not intended to be repeatable since it reflects reality of data at the time it was collected, in a situation which may be subject to change'. The assumption behind this type of research is that the circumstance to be explored are dynamic and complex (*ibid*). One is therefore unable to move back in time to stage the same setting, knowledge and context to achieve the same result as these are bound to evolve. But from a quantitative point of view, it refers to consistency or the precision and accuracy of a measurement procedure (Thorndike, Cunningham, Thorndike, and Hagen, 1991). It can be viewed as the lack of relative error by an instrument. Additionally, reliability is generally a function of properties of the fundamental construct that is being measured, the test itself, the groups that are being assessed, the testing environment, as well as the purpose of the assessment. It is concerned with the questionnaire's robustness and whether or not the given questionnaire will generate findings that are consistent at different times, under diverse conditions, with diverse samples.

5.12 Generalisability

Limitations on generalisability of qualitative research findings on single case studies and smaller samples is highlighted and differs from quantitative findings (Saunders *et al.,* 2016; 2012). The generalisability of the qualitative findings using smaller samples rests on the theory, logic and further discussions of themes with subject matter experts (Alston and Bowles, 2003). Considering the limitations brought about by the sample size, the logical approach used in this study was to the use of theory to generalise findings. However, also emerging economies are, by definition, evolving and may not be the same throughout the emergent period (Saiyed *et al.,* 2020). This suggests that care must be taken when considering the reliability and generalizability of research findings in emerging economies, as the drivers of firm behaviour such as internationalization can change (Saiyed *et al.,* 2020). Kiss *et al.,* (2012), the generalizability across countries classified as emerging economies can be difficult. With, Saiyed, *et al.,* (2020) further submitting that the generalizability within a single country cannot be assumed across time.

5.13 Research Ethics

Ethics is defined as a way of conducting research such that the three essential principles of research (beneficence, justice and respect) are upheld (Declaration of Helsinki, 1964). Respect is concerned with respecting participants' values, culture, sense of dignity and confidentiality. Beneficence is a term that is used to emphasize the importance of ensuring that research is conducted to benefit the participants, not just the researcher. Justice on the other hand requires that participants are treated fairly (*ibid*). Beneficence, Justice and respect was upheld in this study and all participants were treated with respect throughout the research process.

The researcher ensured that every participant in the research gave full consent to take part in the research process. The researcher worked towards ensuring that interview sessions were carried out in a secure and safe environment in which the participants felt comfortable. The researcher adhered to various ethical concerns like making sure that participants are protected from harm while taking part in the research process, ensuring that informed consent was gained, ensuring that participants rights to confidentiality and privacy was not breached. The researcher also ensured that ethical clearance was obtained prior to proceeding with data collection in the field. Ethical clearance application was lodged, processed and approved by the University of the Witwatersrand. For this research, data gathered during the qualitative interviews was treated with confidentiality. A formal correspondence letter informing the research participants of the aims and objectives of the research and requesting consent to conduct the research was sent to participants before the interview to appraise them on what the interviews were going to be about. Additionally, the following ethical issues were observed:

5.13.1 Protection from harm or discomfort

The data collection instrument was piloted with a colleague in order to identify statements that may have caused discomfort.

5.13.2 Voluntary participation and right to privacy

After signing the consent form and before interview process, participants were advised that their participation in the study is voluntary and they can opt to stop the interview session at any point during the process should they feel uncomfortable. No participants was coerced to participating in the study. Assurance was given that their participation was voluntary and they can refuse to answer any question that they may feel violates their privacy or are uncomfortable answering.

5.13.3 Confidentiality and anonymity

Utmost confidentiality and anonymity was guaranteed to participants. Even though some participants preferred not to be recorded during the interview process to ensure confidentiality and anonymity protection, this opportunity was afforded to them and respected. These requests were acceded to in order to protect participants and make them feel comfortable. During the process of qualitative data collection, no recording of details of the participants names and personal information was recorded. Complete privacy was afforded to respondents and their identity was not revealed.

5.14 Conclusion of Chapter

This chapter has explained in detail and discussed the research design and methods adopted in this study. This discussion entailed discussing: research philosophy, research approach, research methodology, research strategy, sampling techniques, methods of data collection, methods of data analysis, validity and reliability, generalisability and ethical considerations. Figure 5.3 below graphically summarises the research design and process flow followed in the study, with appropriate options highlighted in green. The aim of the study was to investigate how cross-border and local partners interact and deal with the contextual distance that exist in the network collaboration in order to achieve project goals.

The study adopted a case study design strategy to investigate this and samples 11 cases adopted under study in this research. These 11 cases comprised of 11 cross border firms and 11 local firms in the rest of SSA represented by key participants with diverse experience and exposure to transnational projects. The study used a semi-structured interviews to collect data from participants using face-to-face interviews for 11 cross-border participants based in SA and telephonic interviews for local participants spread through the rest of SSA in Kenya, Nigeria, Ghana, Mozambique, Tanzania and Zambia. For secondary data, documentation analysis of relevant documentation was reviewed for each case under study. The following chapter presents the findings of the study and discusses them.

Figure 5.3: Research design and process flow

Research Philosophy	Positivism	Interpretivism	Realism	Pragmatism				
Research Approach	Deductive	Abductive	Inductive					
Research Methodology	Qualitative	Quantitative	Mixed					
Research Strategy	Experiment	Survey	Case Study	Archival Research	Action Research	Ethnography	Grounded Theory	Narrative Inquiry
Methods of data collection	Documentation	Archival records	Interviews	Observations	Physical artefacts	Questionnaire		
Methods of Analysis	Thematic	Content						
Study Population	Private firms							
Sample Frame	Participants (CB&LP)							
Sampling	Purposive	Snowballing						

6. DATA PRESENTATION AND ANALYSIS

6.1 Introduction

The purpose of this chapter is to presents and analyse data collected from 11 cases examined in the study. The study intended to identify the contextual differences that exist between cross-border and local firms that work in collaboration networks in private real estate in SSA. The study also seek to establish how participants representing their respective firms navigate and bridge these differences in order to meet project goals. This chapter will present the data collected from participants that will be analysed and grouped into points of convergence and divergence per theme in order to deduce the subsequent position per theme.

6.2 Data collection technique used

For these investigations, semi-structured interviews were used as data gathering instrument to respond to the main question which was '*What practices do local and cross-border private real estate firms adopt to bridge contextual distances that exist in collaboration networks in SSA?'*.

Semi-structured interviews were used to obtain data from multiple built environment professionals from various firms, ranging from quantity surveyors, engineers, architects and real estate developers. All these professionals were interviewed individually at a time and place of their convenience.

The data was collected for each case that comprised of cross-border and local participants. The two representative participants in a case were interviewed individually using a semi-structured interview guide to source data. The face-to-face interviews were conducted with cross-border participants and telephonic interviews were used with local partners spread across different countries in SSA. Documentary analysis of data was also used to support the findings of the participants interviews.

There were 11 cases investigated in the study comprising of 11 cases from cross-border participants that took face-to-face interviews. From the 11 cross-border cases, 9 cross-border participants contributed to the 11 cases, with two of them discussing two projects each in different countries. Therefore, for ease of reference, the researcher refers to cross-border participants as 11 participants, since there were 11 experiences or transnational projects with local partners that were discussed. 11 local participants also participated in the study through telephonic interviews. Jointly, there were 22 interviews conducted with 22 or (20) individual directors of firms' that participated in this study. These interviews took place at different times, commencing with a purposively sampled participant that fed to the subsequent snowball sampled participant for each case.

Diverse methods to qualitative analysis can be adopted that employ different scenarios, such as an emphasis on discussion or sense-making, with a set of methods and techniques for deducing and linking data, and for constructing and testing theories (Easterby-Smith *et al.,* 2015). After data was collected, through note taking, audio recording and non-verbal dimensions such as gestures recorded, it was transcribed and coded into one protected document on Microsoft Excel. Drawing on relevant themes from theory, data was arranged following that pattern in line with relevant category or theme. The themes or issues were determined by an antecedent theory and can be identified and advanced in the development of analysing the designated material (Easterby-Smith *et al.,* 2015).

Due to the volume of textual data collected during interviews in interpretivist approach, the volume of data was condensed, without losing its meaning. The matrix or table was utilized to illustrate variations within and between themes (Easterby-Smith *et al.,* 2015) using a case by case representation of CB and LP input of data collected. Miles *et al.,* (2014) recommends a matrix format to present large volumes of complex qualitative data, creating a connection between two dissimilar sequences that are arranged as rows then columns. Data in this study was presented using the matrix format showing different statements quoted verbatim that responded to each inquiry per participant per case, presented on the table without disclosing names of individuals or firms they worked for. Each case was presented under each relevant theme with both cross-border and local sentiments under each theme. The two cross-border and local sentiments were compared to locate a dominant view of each side (cross-border and local) under each theme. The section positions a narrative that emerged during analysis coding and analysis of responses to inquiry. The use of verbatim quotation was adopted to illustrate participants responses from the transcribed interviews to elucidate significant points.

Interviews have a tendency to gather large amount of data that are cumbersome to organize and arrange. The data presented originated from the selected verbatim that directly responds to the relevant inquiry that captured exact responses from the transcripts. It was impossible to capture all responses word for word in the report, the section shows parts of selected verbatim text used as a direct quote that best responds to the inquiry without amending the meaning of statements.

Using a systematic analysis, the chapter demonstrated how the specific objectives of the study, objective 1 and 2 were addressed:

- To identify contextual distance/ differences that exists within the transnational networks of private real estate collaborations in SSA.
- To investigate how both (local and cross-border) parties to the network navigate and bridge these differences in order to meet the objectives of the collaboration.

6.3 Organizational Profile and Characteristics of Participants

6.3.1 Cross-border firm (SA) profile and experience

Firms that participated in the study were seasoned private sector firms with over 10 years' experience in commercial real estate developments in SA. These firms had also worked on multiple commercial projects in Sub-Saharan Africa (outside SA). Some indicated that they have had office presence outside SA running satellite offices and others prefer to use SA as their home base and only travel outside SA on an as and when required basis, depending on their involvement on each project (on a project by project basis). A purposive sampling technique of a total of 10 SA firms was invited to participate in the study. This purposive sampling was based on researchers' personal contacts and marketing material in the news. An additional 3 SA firms were added based on a snowballing sampling technique and recommendations from some of the first 10 participants interviewed. A total of 13 South African cross-border participants were interviewed in this study. Table 6.1 shows the profile of cross-border participants in the study.

Table 6.1: Organisational profile of CB's and key characteristics of participants

Org ID	Type of organisation	Scope of services provided	No of Participants	Position in organisation	Type of project in ro SSA	YOE in ro SSA	Countries worked in, in ro SSA	Project completed with LP in ro SSA
CB1	Private	Property Development	1	Director	Retail; Offices	15+	Ghana, Mozambique, Mauritius, Central Africa, Ethiopia, Kenya	Yes
CB2	Private	Property Development	1	Director	Retail; Offices	7+	Kenya, Nigeria, Ghana	Yes
CB3	Private	Property Development	1	Director	Retail; Offices	5+	Zambia	Yes
CB4	Private	Architecture	1	Director	Retail; Offices	4+	Kenya, Nigeria, Ghana	Yes
CB5	Private	Engineering	1	Director	Retail; Offices, Hotels	15+	Nigeria, Mozambique, Senegal, South Sudan, Liberia, Botswana, Namibia	Yes
CB6	Private	Engineering	1	Director	Retail; Offices, Residential	15+	Angola, Botswana	Yes
CB7	Private	Quantity Surveying	1	Director	Retail; Offices, Residential	10+	Zambia, Nigeria	Yes
CB8	Private	Architecture	1	Director	Retail; Offices, Hotels	8+	Ghana, Nigeria, Mauritius, DRC	Yes
CB9	Private	Property Development	1	Director	Retail; Offices, Residential	5+	Ghana	Yes
CB10	Private	Architecture	1	Director	Retail; Offices, Residential	6+	Tanzania	Yes
CB11	Private	Engineering	1	Director	Residential, Offices	5+	Rwanda	Yes
CB12	Private	Quantity Surveying	1	Director	Retail; Offices, Residential	5+	Ghana, Nigeria	Yes
CB13	Private	Property Development	1	Director	Retail; Offices, Residential	12+	Nigeria	Yes

YOE-years of experience, ro- rest of, LP -local partner, CB- cross-border

6.3.2 Local firm profile and experience

Similarly, with local firms, participants were a combination of real estate developers and built environment professional firms that included among others quantity surveyors, engineers and architects. Firms that participated in the study were private sector firms with extensive experience in their home countries working on various projects, particularly public sector projects and most had limited experience and exposure to big scale commercial real estate developments. At least one of the firms that participated in this study had extensive experience and exposure to commercial real estate developments locally and internationally and have been in business for over 20 years.

Using a snowballing sampling technique, a total of 20 local firms were invited on email to participate in the study. Cross-border firms (SA) that had already been interviewed in the first stage of the study recommended these 20 local firms, they had worked with and each gave at least one to three names of local firms they have worked with in their home country on different projects. This fitted the main criterion of the study that local firms to be interviewed must have worked with a cross-border (SA) firm on at least one project. There was no response received from at least 9 local firms to confirm their interest in taking part in the study, after follow up. A total of 11 local firms were interviewed. These firms were from Ghana (4), Tanzania (1), Nigeria (1), Kenya (2), Zambia (1), Mozambique (1) and Botswana (1). Telephonic interviews were held with these firms that lasted about an hour for each interview. There was no language barrier with any of the local firms/participants interviewed as they were mostly from Anglophone countries and could speak English.

Table 6.2: Organisational profile of LP's and key characteristics of participants

Org ID	Type of organisation	Scope of services provided	No of Participants	Position in organisation	Type of project experience (before SA partner)	Delivered project with SA partner?
LP1	Private	Property development	1	Director	Residential	Yes
LP3	Private	Property development	1	Director	Residential	Yes
LP5	Private	Property development	1	Director	Residential	Yes
LP11	Private	Property development	1	Director	Residential	Yes
LP6	Private	Architecture	1	Director	Public and private sector projects (Schools and residential)	Yes
LP10	Private	Architecture	1	Director	Public sector projects (Schools and other facilities)	Yes
LP18	Private	Architecture	1	Director	Public sector projects (Schools, residential and other)	Yes
LP12	Private	Architecture	1	Director	Public and private sector projects (Retail, offices and residential)	Yes
LP14	Private	Quantity Surveying	1	Director	Public sector projects (Schools and residential)	Yes
LP7	Private	Engineering	1	Director	Public sector projects (Schools and residential)	Yes
LP16	Private	Engineering	1	Director	Public sector projects (Schools, residential and other facilities)	Yes

6.4 Case comparison

The study collected data from cases that were similar cases. All 11 cases were completed real estate development projects comprising of South African cross-border and local partners per case, per country. These projects varied in scope, value and completion timelines but were all private commercial development projects within retail, office, residential, hotel and warehousing as indicated by experiences of participants developing projects in this space. It is also noted that participants responded in hindsight reflecting on their experiences of completed projects in SSA. All stages of the projects were considered open for discussion from *pre-construction, construction and post construction* stages of the project depending on the involvement level of each professional on the project. All 11 cases were private sector led and funded investment projects which adhered to a pre-set goal to achieve a return on investment.

6.5 Presentation of Data

As the study also intended to test the relevance and applicability of Dawes *et al.,* (2012) conceptual model of contextual complexity in transnational projects. The contextual differences identified by Dawes *et al.,* (2012) in their model served as a framework/ benchmark in which the results of this study are presented. Whilst identifying the contextual differences that exist in these collaborations, the results of the study were then matched, organized and allocated to a corresponding category of the responses received from participants. The results of the interviews were matched to the nine themes corresponding to the nine-differences/ distance in the model. Most respondents discussed most of the nine themes in the model, whereas others left a few. After matching the responses of participants with each theme/ relevant category, the dominant responses all responses were captured and reported; shortened through corresponding verbatim that answers inquiry. To begin initial analysis, under each theme with majority of responses that were similar, response was regarded as the dominant response for the particular theme. But also, if a diverse view from a few participants is submitted, it is recorded as such and highlighted as a dissimilarity. Initial analysis continued under each theme to yield initial findings that can be interpreted. The results of each category/theme are discussed in detail below.

6.6 Cultural distance

Real estate development process relies comprehensively on communication with multiple stakeholders both internal and external to the project at every stage of the project. To explore the nuances of cultural diversity and how it impacts participants from diverse backgrounds in real estate development projects, the study solicited to explore how communication, interaction and relations to one another between participants within the project and with the external stakeholders occurred. Cultural distance is shaped by variances in beliefs, values and practices (Gharawi and Dawes, 2013). As cultural distance increases, additional time is required for communication, improvement of shared management approaches and design of well-matched work routines (Olk, 1997). Misunderstandings are often as a result of cultural distance which lessens multi-directional flows of information and learning (Lyles and Salk, 1996). Similarly, intercultural exchanges are often occupied with additional conjectures and misperceptions due to dissimilarities in language, communication flair and value orientations (Ting-tumey, 1999). In short cultural distance may lead to fundamental misinterpretations and can extend the time and effort required to achieve desired goals. In order to achieve project goals, cultural alignment of all stakeholders and project team is fundamental. Table 6.3 represents the findings under the cultural distance theme.

Table 6.3: Summary of findings under cultural distance from CB and LP

Culture	**Cross-border**	**Local partner**
CASE 1: CB1 -LP1	"managing stakeholders is important, relationships are key. we rely heavily on local partner to deal with local issues like local authority, local chiefs, processes and procedures, politics, we interact a lot with other stakeholders, so a strong local partner that's aware of these dynamics is crucial to us"	"local partner understands the local culture, local language and has a good sense of decorum or behaviour observed in different spaces and environments which SA partner may not be aware of, or cares for much. These may be minute nuances of behaviour in a particular environment but may produce big results because there is understanding, trust and acceptance between parties dealing with each other"
CASE 2: CB1 - LP3	"avoid countries with language barriers"	"SA partner needs to understand that not all things that work well in SA works the same in other places and they need to have faith in other people's systems".
CASE 3: CB3 -LP5	"things work differently over there, a little slower than we are used to. We have learnt the hard way in the past when replicating SA models there, didn't work and costed dearly. Made mistakes the first time, you learn from mistakes and do better, now we familiarize ourselves with the way people	"pushing and wanting to take control of SA partner due to frustration (caused by things not progressing as speedily as they believe they should) may be perceived by some and may come across as 'arrogance' but I purely believe that it is more of a different work ethic than arrogance. Also,

	do things there and find solace in a strong local partner".	the pushing in my view is as a result of their clear understanding of the negative implication time delays have on the overall feasibility of the scheme, as these projects are privately funded".
CASE 4: CB9 - LP11	"Things are difficult, different and take time in SSA, I have learnt the hard way. Better to have someone in your corner who understands these contextual dynamics"	"we have a good sense of what is going on and how to talk to our people"
CASE 5: CB4 - LP6	"too many delays in processes; sometimes I feel like we don't understand each other- there's a very laid-back attitude and approach to things and that can be frustrating when working towards a deadline"	"works better when SA partner starts off with a credible local partner who understands the pace of processes, the culture and the environment, the 'perceived delays' can easily be factored in the programme with ease because local partner has this understanding"
CASE 6: CB8 - LP10	"you have to have a local partner to succeed in local territory who understands their local environment and stakeholders"	"SA may need to adjust to a different work ethic"
CASE 7: CB8 - LP18	"no communication issues with team but takes a bit of time to develop trust"	"SA partner tend to be used to be in control and project teams generally have a dominant person (SA) who always directs and dictate direction within the team but this does not always work because it's not always just about the technicalities of the project but there are a lot of behind the scenes consultations (with chiefs, communities, officials etc.) that generally need to be facilitated in order to ease things for the project, and the local partner plays a pivotal role in facilitating these. These may include work visas for SA partners, municipal approvals, land ownership issues, local standards etc.)"
CASE8:CB10- LP12	"SA may have gone in with a gung-ho attitude in country A in the early days and over spec buildings, provided big tenant boxes and it didn't work well for them, over-estimated rentals did not get return on investment - based their model on SA which was not the same	"understand behaviour, interests and way of doing things in a new environment"
CASE 9: CB12 - LP14	"we prefer working in Anglophone countries to avoid vast cultural differences and communication issues"	"Local partners are well networked and have a good understanding of local standards and deal better with issues on the ground"
CASE 10: CB6 - LP16	"we relate okay within project team not an issue, but when dealing with local authority, culture is a massive issue - it's the lacklustre attitude that never gets anything done"	"SA partners may find new environment different to what they are used to, and this may be somewhat uncomfortable for them".
CASE 11: CB5 - LP7	"the way people do things there is different so there is value in us having a strong partner locally that understands the market well, knows processes, knows where to go for what and get things done – we value a	"SA partner may provide financial capital and technical competence on the project among other things, but local partner invests huge social capital on the project. There is room for both to learn from each

	partner that can do things we can't – we learn from them"	other. In my experience SA partner appreciates what we offer, and they understand its value"

6.6.1 Cultural distance –analysis of findings (similarities and differences)

Real estate development process is concerned with delivering a functional asset that the market demands, within stipulated cost, quality and timeframe. Market research is fundamental to determine and support this process. Good understanding of behaviour, attitude and culture in a different environment is fundamental to support the introduction of a new product (asset) in a new market. Culture relates to the way people do things. In many different environments, people do things differently. Based on the embeddedness of individuals, their approach, behaviour and attitudes are constructed from their different level of embeddedness. The distance between cross-border and local firm was noticeable in how some participants noted that the rest of SSA environment is different, difficult to manoeuvre than what they are used to in SSA. Some also explained how they initially replicated SA models in rest of SSA and this approach was costly, resulted in some failures and did not work. To close this difference that is identified as a 'way of doing things' – cross-border participants adopt a strong reliance on a local partner that understands and appreciates these dynamics to assist them manoeuvre the new landscapes.

Some cross-border participants highlighted their strategy and approach to avoid cultural barriers was to select working in countries where language was not a deterrent, as one participant indicated that "*we prefer to work in Anglophone countries"-**CB12*** while another mentioned that *"we avoid countries with language barriers"* **- CB1**. Participants explained the complication of working in areas where there are language barriers as '*slowing down progress*'**- CB1** and impacting negatively of project success. In real estate development projects communication with diverse stakeholders is vital and if there are barriers to communication and understanding of each other, there may be a likelihood of negatively impacting project delivery. Coherently, Slangen (2011) echoed that communication is vital in entry mode choices supported by Jinevez *et al.,* (2019) who conjectured that linguistic differences may contribute and affect investment decisions businesses make.

The local participants confirmed their experiences and perceptions of cross-border partner by confirming their conduct '*the way they do things'***- LP12**, reflects lack of understanding of the environment they operate in. They highlighted that cross-border partner at times seek to impose dominance, control and have an expectation of the processes and systems that work in their home country to work in the new environment and tend to hold everyone to a standard (processes) that does not exist in host country. This resulted in frustration. As one local participant highlighted that *"SA cross-border partner may need to adjust to a different work ethic"* **- LP10** while another elucidated that *"this frustration may be avoided if SA partner starts off with a credible local partner who understands the pace of processes, the culture and the environment, these perceived delays can easily be factored in the programme with ease because local partner has this understanding"* **- LP6**. Lack of trust in collaborations results in poor communication and power struggles. The findings also show the relative importance of different types of trust for collaborative processes.

Another local participant illuminated that, the dominance of SA partner can sometimes be misconstrued as 'arrogance' as often times they have a one sided focus of contributions and value to the project and they were quoted as saying *"SA partner tend to be used to be in control and project teams generally have a dominant person (SA) who always directs and dictate direction within the team but this does not always work because it's not always just about the technicalities of the project but there are a lot of behind the scenes consultations (with chiefs, communities, officials etc.) that generally need to be facilitated in order to ease things for the project, and the local partner plays a pivotal role in facilitating these. These may include work visas for SA partners, municipal approvals, land ownership issues, local standards etc.)"* **- LP18**. The participant explained at length about landownership issues in country 'A' and how they affect development of projects and how that impact on local communities. The participant explained how the SA participant may not be aware or sensitive to these nuances, but they have a big impact on the project. The involvement of local chief, communities and other stakeholders in order to facilitate the process and report the new development is therefore necessary and contributes to project success.

To bridge this gap, cross-border participants expressed that *"SA may have gone in with a gung-ho attitude in country A in the early days and over spec buildings, provided big tenant boxes and it didn't work well for them, over-estimated rentals did not get return on investment – based on SA model which was not the same for country A"* **- CB10**. Cross-border participants expressed the view that they learned from previous mistakes and some were quoted as saying when working in SSA you need to adopt an attitude of *'adapt or die'* **- CB3** as some were quoted as saying *"when in Rome, do like Romans do"* **- CB9**.

Cross-border participants appeared to be clear and emphatic about the bigger goal in host country, which they termed *'to get the project done'*– **CB5** and they seemed to adopt the attitude as one indicated of *'not allow smaller things to affect their end goal'*– **CB12**. Most cross-border participants revealed that they relied on the local partner to help them manoeuvre the local terrain and assist them to deal with cultural nuances. One local participant revealed that cross-border partner is not aware of the cultural behaviours, courteousness and general nuances of behaviours in specific environments that may affect the project. They were quoted as saying *"These generally happen outside the project (dealing with municipalities and officials, traditional leaders and chiefs, dealing with communities) but have huge implications on the project success. There's a view was that the cross-border partner often undermines these initiatives and believes/ expects that things work the same way as they do in their home country (SA)"* – **LP3**. They added that cross-border partner sees things running smoothly (end-product) e.g. visa approval, easy access to country and no interference but without understanding that there would have been a lot of facilitation the local partner would have done behind the scenes to facilitate some of these things, so they run smoothly. These efforts from local partner are done to achieve project goals and build understanding, trust and acceptance for the project.

Whereas, local participants seemed more culturally aware and more expressive on different nuances that exist in their home country. They were aware they are relied upon to navigate cultural and related differences, but they also expressed that they believe their contribution is valued as another was quoted saying *"SA partner may provide financial capital and technical competence on the project among other things, but local partner invests huge social capital on the project. There is room for both to learn from each other. In my experience SA partner appreciates what we offer, and they understand its value"* – **LP7**.

To conclude the analysis under the cultural theme, the findings depict both points of convergence and points of divergence that exist between cross-border and local participants. The points of divergence are narrowed as participants communicate and are open to learning from each other and they recognize the shortfalls they need to put emphasis on.

6.7 Political distance

The second theme deals with political difference and the complications explored under this theme relate to host country laws and processes. The question explored under theme was the political nuances that exist and affect the performance of work in the host country. Participants were asked to expand on differences relating to new environment and processes. They discussed an array of things including project agreements, governmental systems, policies, and any laws or procedures that affect their performance on the project. Gharawi and Dawes (2013) indicated that political distance can disturb the ability of participants to generate a steady cooperative setting and confine their ability to carry out particular tasks and activities.

Table 6.4: Summary of findings under political distance from CB and LP

Political	**Cross-border**	**Local partner**
CASE 1: CB1 -LP1	"Big problem with tax, in one year we had two VAT legislative tax system changes"	"our partners sometimes call on us when they struggle with work visas, we know where to go and what to do to facilitate the process, sometimes they are not even aware of the work we put in here"
CASE 2: CB1 - LP3	"Best to work with partner that understands local processes and local standards, we usually learn from them since we don't know their country and their project approval processes"	"land issues and municipal processes can be tricky and lengthy; SA partner looks to us for that"
CASE 3: CB3 -LP5	"Sometimes it becomes difficult for tenants to pay rent in US dollars (if that's what's in the lease agreement) and this severely affect rentals".	"visa facilitation and municipal processes, community issues"
CASE 4: CB9 - LP11	"never accept local currency, too cumbersome to change, only use USD or ZAR-if you are getting paid in local currency it is costly for you as you have to pay to change it to USD or ZAR. Their currency is always weaker, and this makes it extremely difficult to trade".	"work visas for SA partners, municipal approvals, land ownership issues, local standards etc.".
CASE 5: CB4 - LP6	"their currency fluctuates or drops twice or thrice in one year"	"we drive municipal approvals as we are familiar with the process"
CASE 6: CB8 - LP10	"we worry about political instability, I worked on this project in country X where I was escorted to site by the military everyday"	"well SA partner brings work to us and we sign SA PROCSA agreements"
CASE 7: CB8 - LP18	Their currency is always weaker, and this makes it extremely difficult to trade and tax is an endless nightmare"	"because SA partner not familiar with environment, tends to specify materials that are not available locally that end up costing more because we have to import them"
CASE8:CB10- LP12	"we work on cash positive basis, use initiation fee with client. Very risky you may not get the money. Money must be in the bank before you do work in Africa. Don't do work on risk in Africa. Affordability has become an issue now, so risk is not ok"	"it's interesting to try new materials, but one needs a good understanding of performance of these materials in a different setting: weather, country orientation, functionality and availability of product"

CASE 9: CB12 - LP14	"Too much corruption, you need to be always aware- I still don't know how much a country X visa costs, I always pay a different amount"	"local authority processes are crucial to project approvals and locals facilitate the process"
CASE 10: CB6 - LP16	"Tax issues –withholding tax (10-15%), in country X you never see that money again"	no comment from participant
CASE 11: CB5 - LP7	"to be honest, Africa is not for sissies, poor airports infrastructure and other places rundown, basics not there or poorly provided, electricity an issue -this context is important to understand when designing buildings to factor it in -we work there because there must be benefit -it's not like SA, quite run down, has to be worth your while financially".	"local community engagements and participation is facilitated by locals on the project"

6.7.1 Political distance - analysis of findings

Laws governing expatriation of funds out of home country, currency depreciation and volatility were major concerns for cross-border partner. The issue of tax and currency in host country was a consistent issue that came out strongly from cross-border participants. They cited their frustrations about the constant changes in tax laws and how these changes negatively affect their planning and fees. Also, the corruption aspect relating to the tax issues were highlighted as one participant was quoted saying *"withholding tax (10-15%), in country X you never see that money again*" - **CB6**. Tax issues were referred to differently by different participants based on their level of frustration and experience, some calling it *"an and endless nightmare*" – **CB8** whilst others explained "*there's a big problem with tax, in one year we had two VAT legislative tax system changes"* **- CB1** and another adding *"withholding tax paid is almost never paid back to firm"* **– CB6**. There was no comment relating to tax recorded from local participants and this may be attributed to the view that, they may be familiar with their home country tax system and it does not negatively affect them directly, also that they may not have influence and power to intervene and amend government laws.

The issue of currency which is closely related to tax also came out strongly from cross-border participants. They indicated that the challenge with rest of SSA countries they undertake projects in have poor currencies compared with SA. This results in higher costs to convert to SA currency and also the host country currencies are not stable and fluctuates quite often as one participant said "*their currency is always weaker, and this makes it extremely difficult to trade"*- **CB8** and another added that "*their currency fluctuates or drops twice or thrice in one year"*- **CB4**. These challenges have led cross-border participants to adopt strategies to mitigate against these risks. Particular tactics that have been adopted by some include, never accepting local currency and only dealing in ZAR or USD as indicated by one participant "we *never accept local currency, too cumbersome to change, only use USD or ZAR- if you are getting paid in local currency it is costly for you as you have to pay to change it to USD or ZAR. Their currency is always weaker, and this makes it extremely difficult to trade"* – **CB9**. Another participant advised against taking risk work as they would normally do in SA and outlined how risky this approach is due to the nature of the services they offer (engineering services). They explained that this approach is too risky and may result in non-payment of services offered. They were quoted as saying *"we work on cash positive basis, use initiation fee with client, its risky now, you may not get the money. Money must be in the bank before you do work in Africa. Don't do work on risk in Africa. Affordability has become an issue now, so risk is not ok"* – **CB10**. Similarly, there were no comments relating to currency issues from local participant, and this may be attributed to the same reasons as above that these issues do not affect them directly.

Political instability, risk of violent elections, change of governments, exclusive laws were also raised as a concern by cross-border participants in relation to some countries they have worked in. Tanzania as an example was mentioned specifically regarding their laws that stipulate that only local Architects are authorized to submit drawings to the municipality for approval. Even though cross-border participants use their intellectual property, designs drawings, they ultimately have to be submitted by the local partner for it to be recognized, accepted and approved. Only local architects are allowed to submit drawings for approval by local authorities. To mitigate this, cross-border participants did the work and handed drawings to local partner to submit them for approval. This arrangement somewhat coerces cross-border partner to cooperate with a local partner as they eventually need to submit drawings to council for approval. However, in this case, the cross-border participant indicated that due to this law, they have established a long-standing relationship with a local firm they have been working with for over 10 years and the relationship of trust has been established.

The local participants were however vocal on their contribution and facilitation of work visas, municipal processes, local standards, land ownership issues and community related issues including engagements with local chiefs. These matters and processes can be classified under stakeholder management issues and they are fundamental to the success of the project. As one participant put it earlier "*there are a lot of behind the scenes consultations (with chiefs,* *communities, officials etc.) that generally need to be facilitated in order to ease things for the project, and the local partner plays a pivotal role in facilitating these"* **- LP1** and noted that sometimes cross-border partner is "*not aware, sensitive or care much for this contribution"* **- LP1**.

Another local partner highlighted that they use Professional Consultants Services Agreements (PROCSA) documents to enter into a formal contract with cross-border partners. These documents largely South African documents, but due to there being no alternative quality document in respective countries PROCSA is adapted and adopted. Also, due to the fact that cross-border partner is the initiator of the project and therefore exercises control and dominance by making such decisions as one local participant indicated that "they *may be perceived by some and may come across as 'arrogant'*- **LP5** and another added that *"SA partner tend to be used to be in control and project teams generally have a dominant person (SA) who always directs and dictate direction within the team"* - **LP18**.

From the cross-border perspective, one developer indicated that *"from a developer point of view - we get our own local partner and appoint SA consultants that must find their own local partners - we don't dictate or get involved in those arrangements - they have generally worked well in our opinion"*- ***CB1***. Different disciplines had different views presented but all developers were insistent on being clear about the structure of the agreement, responsibilities, expectations and shareholding implications if any. They cited that it is sensible to resolve these matters in the beginning and be clear upfront, as things often tend to go smoothly from there. There were no contrary issues highlighted but just a precaution that contractual arrangements must be upfront clear and agreed upon before embarking on a project. From other local disciplines, there was a general acceptance that they largely use South African contracts that are issued to them by their partners. These contracts were seen as explicit and roles were clearly defined for each partner.

To conclude the analysis on political theme, findings reveal there were some convergences and divergences. But the key finding revealed that within the collaboration, or the interaction between partners is unlikely to be impacted directly by the political differences. Political differences did not arise within the project set up/ collaboration, but circumstances outside the project affected the project directly or project participants. Divergences related to government laws (tax and currency issues) that are outside the control of participants and these distances are difficult to narrow down by participants as they are private sector led participants. One cross-border participants highlighted that *"they sometimes ask assistance from their home country to intervene and facilitate withholding tax issues and they do get involved even though it becomes a lengthy process"* – **CB6**. These interventions assist in narrowing the distance experienced by participants. Points of convergence include the cross-border's realization of the role local partner plays in facilitating local processes and interactions.

Local participants did not underscore numerous challenges under this theme. This was comprehensible and may be attributed to the perception that the issues under this theme did not affect them directly (as *this is what they are used to and were not exposed to something different*). They were also not responsible for or did not have authority in most instances to influence the laws that resulted in political distance of participants. The main issue they elevated was concerning facilitation of work visas, local authority processes, local involvement of communities and engagements with local chiefs to smoothen the project chances of success as these stakeholders are fundamental to project success.

6.8 Intentional distance

Intentional differences are defined by the compatibility of key goals between participants (Gharawi and Dawes, 2013). They supplemented that similar goals of participants are essential to create and sustain a beneficial connection. The alignment of intentions of participants contributes to the successful delivery of the project. Similar goals result in, common understanding, adaptations and exchanges of data, information and additional resources. The point to which the participants perceive a balance in their goals may influence the kind and quantity of knowledge and information they are prepared to distribute (Samaddar *et al.,* 2013). Further, Inkpen and Tsang, (2005) augment that, common ideas and objectives aid network participants connect better and assimilate knowledge. When asked about their main goals for being involved in the project, responses received were similar and listed in Table 6.5.

Table 6.5: Summary of findings under intentional distance from CB and LP

Intentional	**Cross-border**	**Local partner**
CASE 1: CB1 -LP1	"we invest for profit"	"with our partners there is alignment of goals which makes project delivery easier"
CASE 2: CB1 - LP3	"seek feasible investment opportunities and the goal is to deliver"	"pre-project meetings help clarify the goal -and its always clear, do your work and get paid"

CASE 3: CB3 -LP5	"we will go anywhere where its profitable"	"we generally know what is expected of us, it's spelled out in the contract"
CASE 4: CB9 - LP11	"we bought into this Africa rising story a long ago, now we are reassessing our position -things get tougher there"	"we are always clear on what we are expected to do when cross-border partner approaches us"
CASE 5: CB4 - LP6	"everyone understands that it's a simple transaction, perform and get paid"	"I feel like we complement each other, they want to learn from us, and we learn from them, it works out"
CASE 6: CB8 - LP10	"we are a business and the goal is to create financial sustenance"	"We have something to offer"
CASE 7: CB8 - LP18	"everyone is ultimately in it to win and make some money whilst at it, its business"	"its competitive and everyone does their best to deliver what is expected"
CASE8:CB10- LP12	"the way I see it, it's a nice match, we provide designs and our partner is in charge of site work – it works"	"the goal of the project is clearly defined; we stick to that"
CASE 9: CB12 - LP14	"the plan is clear; we go out there to get the job done"	"appointment is always clear, we always deliver – we want more work"
CASE 10: CB6 - LP16	"I think that we bring financial and technical investment and they bring social capital and skill"	"exposure to the scale of projects is good for us, we deliver what's expected of us"
CASE 11: CB5 - LP7	"the goal is to get the job done so we all get paid"	"we learn from these type of projects"

6.8.1 Intentional distance – analysis of findings

The dominant view from participants was that there is greater alignment of goals and intentions between cross-border and local participants. One respondent added that this may be also because of the rigorous scrutiny that takes place when they select a partner. The participant added that "*we often make sure that we select a partner who shares the same values and goals with us"* **- CB1**. The cross-border participant elaborated on the process they undertake to select a local partner and the challenges involved with it. They indicated that in the beginning it is extremely tough to find a partner because they do not know where to look.

There is no database or formal association lists they can look at and most local firms do not have websites to browse information and assess. Oftentimes we find them through word of mount and referrals, and have to directly ask for relevant documentation to conduct our own 'due diligence' and scrutiny to determine if there is alignment in culture and vision. The process is cumbersome but ultimately worth it in the end if we find a good partner. They added that they look for someone to invest in and someone who is looking to grow and is open-minded. Once they find this partner they keep them and establish a long-term relationship. Another participant added that "*the main thing for us is to find someone who is not compromised, that's* *the key thing we look for"* **- CB8**. They added that the principal goal for them was to deliver the project and get remunerated, create a portfolio of successes and experiences for the business and oftentimes the local partner wants the same.

To conclude the analysis on intentional distance theme, Caldwell *et al.,* (2017) in their study established that superiors must endeavour for goal alignment between associates in order to exploit the benefits of collaboration. Voet and Stejn (2020) suggested that communication of an all-encompassing convincing vision may contribute in the direction of goal alignment and broadening of viewpoints. The findings of intentional theme suggested that there may have been an all-encompassing persuasive vision that was communicated and understood by both participants in a collaboration as there were no differences in intentions between participants in the study identified. The dominant view presented by both participants was that the intentions of the cross-border and local participants in a collaboration are generally aligned. The local partner wants to deliver the project, get exposure and remuneration and oftentimes cross-border participants wants the same thing. The findings indicated that their goals are aligned which created ease of interaction and was beneficial to the project.

6.9 Organizational distance

Organizational distance is concerned with variances between the two organizations' in terms of organizational processes and practices, organizational culture and organizational resources. In the context of real estate projects, these variances may manifest in decision-making behaviours, standards and hierarchical arrangements that designate power, influence and accountability. These are probable to affect how participants cooperate and network affecting the usefulness and efficacy of the knowledge they disseminate (Narteh, 2008). Inquiring on their perception and experiences of organizational goals, organizational differences and organizational culture and its impact on the collaboration, varying responses were collected as illustrated in Table 6.6.

Table 6.6: Summary of findings under organizational distance from CB and LP

Organizational	Cross-border	Local partner
CASE 1: CB1 -LP1	"invest time, skill and capital to make this work"	"the hierarchy structure adopted by SA partner in project meetings can easily be perceived incorrectly"
CASE 2: CB1 - LP3	"our job is to identify opportunities and convert them to bankable project"	"SA partner usually controls the show, they bring capital"

CASE 3: CB3 -LP5	"depending on which country we work in, other partners are just laidback and take it easy, we are used to pressure"	"we are appointed by them"
CASE 4: CB9 - LP11	"balancing investment returns with delivery is hard, especially when in a foreign country where you don't always get materials on time can be frustrating"	"other SA partners like throwing their weight around"
CASE 5: CB4 - LP6	"there's a good balance, we design, and local partner implements on the ground	"project approach is usually focused on delivering on time"
CASE 6: CB8 - LP10	"it's not that local partner doesn't have skill, they do-they just have not been exposed to this type and scale of project before so it's not easy to design it"	"it's important to understand which areas need improving and how that will be achieved"
CASE 7: CB8 - LP18	"skill gets worse as you go down the ladder- subcontractors, tenant shop drawings etc."	"things are structured such that local implements on site, while SA partner designs.
CASE8:CB10- LP12	"we typically have a good idea where the gaps are – we lack local knowledge and compensate for technical skill"	"we benefit from exposure too"
CASE 9: CB12 - LP14	"my sense if we often have software compatibility issues and we have to train our partners to adapt"	"we have adjusted to new ways of doing things"
CASE 10: CB6 - LP16	"we don't lack resources and capability to execute"	"SA partner sometimes too authoritative"
CASE 11: CB5 - LP7	"decisions are made quickly to meet project goals"	"we may lack financial capability, but we execute projects as expected"

6.9.1 Organizational distance – analysis of findings

The cross-border participants presented that organisational difference between two participants are not too distinct as mostly participants in the collaboration networks are principal leaders of their organisations (*mostly senior directors of companies*) that are responsible for decision-making representing their organisations. This can be reflected by one cross-border participants response "*decisions are made quickly to meet project goals*" – **CB5** and another cross-border partner observed differently citing that *"depending on which country we work in, other partners are just laidback and take it easy, we are used to pressure"* - **CB3**.

However, the local participants views were contradictory to cross-borders views, indicated by comments like *"SA partner usually controls the show, they bring capital"* - **LP3** another yielding that *"we are appointed by them"* - **LP5**. Additional comments reflected *"SA partner* *is sometimes too authoritative"* - **LP16** others revealed that "*SA partners like throwing their weight around"* **LP11** whilst others felt that *"the hierarchical structure adopted by SA partner in project meetings can easily be perceived incorrectly"* - **LP1**. The dominant view reflected of cross-border partner was that they are domineering and dictating. One local participant further added that *"they tend to be used to a fast paced environment and processes which can be slightly different in a local setting"* - **LP6**. They further added that "*the pace of doing things and processes in reality is slower than cross-border partner is used to and this may sometimes be frustrating and make them want to push harder and take control which does not always work well"* - **LP5**. Another added that "*Cross-border partner tends to be used to be in control and project teams generally have a dominant person (SA) who always directs and dictate direction within the team but this does not always work because it's not always just about the technicalities of the project"* – **LP18**.

Cross-border seemed aware of their contribution on the project in terms of technical skill, financial capability and therefore able to identify gaps existing between the two. They mostly acknowledged their deficiencies relating to local knowledge. This was illustrated by comments like "*we typically have a good idea where the gaps are – we lack local knowledge and compensate for it with technical skill"* - **CB10** while another acknowledged that "*it's not that local partner doesn't have skill, they do-they just have not been exposed to this type and scale of project before so it's not easy to design it"* - **CB8** *another added that* "*there's a good balance, we design, and local partner implements on the ground"* - **CB4**.

Denoting organizational resources, cross-border participants mentioned "we *don't lack resources and capability to execute*" – **CB6** a different participant supplemented that "we *invest time, skill and capital to make this work"*- **CB1** *a different one highlighted that "my sense is we often have software compatibility issues and we have to train our partners to adapt"* -**CB12**. The local participants suggested that *"we may lack financial capability, but we execute projects as expected"* – **LP7** another local participant said, *"we benefit from exposure"* -**LP12** and another succumbed that *"we have adjusted to new ways of doing things"* -**LP14**.

To conclude the analysis of the findings on organizational distance, there were points of convergence and points of divergence identified under the theme. Points of convergence represented by issues surrounding technical skill - participants acknowledging that both local and cross-border possess the skill to execute, however the local partner had not had exposure to a different type of asset before. Also, software differences were identified but converged by narrowing the distance through training programs and sessions offered to locals to bridge the distance. Points of divergence noted reflected in the authoritative nature and hierarchical structures adopted by cross-border participants. The approach may be rooted in the way cross-border is accustomed to doing things and may not be aware of implications. However, this was also reported to subside as relationships grow over time and understanding of behaviours develop.

6.10 Relational distance

Relational distance is shaped by the duration and type of historical interactions. The distance is greatest when participating organizations collaborate for the first time. With repeated interactions the distance narrows and trust are developed. Organizations that have collaborated before are expected to possess simple understanding of the level of skills and capabilities, the other has, which provides momentum for learning (Inkpen, 1998). Past relationships that were successful places participants at sufficient level of trust, permitting them to build from a higher level of trust than parties initiating collaboration process Over time, participants grow and cultivate behavioural prospects, tolerances and standards of mutuality, that augment collaboration, aid undertake divergence and contribute to the general achievement of the connection (Norman, 2002).

Table 6.7: Summary of findings under relational distance from CB and LP

Relational	**Cross-border**	**Local partner**
CASE 1: CB1 -LP1	“we prefer creating long term relationships with our partners”	“we’ve worked with our partner before, we know them better now”
CASE 2: CB1 - LP3	“we keep in touch at the end of project and sometimes just check in to understand who’s building what now to understand local market”	“we understand them better; we know why they get pushy at times - private investment”
CASE 3: CB3 -LP5	“its easier the second time around, trust is established”	“you spend time learning to understand your partner’s approach at first”
CASE 4: CB9 - LP11	“we prefer to keep same partner for future project”	“we try create long term relationships”
CASE 5: CB4 - LP6	“we work with people we know”	“It takes a bit of adjusting at first”
CASE 6: CB8 - LP10	“these things are all about relationships”	“we’ve worked with them before”
CASE 7: CB8 - LP18	“it’s hard at first to get to know someone knew and try to understand their work ethic and expertise”	“sometimes it doesn’t work very well”

CASE8:CB10- LP12	"we've worked with our partner for over 10 years and sometimes they call us for advice even though we don't work on the same project"	"we have built a strong relationship with our partners"
CASE 9: CB12 - LP14	"relationships are useful"	"sometimes we can't force these"
CASE 10: CB6 - LP16	"we've been called for new work by our old partners"	"it's the opportunity to display your commitment on the job and people remember you"
CASE 11: CB5 - LP7	"we have a lot of people to call on in different countries now, we've built those relationships from project to project"	"it's worked fine with our partner, maybe we work together again in future"

6.10.1 Relational distance – analysis of findings

The dominant finding underscored by cross-border participants was that they spent a lot of time and resources vetting the 'potential partner' to determine if they align with each other and can work together. As one participant informed that *"it's hard at first to get to know someone knew and try to understand their work ethic and expertise"* **- CB8**. Therefore, once they find the right partner, they invest in the relationship and prefer to work with them in future projects if circumstances permit. They preferred to build long term relationships with their partners that can even generate future work as one participant indicated that "*we've been called for new work by our old partners"* - **CB6** and another indicated the importance of relationships to them saying "*relationships are useful*" -**CB12** another citing that "*this thing is all about relationships"* another shared that *"we keep in touch at the end of project and sometimes just check in to understand who's building what now to understand local market"* - **CB8**. One cross-border participant advised that *"we've worked with our partner for over 10 years and sometimes they call us for advice even though we don't work on the same project"* **- CB10**. These relationships tend to span over long term dependent of availability of more work. Also mostly this work is private sector work, not publicly tendered but uses a closed procurement system where work is awarded based on previous working relationship and track record.

Local participants also seemed to concur and signified that they value these relationships. This was also shown by one participant informing that *"it's the opportunity to display your commitment on the job and people remember you"* **- LP16** while another supported by *"it's worked fine with our partner, maybe we work together again in future"* **- LP7**. In a different case another local participant admitted that *"we have built a strong relationship with our partners*" **- LP12** and another commented that *"we understand them better; we know why they* *get pushy at times - private investment"* **-LP3** and another said *"we try creating long term relationships"* **- LP11**. Other locals did not seem to have had a similar experience as it was indicated by the comments that *"sometimes we can't force these"* – **LP14** to *"sometimes it doesn't work very well"* **-LP18** and also *"sometimes it takes a bit of adjusting at first" "* **-LP6**.

To conclude the analysis of the findings on the relational distance theme, show some points of convergence and divergence as documented. Point of convergence was identified through cross-border demonstration of how they view the relationships, citing the importance and how they value them. Also, local participants aligned with them demonstrating their view as well citing that these are important and are valued. However, some local participants reflected that they may not have had the best experience through the use of phrases like *"sometimes we can't force these"* **- LP14** and *"sometimes it doesn't work very well"* **- LP18**.

6.11 Knowledge distance

Gharawi and Dawes (2013) indicated that knowledge difference refers to the difference in existing knowledge bases of participants in a collaboration network. To explore this further in the study, participants inquiry sought to locate their opinions assessing knowledge bases that existed in the collaboration. Powell *et al.,* (1996) proposed that a suitable overlay in knowledge encourages knowledge transfer, and investigations found that what can be learned is meaningfully swayed by the knowledge previously learned.

Table 6.8: Summary of findings under knowledge distance from CB and LP

Knowledge	**Cross-border**	**Local partner**
CASE 1: CB1 -LP1	"we form strategic partnerships country to country we work in, to help us with local nuances"	"mentioned earlier that we bring social capital and that's unique"
CASE 2: CB1 - LP3	"local partners are keen to learn, no egos"	"we are open minded"
CASE 3: CB3 -LP5	"we are constantly learning the new environment, it's just not the same as SA in many ways"	"SA partner is strong because they have the financial and technical strength.
CASE 4: CB9 - LP11	"we both give off something to each other"	"we adapt easily"
CASE 5: CB4 - LP6	I think the local design team was competent in the roles we gave them, but I don't think that they would have been able to design the retail scheme that we had purely by virtue of the fact that it was a first of its kind in that small town we were in. They have a market type of	"we are exposed to different projects we haven't done before"

	retail existing mainly in the town. I don't think they had the expertise at that stage	
CASE 6: CB8 - LP10	"respect what the locals can do and what they can't, local skills are scarce- locals seem good at wet trades (blockwork and concrete bricks) – finishes a big problem that's why we import these"	"good experience"
CASE 7: CB8 - LP18	"they know what they are doing they just have not been exposed to a different type of project before – imagine if you were designing schools all your life and you are asked to now do a big retail development. It's the same as SA professionals who were suddenly asked to build stadiums for 2010 World Cup- they survived; the stadiums are still standing"	"good exposure and experience gained"
CASE8:CB10- LP12	"the issue for me is the lower level skills, we struggle a lot"	"we bring a lot to the table -we understand local building conditions and material availability"
CASE 9: CB12 - LP14	"we have the expertise to deliver quality work"	"we adjust quickly"
CASE 10: CB6 - LP16	"we are constantly learning, it's a different environment" "local building conditions are different for each country and skills are limited"	"we get exposed to new way"
CASE 11: CB5 - LP7	"our experience and technical know-how precede us but with SSA, that is not sufficient – market conditions are different and sometimes even fluctuate"	"training we get from our partner in SA offices helps us adapt quickly"

6.11.1 Knowledge distance - analysis of findings

Cross-border participants indicated that they have the technical skills to execute these projects as one participant said "*we have the expertise to deliver quality work"*- **CB12**. Most participants acknowledged that their strength is technical skill but lack local knowledge as supported by these statements, *"our experience and technical know-how precedes us but with SSA, that is not sufficient – market conditions are different and sometimes even fluctuate"* **CB5** while another expanded that *"we are constantly learning, it's a different environment"* **CB6** another also pointed out that *"we are constantly learning the new environment, it's just not the same as SA in many ways"* - **CB3**.

When referring to knowledge of local participants, cross border participants indicated that *"local partners are keen to learn, no egos"* -**CB1** while another added that *"we both give off something to each other"* **-CB9**. A different participant referring to local partners expanded that *"they know what they are doing they just have not been exposed to a different type of project before – imagine if you were designing schools all your life and you are asked to now do a big retail development. It's the same as SA professionals who were suddenly asked to build stadiums for 2010 World Cup for the first time - they survived, with the help of outside consultants and the stadiums are still standing"* - **CB8**. Similarly a different participant observed that *"I think the local design team was competent in the roles we gave them, but I don't think that they would have been able to design the retail scheme that we had purely by virtue of the fact that it was a first of its kind in that small town where we were in. They have a market type of retail existing mainly in the town. I don't think they had the expertise at that stage"* - **CB4**.

When referring to skills in the country, predominantly construction and subcontracting activities, the cross-border participant explained that *"respect what the locals can do and what they can't, local skills are scarce- locals seem good with wet trades (blockwork and concrete bricks) – finishes are a big problem that's why we import these"* -**CB8**. They went on to explain that because the types of buildings are generally new to most countries and are not many, there has not been a demand for these skills before like air-conditioning, tiling, sprinklers. They indicated that the supply of construction materials for similar works like revolving doors, air-conditioning equipment etc are not supplied in most countries and have to be imported. The participant further elaborated on how this lack of supply of materials affect the maintenance of these buildings, leaving them to end up being run down buildings because access to spare parts and materials requires products to be imported, which becomes too costly. They indicate that to mitigate this, they work closely with a local partner who advises on availability of materials in host country and attempt to specify more materials that are available locally.

Local participants acknowledged that *"we are exposed to different projects we haven't done before"* and further noted that *"we bring a lot to the table -we understand local building conditions and material availability"* -**LP12** also *"we adjust and adapt easily"* -**LP11** and *" we are openminded"* -**LP3**.

To conclude the analysis of the findings on knowledge distance, the findings reveal that there are points of convergence under this theme. Participants in this study possess comparable knowledge foundations and confront fewer challenges conveying knowledge to the other (Szulanski, 2000). This can be supported by statement such as *"we both give off something to each other"* **-LP12**. There is convergence that cross-border participant possess technical skill, exposure and financial capacity. There is also convergence that local partners possess technical skill but lack exposure and experience in large scale commercial projects as this product (asset) is non-existent in some parts or uncommon. This finding that local professionals are competent, possess skills but lack exposure is fundamental. Only contractors and sub-contractors were perceived to lack skill and competence. So most professionals had not been exposed to working on these type of projects before. One cross-border participant argued that the basic skill (professional) exists, its exposure that's lacking. The gap is reported to widen as you go down the ladder to subcontractor level, with skills at the lower level predominantly imported and examples of hand drawn drawings submitted by tenants.

Conversely, Inkpen (1998) postures that as knowledge distance contracts, chances to locate and access original knowledge from each other diminishes resulting in reduction of alacrity to collaborate further along with their ability to decipher novel complications.

6.12 Resource distance

Resource distance refers to the variances in the sum and kind of resources needed by participants from or subsidize to the network (Dawes *et al.,* 2012). For the system as a whole to function, good implementation leans to the capacity to organize a diversity of reserves fluctuating from moneys to diverse skills (Dawes and Pardo, 2002). The connection among resource differences and the preparedness to construct an association with more than one organization seems well-formed. Because attaining entry to beneficial reserves not owned and controlled by an organization is the foremost impetus to participate in systems, in alliance amid organizations with corresponding intensities and limitations (Dawes *et al.,* 2012).

Table 6.9: Summary of findings under Resource from CB and LP

Resources	Cross-border	Local Partner
CASE 1: CB1 -LP1	"project a huge financial investment that must give returns"	"you need financial, technical and social capital to deliver – we may lack financial resources as these projects are brought by SA partner"
CASE 2: CB1 - LP3	"we've been doing this for over	"we have good access and relationships with municipal council"
CASE 3: CB3 -LP5	"we make it work and deliver these projects"	"local issues are important and require careful handling"
CASE 4: CB9 - LP11	"often times we bring financial capital we drive these projects"	"we deliver these projects as expected, we do our part"

CASE 5: CB4 - LP6	"we've done this for many years but the environment in SSA is different and we learn everyday"	"acquired the skills necessary to do this job"
CASE 6: CB8 - LP10	"orientation of buildings, power supply, material availability; local building technique – each country is different, you have to understand local conditions to succeed"	"we do site quality management mainly because we are where the projects are"
CASE 7: CB8 - LP18	"in one project we had to import 100% skills"	"sometimes we struggle to find skills to do subcontract work locally due to the materials specified and quality expected"
CASE8:CB10- LP12	"when I design, I now have learnt to keep it simple coz I think about the maintenance of the building in future, I try to specify materials available locally otherwise they end up not maintaining buildings because material must be imported"	"yes, our partner may specify an aluminium window, but because I know we can't find that here I will recommend a change to steel to align with what I know we can find locally"
CASE 9: CB12 - LP14	"material costs high, most material imported"	"we are the eyes on the ground, we pick up on anything new"
CASE 10: CB6 - LP16	"we are technically competent, and we've been doing this for a long time"	"do a lot of site management work"
CASE 11: CB5 - LP7	"always be sensitive to the differences in your environment and respond accordingly"	"local facilitation"

6.12.1 Resource distance – analysis of findings

The cross-border participants indicated that they bring technical skill and financial capacity to the network as can be reflected by various statement quoted "*often times we bring financial capital we drive these projects*" **-CB9** also "*we are technically competent*" -**CB6**, and *"we've been doing this for a long time"* **-CB1**. These statements reflect the confident of cross-border participants on their skill and their financial capacity to fund these projects.

Also, local participants identified local facilitation as their strengths and also site management. Statements like *"we are the eyes on the ground, we pick up on anything new"* -**LP14** *and "do a lot of site management work"* **-LP16**. Another local participant said that *"you need financial, technical and social capital to deliver – we may lack financial resources as these projects are brought by SA partner"* **-LP1**. Local knowledge extends beyond facilitation of local communities and local authority as one participant was quoted *"sometimes we struggle to find skills to do subcontract work locally due to the materials specified and quality expected"* **LP18** and another added *"yes, our partner may specify an aluminium window, but because I know* *we can't find that here I will recommend a change to steel to align with what I know we can find locally"* -**LP12**.

Resources availability in the country is also taken into consideration when designing buildings as there is low to no availability of materials. One cross border participant commented that *"in one project we had to import 100% skills"* - **CB8** and as a result of importing skills and materials another cross-border participant remarked *"material costs high, most is material imported"* -**CB12**. *Another dimension raised was "orientation of buildings, power supply, material availability; local building technique – each country is different, you have to understand local conditions to succeed"* - **CB8**. Due to these limitations one cross-border participants indicated that *" when I design, I now have learnt to keep it simple because I think about the maintenance of the building in future, I try to specify materials available locally otherwise they end up not maintaining buildings because material must be imported"* - **CB10**. Similarly, a local participant added that *"sometimes we struggle to find skills to do subcontract work locally due to the materials specified and quality expected"* - **LP18**

Cross-border participants agreed that they often bring financial capability and technical competence or know how to execute projects. One local participant agreed that technical training is often afforded to local firms. They elaborated on how a group students from a local engineering office/firm were involved and given exposure on the project.

To conclude analysis of the findings on resource distance, there appears to be points of convergence under this distance. No points of divergence were noted. All participants converge that both local and cross-border participant possess the skills required to execute these projects, however locals lack exposure to bigger commercial types of projects. They also converge on the lack of skills for lower levels of subcontractors and low to no availability of materials required for execute the type and quality of project. Because the skills and materials are scarce, they opt to simplify designs and specify local materials.

6.13 Physical distance

Physical distance is the geographical location between two organizations' participating in the collaboration network. There are different advantages and disadvantages caused by the physical distance. In the physical distance inquiry, the study explored the both positive and negative impact of physical distance and how it affects communication between the collaborating organizations.

Table 6.10: Summary of findings under Physical from CB and LP

Physical	**Cross-border**	**Local Partner**
CASE 1: CB1 -LP1	"frequent travel to projects meetings and teleconferencing used"	"we liaise with each other through many forms"
CASE 2: CB1 - LP3	"face to face meetings, email and phone"	"there frequent meetings held on site or in our offices"
CASE 3: CB3 -LP5	"Email, meetings and phone if there are issues needing urgent clarification"	"we have scheduled progress face to face meetings"
CASE 4: CB9 - LP11	"regular face to face meetings and	"email, phone, meetings"
CASE 5: CB4 - LP6	"frequent travel takes its toll on you, that's why we rely on local partner to manage implementation on site"	"our partner travels to our offices for meetings"
CASE 6: CB8 - LP10	"reasonable travel costs so we travel for inspection and meetings"	"face to face meetings and email"
CASE 7: CB8 - LP18	"meetings scheduled in advance, so travel to attend face to face and communicate on email in between"	"we attend meetings, use email and phone"
CASE8:CB10- LP12	"Travel to site for meetings, phone and email"	"Meetings and email "
CASE 9: CB12 - LP14	"Meetings, email and telephone"	"there is regular communication in the team through face to face meetings and emails
CASE 10: CB6 - LP16	"Frequent travel to inspect progress, email and phone comms"	"scheduled monthly meetings for reports and lots of email communication in between"
CASE 11: CB5 - LP7	"need to travel often to understand the environment better, email and phone are other options"	"we have regular meetings on site and our offices with our partners"

6.13.1 Physical distance – analysis of findings

Both cross-border and local participants indicated that physical distance was not a challenge. Cross-border advised how they formulate travel plans of how many visits are required per month and organize in advance what is to be accomplished with each visit, otherwise on a day to day basis the local partner becomes *" the eyes and ears on the ground"* -**CB1** as one participant referred. Telephonic and email communication is frequently used on an as and when required basis between participants. Cross-border participants reported the local network access to be even better and cheaper than in SA compared with other countries in rest of SSA. Some cross-border participants highlighted that too much travelling is sometimes strenuous. Fundamentally, electronic communication appeared to be the main form of communication, with face-to-face meeting taking place as scheduled regularly.

To conclude the analysis of the findings on physical distance, participants converged on different forms of communication utilised and indicated that face-to face meetings take place as organised regularly.

6.14 Technical distance

Technical distance involves the sharing of information, data integration and interoperability of systems. Technical distance is shaped by IT infrastructures and capabilities of the participating organizations. Software and hardware differences were explored under this inquiry as these were considered critical in sharing of information between the collaborating parties.

Table 6.11: Summary of findings under technical from CB and LP

Technical	Cross-border	Local partner
CASE 1: CB1 -LP1	"communicated through emails and telephone, no problems"	"email and telephone communication"
CASE 2: CB1 - LP3	"reports shared through emails and general comms on email"	"Monthly progress meetings face to face and other communication on email and phone"
CASE 3: CB3 -LP5	"emails and phone comms"	"mostly email communication works well"
CASE 4: CB9 - LP11	"data costs very good in other countries"	"phone and email used frequently"
CASE 5: CB4 - LP6	"we created a website for drawings to share with our partner, easier that way and all updates stored systematically with an access pin"	"there's a systematic way of sharing drawings, we access them on websites, also discuss on email and phone
CASE 6: CB8 - LP10	"we offered software training in our JHB offices; our partners would come spend a week once a month for training"	"design software training was done in SA offices"
CASE 7: CB8 - LP18	"partner not familiar with 3D perspectives and rendering"	"face to face meeting, email and phone"
CASE8:CB10- LP12	"emailed drawings and used CAD software, which was compatible, although we use Rivets in our office, but we also have CAD"	"we communicate on email and phone"
CASE 9: CB12 - LP14	"had to introduce our partner to software that compiles BOQ, so quality of our work was consistent. We had to train them on software, and this took some time	"spend time in SA offices for training"
CASE 10: CB6 - LP16	Communicated on email, data and call cost lower than in SA	"we communicate with our partners through email and telephone"
CASE 11: CB5 - LP7	"cost for data and calls better that home in other countries"	"just email and phone"

6.14.1 Technical distance – analysis of findings

Some software differences were identified by cross-border participants, as an example the a participant's software that involved purchasing and training of local partners to be compatible with the cross border participants as the cross-border participant was also concerned to meet the quality standard set as they were quoted *"had to introduce our partner to software that compiles BOQ, so quality of our work was consistent. we had to train them on software, and this took some time*" **CB12**. In another case, a participant cited similar saying "*emailed drawings and used CAD software, which was compatible, although we use Rivets in our office, but we also have CAD"* **-CB10**. In an similar scenario cross-border 'engineering' participant indicated that *"we offered software training in our JHB offices; our partners would come spend a week once a month for training"* -***CB8***. Commonly, there are software differences that exist between firms. Other QS software had to be purchased and local staff trained in SA office on new software for partners to be compatible. A particular standard is emphasised as most professionals have ISO accreditation and other forms of accreditation to be adhered to. These interventions assisted in converging the distance. Other methodologies adopted were participants *"we created a website for drawings to share with our partner, easier that way and all updates stored systematically with an access pin"* -**CB4**. Local partner verified that *"there's a systematic way of sharing drawings, we access them on websites, also discuss on email and phone"* **- LP6**. Whereas local participants largely welcomed training offered.

And indicate this about cross-border participant *"they tend to identify knowledge/ technical gaps that exist and often send us to their head offices for training on various tasks"* -**LP10** and **LP14**. This is to ensure the project progresses smoothly and technical differences are minimized.

To conclude the analysis of the findings on technical distance, there were no points of divergence identified. Convergences included software differences that were mitigated and narrowed by introducing software to local participant and offer training.

6.15 New findings emerging from SSA context – welfare distance

Whilst examining and analysing the nine themes, a set of unique data emerged that did not fit wholly into the nine themes under consideration in the study. This data appeared from responses to the same set of semi-structured questions. Similar data was received on responses to a question that asked participants to add any other important matters relating to their experience working together. Similar responses surfaced from that and did not fit the nine themes in the model utilised. These set of data, when analysed and grouped together revealed the possibility of an emerging theme in SSA context and therefore was categorised as such. These findings have been classified under a new heading and termed a welfare distance under this study. Welfare distance refers to the difference in types of risks that threaten the life of participants while preforming work in collaboration networks in SSA. The responses grouped together suggested a cluster of risks that appeared health, safety and security related which emerged whilst participants were working in different environments. Some of the risks relate to any threat to life and welfare of participants whilst working on a transnational collaboration projects. The analysis of the data suggests a new theme may well exist in the context of SSA. This difference contributes to knowledge and the finding may extend the transnational public sector knowledge network with an additional tenth distance termed welfare distance. This suggest an emerging of an additional contextual distance which may be unique to developing countries. This finding is in line with Gharawi and Dawes (2013) who suggested that different environments and contexts are likely to produce supplementary context-based dynamics.

The difference exists for cross-border partner as they are working outside their principal domain in a country they are not familiar with. This difference is significant as it affects collaboration within the network and project goals which are impacted upon when parties' welfare is compromised. However, due to their familiarity with their environment, local partners did not raise these concerns during interviews and the table below indicates a no comment under local partner.

Table 6.12: Summary of findings under Welfare distance from CB and LP

Other	**Cross-border**	**Local partner**
CASE 1: CB1 -LP1	"risk of kidnapping, bombing and terrorism is real in country X; I had a military escort to site everyday when I worked on project A"	No comment
CASE 2: CB1 - LP3	"food poisoning is an issue – when used to certain type of food, anything slightly off, you get sensitive to it and get sick- there are different types of food in various parts of SSA different from SA"	No comment
CASE8:CB10- LP12	"quality of medical health almost non-existent, especially if you get injured	No comment

	and have to be hospitalized. the health system is poor, and you risk secondary infections. I had to be flown out the country back to SA for hospitalization".	
	professional indemnity cover – "our SA clients hold us (SA professionals) responsible as they appoint us- that's why we are sometimes hard and strict, we need to ensure we deliver quality, we take the risk"	No comment
	"Risk of contracting malaria, risk of contracting Ebola and the poor quality of drinking water are real issues we contend with in various countries whereas in SA these are not things we even think about"	No comment

6.15.1 Welfare distance– analysis of findings

This difference came out strongly from cross-border participants. Some cross-border participants (*particularly those that generally go on assignments for a period of time to execute projects),* were very explicit about the potential threats encountered whilst executing projects in different countries in the rest of SSA. These participants indicated being apprehensive about the level of health and safety in other countries they worked in. They indicated that in most instances they relied heavily on their home country hospitals and doctors because of the poor state of most local hospitals, in most countries they worked in. The participant was quoted as saying *"the quality of medical health is almost non-existent, especially if you get injured and have to be hospitalized, the health system is poor, and you risk secondary infections. I had to be flown out of the country back to SA for hospitalization"* - **CB10**. Another participant indicated that they always take travel insurance when traveling and in extreme cases, get airlifted to their home country for necessary care in case of injuries or should the need arise. They further added that this is the risk one takes when working in the rest of SSA.

Another participant underscored the risk surrounding threats to life differently, indicating that *"risk of kidnapping, bombing and terrorism is real in country A; I had a military escort me to site every day when I worked on project X"* -**CB1**. When probed further, they illuminated that these threats are real and relayed a story about how the military was escorting them to site on a daily basis during the height of bombings in area "A". The participant further elaborated how traumatic this kind of experience was and how they were affected by it. The participant detailed how kidnapping of people and demanding of ransom were common in this particular area, coupled with terrorism threats. The participant emphasized how these experiences affect one and how grateful they feel to still be alive.

A different cross-border participant relayed how risk for design and delivery of the project is the responsibility of cross-border participants as SA clients hold them accountable for everything and indicated that "*professional indemnity cover – our SA clients hold us (SA professionals) responsible as they appoint us- that's why we are sometimes hard and strict, we need to ensure we deliver quality, we take the risk"* **-CB10** and **CB5**. They explained their insistence to meet timelines and quality standards, indicating that this is also related to the huge risk they take on projects. Other participants discussed the insurances of buildings required and high costs associated with different countries, especially countries with high threats of terrorism and bombings.

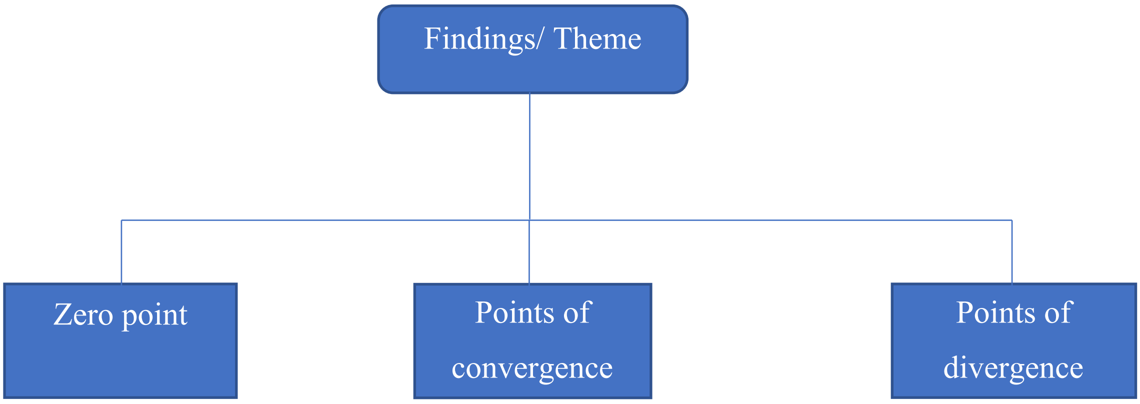
Another cross-border participant discussed the risk of food poisoning as a huge concern. They implied that due to the nature of the food differences in some countries in rest of SSA, other people tend to react negatively to some foods ingested which results in food poisoning. They indicated that their systems and bodies are often not used to those food types and bodies react differently. Participant relayed a story of how he was unable to work for some days due to ill health related to ingesting some foods that were not suitable/ unfamiliar to the system.

To conclude the analysis of this finding, risks such as kidnapping, bombing, terrorism, food poisoning, poor medical health care, quality of water are some of the threats identified under this theme and are categorised as welfare distance. These threats results in points of divergence as they affect participants in the network, but it is beyond participants scope or network scope to narrow this kind of distance. However, the distance negatively affects participants within the network.

6.16 Summary of Findings

The findings of the study were clustered into three main categories to enable further analysis as indicated below:

Figure 6.1: Three-point categorization of findings



6.16.1 Zero Point (no distance identified)

This category indicates findings under different contextual distance themes in the study where no distance between participants or with the new environment were identified. This is the flat point where there are no differences

6.16.2 Points of convergence

This category represents different findings that reflected points of converge. In this context, points of convergence are referred to as differences that were able to be merged by participants. The distance that participants were able to adopt strategies to narrow and bridge the distance so there is convergence of differences. These findings will be tables in the relevant category in the table below.

6.16.3 Points of divergence

This category represents different findings under different themes that reflected points of divergence in the study. In the study context, points of divergence have been described to mean any findings that participants differed in or distance was not bridged by participants in the project, due to various reasons. This essentially means that the difference or distance remained and was not narrowed or bridged. Table 6.11 below summarizes some of the three categories adopted in the study to illustrate further analysis specified as: no distance, point of convergence and point of divergence.

Table 6.13: Summary of findings classified into 3 categories per contextual distance

	Zero point	Point of convergence	Point of divergence
Cultural distance		The way of doing things (approach to things) is different. But strategies are adopted to narrow distance	
Political distance			Divergences related to government laws (tax and currency issues) that are outside the control of participants and these distances are difficult to narrow down by participants as they are private sector led participants
Intentional distance	The dominant view presented by both participants was that the intentions of the cross-border and local participants in a collaboration are generally aligned.		
Organizational distance		Technical skill, participants acknowledged that both local and cross-border possess the skill to execute, however the local partner had not had exposure to a different type of asset before.	
Resource distance		Also, software differences were identified but converged by narrowing the distance through training programs and sessions offered to locals to bridge the distance.	
Relational distance		cross-border demonstration of how they view the relationships, citing the importance and how they value them. Also, local participants aligned with them demonstrating their view as well citing that these are important and are valued. However, some local participants reflected that they may not have had the best experience through the use of phrases like "sometimes we can't force	

		these" and "sometimes it doesn't work very well".	
Technical distance		Technical skill, participants acknowledged that both local and cross-border possess the skill to execute, however the local partner had not had exposure to a different type of asset before.	
Knowledge distance		The gap is reported to widen as you go down the ladder to subcontractor level, with skills at the lower level predominantly imported and examples of hand drawn drawings submitted by tenants.	
Physical distance		On physical distance, participants converged on different forms of communication utilised and indicated that face-to face meetings take place as organised regularly.	
Welfare distance			risk of kidnapping, bombings and terrorism. Other threats entailed food poisoning and poor medical health care. These points of divergence are acknowledged as they affect participants in the network, but it is beyond participants scope to narrow this kind of distance

6.17 Conclusion of chapter

The chapter concluded the presentation of data collected in the field through semi structured interviews with participants and the initial analysis of this data. Data from 11 cases between cross-border and local participants including documentary analysis of agreements, appointments, reports and other related documents was presented. The presentation of the characteristics of participants profile from local and cross-border participants was presented. The data obtained from both cross-border and local participants sought to fulfil objectives 1 and 2, which entailed identifying of contextual distances that exist between cross-border participants and local participants. The second objectives were to learn how the participants narrow or bridge the contextual distance within the network. Both objectives were achieved as a presentation of data under nine different themes: cultural distance, political distance, relational distance, resource distance, technical distance, physical distance, knowledge distance, intentional distance and technical distance. Data collected and findings presented, revealed an emergence of a new additional theme that emerged from data in the SSA context, categorized under Welfare distance. This new theme contributes to extending theory by expanding the model of contextual complexity from 9 to 10 distances.

The findings of the study are presented in a thematic fashion, per case using a matrix that captures direct quotes from both cross-border and local respondents under each theme. The findings were further categorized into three categories, no distance, point of convergence and point of divergence. This further analysis of findings was adopted to group together to find converges and divergences of view between the cross-border and local participants and determine the strategies adopted to converge differences. Both points of convergence and divergence are analysed further and discussed under each theme in the next chapter. The subsequent chapter discusses and interprets this data and analysis presented in this chapter.

7. DISCUSSION OF FINDINGS

7.1 Introduction

This chapter discusses the findings of the study in detail. The chapter uses findings presented in the previous Chapter 6 that were derived using empirical data from the 11 cases of cross-border and local partners under study in this research, it further analyses these findings and discusses them in more detail. The findings were presented in Chapter 6 using a case by case matrix format, distinguishing between cross-border and local views per theme. The empirical data collected is extensive as participants were largely relaying their experiences and points of view. Data was condensed and direct verbatim quotations were used to present the responses in a matrix table format, which approach was useful in locating each response, under the correct theme, accurate case and whether the side of its origin within collaboration network. The data presented in previous Chapter 6 is further analysed to answer the research question below:

"What practices do local and cross-border private real estate firms adopt to bridge contextual distances that exist in collaboration networks in SSA?"

The Secondary Questions posed were:

- What are the contextual differences between cross-border and local participants in real estate?
- How do firms/participants respond to these contextual differences?
- What is the suitability of the conceptual framework of transnational public sector network to bridge contextual distance in real estate?

This chapter will further discuss the findings that addressed the research objectives that were listed in Chapter 1 as:

- To identify contextual distance/ differences that exists within the transnational networks of private real estate collaborations in SSA.
- To investigate how both (local and cross-border) parties to the network navigate and bridge these differences in order to meet the objectives of the collaboration.
- To test the relevance and applicability of Transnational Public Sector Network (TPSN) model to close contextual distances in the private real estate context in SSA;

- To develop a set of generic principles informed by existing practices currently utilized by the (local and cross-border) firms that are based on their experiences navigating the contextual differences.

In Chapter 6 the concept of convergence and divergence was introduced to aid the researcher to continue with the systematic analysis of empirical data to reach a conclusion. Convergence of knowledge was described as transpiring when the actions of two or more participants/learners influence those of their partners, which influence their own actions in return (Roschelle 1992). In their study of collaborative learning of students, Weinberger *et al.,* (2007) "conceptualised knowledge convergence as a group-level phenomenon describing how two or more individuals, in socially interacting environments, are or become similar with respect to their knowledge". Roschelle and Teasley (1995) elaborated on how "learners are supposed to work together on complex problems constructing knowledge, including individually contributing to solving the problem, partaking in discussion of the individual contributions, and arriving at joint solutions".

Comparably with real estate collaborations, findings revealed a similar pattern, where two or more individuals (*cross-border and local*) interact continuously with each other in a collaboration network, are involved and contribute to finding solutions to problems. They adopt and share ideas from their peers within the network and through the collaborative process ultimately adopt the suitable solutions that enhance performance of the network. This allows participants in the network to reach knowledge convergence. Webb *et al.,* (1986) also signals the converse, that learners may be differently advantaged by participating in the collaboration network, subject to their individual requirements, may diverge or deviate in knowledge, i.e., individuals within the collaboration network are or become more disparate concerning their knowledge. Knowledge convergence or divergence can be demonstrated inversely at variable phases of collaborative learning (Weinberger *et al.,* (2007). In this study divergence was conceptualised as dissimilarity in knowledge or lack of alignment within the collaboration as affected by environment.

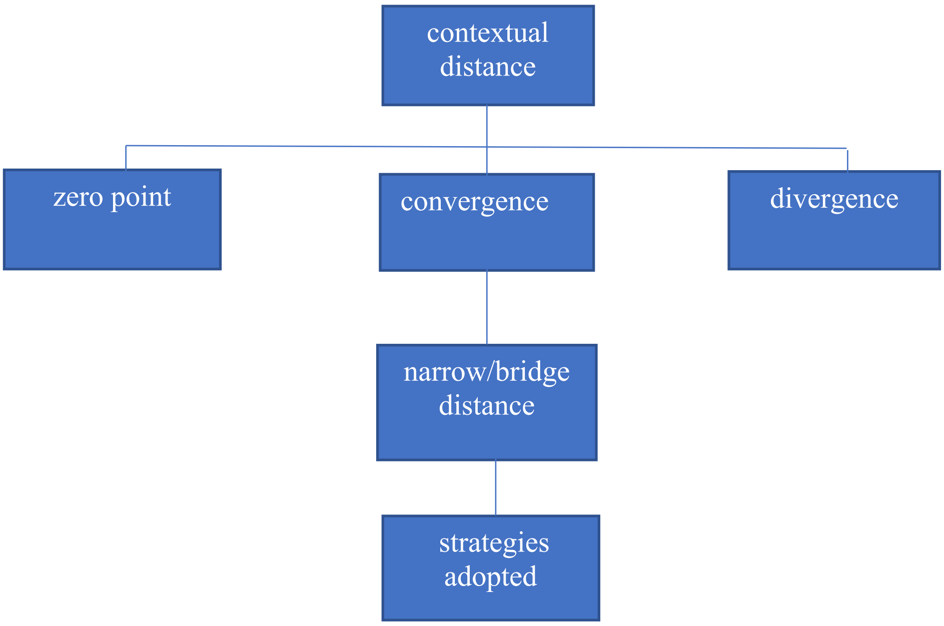
Chapter 6 also commenced with the initial analysis that further grouped findings under three categories as discussed previously. These categories are listed and explained as 1) **zero point** *(no distance identified)* – using the nine themes to identify contextual distance between cross-border and local participants, themes that developed to no distance identified after initial analysis of findings listed and discussed further under this heading. Themes classified under zero point category do not evolve to produce strategies to bridge distance as no distance exists; 2) **point of convergence** – using a case by case analysis of contextual distances between cross-border and local participants, the study was able to identify distances that emerged between the two. These distances are discussed under this heading and the strategies implemented to narrow or bridge contextual distance. In this context, points of convergence represent a mismatch of points of view or approaches, between two or more participants in a network, the mismatch may also include the environment that contributes to the frustration of one or more participants.

However, through constant interaction and embracing of various strategies between participant and or the environment, an alignment may be achieved within the network resulting in a reduction of distance. Because the differences are narrowed or bridged, convergence is observed. Jeong and Chi (2007) suggested that similarity and connections of knowledge may be attained when participants are familiar with the identical environment and cultural circumstances or collaboratively understand setting or respond to difficulties together. This heading discusses this type of distance that result in convergence and alignment of knowledge; and lastly 3) **points of divergence** –contextual distances identified under this heading were distances that could not be narrowed or bridged by participants involved in the network. These differences represent an uncorrectable mismatch of points of view or approaches that tend to result in frustration. The uncorrectable nature of the mismatch tends to be attributable to the nature and type of the distance and its relationship with the context and or environment that is outside participants control to amend or adjust in order to control the distance.

7.2 Discussion of Findings

Discussion of findings have been grouped under the three categories identified in Chapter 6 reflected as *zero point* (*no distance identified), convergence and divergence*. This approach enabled a further systematic analysis and discussion of the findings. The findings were extracted and matched with the corresponding category of between zero, converge or diverge and analysed to find the resultant strategies implemented to bridge the distance. The systematic discussion of findings will follow the strategy as indicated in figure 7.1 below:

Figure 7.1: Systematic analysis and discussion of findings per contextual distance



7.2.1 Zero point

Intentional Distance

The findings under the intentional distance theme, revealed an alignment of intentions between cross-border and local firms in a collaboration network. Both the local and cross-border firm appeared aligned in their intentions for participating in the collaboration network. These intentions can be broadly summed up by quotation such as *"everyone is ultimately in it to win and make some money whilst at it, its business"* ***-CB8*** and another saying, *"the goal is to get the job done so we all get paid"* ***-CB5***. These quotations and many more similar ones from both cross-border and local participants are an indication that there was alignment of intention between the two participants in the collaboration. The goals of the projects were clearly defined upfront, contracts signed, and implementation took place. The study did not find any differences in opinions and points of view raised by participants and can conclude that there was no distance of intentions identified in this study between cross-border and local participants before, during and after the project. This finding was significant since it indicated that there was a match of intentions in the collaborations which contributes positively to project success.

The alignment of intentions between two participants may be attributed to the selection process of partners, where cross-border partner indicated that they adopted careful and rigorous selection processes to identify a local partner that aligns with their own goals and visions. The finding fits in a zero or flat point category where no distance/ difference between participants was identified. There was therefore no necessity to implement strategies to align, narrow or bridge distance as no distance was found to have existed under this theme and the theme rested at point zero and was flat.

7.2.2 Points of convergence

Cultural Distance

The findings under cultural distance revealed that distance exists between cross-border and local participants in a network. As identified in Chapter 6, the distance between cross-border and local firm was uncovered when cross-border participants indicated that the rest of SSA environment is different, difficult to manoeuvre than what they are used to in SA. This approach revealed the level of embeddedness they came with to the collaboration network. Some also explained how they initially replicated SA models in rest of SSA and how the approach was costly and resulted in failures and did not work, which signified the level of resistance and being closed to learning in a new environment. This difference was emphasized by most cross-border participants and located as a 'way of doing things' and affirmed that distance exists between the way cross-border does things, local participant and environment.

To overcome or narrow this distance, participants indicated that they adopted a strong reliance on a local partner that understands and appreciates these dynamics to assist them manoeuvre the new landscapes. Having realized the lack of knowledge and understanding of the 'way of doing things' in host country, cross-border realized the value of local partners and started learning from them and adapting to the new environment. The local partner has a good understanding of the cultural nuances, language, processes and standards. The cross-border survived by adapting and learning from the local participant, the way things are done hence there was a strong reliance on local partner. There was a gap in knowledge and understanding of the culture of the new environment, and cross-border looked to local partner to assist them bridge the gap by learning and acclimatizing themselves to new environment. The local partner filled this gap and led the facilitation required and gave necessary advice to close this gap. The cross-border *first got it wrong and learned from their mistakes*. This approach or strategy benefited both participants in a network and some shift or learning took place, while cross-border adapted to new environment. The partners established a way of navigating the difference by acknowledging, learning, trusting and adapting to the new environment in order to bridge the difference. Trust was a main conduit that facilitated the bridging of this difference. This is in line with Gulati (1995) who indicated that as the duration of a cross-cultural relationship increases, trust is expected to improve and the cultural distances tend to shrink (Meschi, 1997).

The cultural and economic connections between South Africa and the host country are significant in deciding the location of where South African firms internationalise. This was found to be similar to Chinese and Indian firms (Pradhan and Singh 2011; Ramasamy, Yeung, and Laforet, 2012) but different with Russian firms (Anwar and Mughal, 2015). Anwar *et al.,* (2017) found that South African MNEs give importance to former presence of business or investment bonds between South Africa and the target country in their acquisition decisions. Likewise, similar to Indian MNEs (Anwar and Mughal, 2013), linguistic affinity appears to be important for South African MNEs. Most of the South African cross-border mergers and acquisition. They found that cross-border mergers and acquisitions of SA firms take place around the world in countries such as the U.K., the United States, Australia, Canada, Kenya and Nigeria where English is widely spoken.

Organizational Distance

Cross-border firm did not seem to be affected much by the organizational differences of firms that exist. They alleged that partners that participate in the project are principals and are able to make decisions representing their organizations but, on the contrary, adopted a hierarchical type of approach to manage participants in meetings. This type of approach was domineering, and authoritative which local was not used to or appreciative of. Local partner believed that cross-border partner is often dictatorial, pushy and always wants to be in charge. The organisational differences such as culture, processes, authority, hierarchy and work ethic or way of doing were observed by participants in the transnational network. Local partner advised that cross-border partners may find new environment different to what they are used to and this may be somewhat uncomfortable for them. The cross-border partner was advised to understand that not all things that work well in their home country works the same in other places and they need to have faith in other people's systems.

These behaviours reflected an organizational difference that related to organizational culture of the two organizations. To align these differences, it required participants establish a relationship of trust between themselves and adjust. As this relationship developed over time, participants, started acknowledging contribution of the other as beneficial to project success.

The distance was bridged over time as local participants showed they are capable of delivering, even though they did not have the financial capability and had not been exposed to the type of project before.

Relational Distance

It appeared from the findings that cross-border firms look for a longer term relationship with a local partner. They spent a lot of time vetting their partners and once they worked together on one project, they always preferred to continue working together in future to build the relationship as they understood each other better. Most participants advised that they had been working with their partners on more than one project. They also indicated that building a relationship takes time and they continue to invest in these relationships. Other participants that had not worked together longer term, indicated some difficulty in understanding work ethic of the other, but this was usually attended to by improving communication over time and building a better relationship. This process can be viewed as learning and understanding each other's behaviours and work ethic.

Frequently, these type of relationships tend to span over longer term depending on availability of future work. Most of this kind of private sector work is not publicly advertised/tendered for but awarded based on previous working relationships, experience and good track record. So forming good, solid relationships is always beneficial. Local partners get involved in these projects through referrals and word of mount coupled with their track record in home country. They look after the relationship in the hope of securing more future work as its always easier to continue the relationship because you understand each other's work ethic better. Generally these relationships are over long term dependent on availability of more work. These relationships are largely based on referrals, both parties look at building a long term relationship with each other and they handle these relationships with care. Some cross-border firms reported to have been invited to other projects by local firms and vice versa.

This was consistent with Anwar *et al.,* (2017) who found that economic ties and country ties to forums of mutual interest were a significant consideration for South African firms. Belonging to the same economic union as South Africa (proxy of membership of the SADC) is found to significantly increase the number of cross-border transactions the host country receives. Similarly, countries with which South Africa has signed BITs or DTTs host greater cross-border mergers and acquisition activity by South African MNCs. Investments are also higher in countries where South African firms invested in the previous year. The same positive association is evident in the context of South African CBMA during the past 3 years (results not shown). This evidence for trade and especially investment-related relationship thus seems to support the economic ties hypothesis. However, the finding was inconsistent with Dippenaar (2009) who found that country associations do not play a major role in firms' decision to invest in a country.

Knowledge Distance

Knowledge difference between participants was identified as moderate. The difference related to a gap in knowledge due to lack of exposure not lack of skill. This finding that local professionals are technically competent, possess skills but lack exposure is fundamental and not consistent with literature that suggests local firms lack skill (Osabutey *et al.,* 2014; Laryea, 2010). Both participants acknowledge they (locals) had the professional skills to execute the project. Because the local partner, lacked exposure and experience in big scale commercial projects, the implementation strategy adopted accommodated for this lack. The cross-border led the design aspects of the project with the local partner taking charge of implementation of designs on site. This approach worked well for both as cross border was assured they are implementing a quality design on site they had designed and they did not have to be in charge of site on a daily basis because of a geographical distance between home and host country location. Similarly for local partner who was in charge of site management, was able to understand the design and give input on what will work and will not work particularly in terms of choice of materials and their availability in local country.

The findings also demonstrated that local partners also possess good local knowledge that cross-border partner lacks. They are well networked and have a good understanding of local standards and deal better with issues on the ground. Whereas cross-border partner may provide financial capital and technical competence on the project among other things but local partner invests huge social capital on the project. The two partners are cognisant of this circumstance and that is why they deliberately adopt these strategies to deal with the difference. There is room for both to learn from each other. Under this theme, the observation was that there seems to be appreciation and acknowledgement of what each partner brings to the table and it is valued.

Resource Distance

Resource difference was identified to exist between cross-border and local firms/partners. Generally, the cross-border firm brings financial capability and technical competence or know how on the projects. They also bring in experience and exposure to these type of projects as they have been executing them for a long time, whereas local partner lacks exposure and experience and by extension will not have access to resources required for this experience, as indicated by software differences the findings revealed are misaligned between participants. The mismatch in resources is dealt with by recommending appropriate tools required to bridge the gap. Cross-border indicated that they offer technical training and exposure is often afforded to local firms. The findings revealed the cross-border firm used its resources to train others so they are technically competent in software or technology adopted on projects and they can perform to the same standard. They are offered support and exposed to design or software training to be compatible with the latest technology and systems used by industry.

Physical Distance

The findings commonly revealed that, physical distance was an inconsequential determinant deterring South African firms from investing in SSA. The distance exists in so far as the two participants in the network are geographically dispersed. However, strategies are adopted to minimise the distance. In the context of real estate development, the nature of the projects requires regular meetings and engagement with multiple stakeholders. This was achieved in the network through various modes of communication that were adopted including face-to-face meetings, email and telephone communication. Network connectivity in host country was reported to be good and in some cases even better than SA. Cross-border participants planned regular face-to-face meetings and site inspections in advance to tie into the scheduled travel plan indicating number of visits required in host country on a monthly basis. Travel is planned in advance detailing targets to be accomplished on each visit. Too much travelling was reported to be strenuous at times.

This finding was consistent with Anwar *et al.,* (2017) who found that the distance variable is insignificant in barring investments in African countries. They indicated that physical distance does not significantly affect South African cross-border activities (*ibid*). This corroborated with Luiz and Charalambous (2009) that geographical distance from the host country does not concern South African firms as long as adequate telecommunication and road infrastructure are available in the host country.

On the other hand, the local partner remained the eyes and ears on the ground and ensured smooth progress was achieved on site. Telephonic and email communication was used on a regular basis to communicate and address issues among participants involving the project. Local partners did not report any issues concerning physical distance and indicated that they are able to connect in other ways with their partners. They substantiated that face to face interactions take place per the planned programme and in between, electronic communication was also confirmed to be used. From the findings it appeared that the distance was manageable and participants adopted various strategies to narrow the distance.

Technical Distance

Technical distance was identified from the findings of the study. Key difference was the software differences that existed between firms. For instance as indicated, QS software had to be purchased and local staff trained in SA offices on the use of the new software for partners to be compatible. Software is used to help standardize quality of work as a particular standard is emphasised and expected by most professionals due to their associations with ISO standards that they are accredited with, which implies that the quality of their work must always comply to these standards.

Best practise is largely adopted and expected. Differences exist in the way things are done (*different processes, software and systems*), and exposure to each other's processes, software and systems enable participants to identify gaps and adopt training measures to standardise and the technical distance and ensure parties are working off the same script to meet standards and adhere to best practise. Whereas also when SA partner starts off with a credible local partner who understands the pace of processes and the environment, this minimises mismatched expectations and unfounded estimations and projections based on speculative timelines which are not understood resulting in delays. These 'perceived delays' can easily be factored in the programme with ease because local partner has this understanding.

Anwar *et al.,* (2017) suggested that besides better understanding African countries' challenging business and institutional environment compared to multinationals from non-African countries, South African firms often possess better technical know-how compared to other African competitors and are therefore well placed to make profitable ventures in the continent (Grobbelaar, 2004).

7.2.3 Points of divergence

Political Distance

The findings revealed the existence of political distance and its difficulty. Due to the nature of the political distance that was identified in this study, it is catalogued under points of divergence. The findings uncovered that there is ample frustration emanating from political distance in this study. The differences found in the study related to political instability, elections (*disordered and violent elections*), change of government (*change of laws*), currency depreciation, volatility, tax rate increases, withholding tax issues, laws on expatriation of funds out of country among other concerns. The concerns fell outside the project level but had a huge impact on the project and the performance of participants on the project. Transnational networks take into account the factors affecting the network at local/ project level, national level and country level and distance is created when these contextual factors affect or influence the performance of the network (Gharawi and Dawes, 2013). Participants in the transnational network were unable to reduce or bridge this distance as it was beyond their control, at the end of the project, divergence remained, and distance could not be bridged or narrowed. This finding highlights that distance may exist within a collaboration network, but may directly affect one party, their environment and their ability to perform in a network.

According to Luiz and Stephan (2012): "South African EMNEs have emerged from a home base with a relatively weaker institutional environment (relative to industrialized countries) and are therefore familiar with the challenges of doing business in countries with weak property rights, unpredictable and costly legal systems and the like". However, some institutional voids are beyond their control and have a negative impact on businesses (Anwar *et al.,* 2017). Whilst other studies suggest that firms from emerging countries with weak institutions may not be discouraged by political risks in the host countries (Buckley *et al.,* 2007 and Pradhan, 2011), findings in this study differed as participants highlighted how such issues as withholding tax, currency depreciation (*affecting rentals*) have a detrimental effect and are a risk to project success.

Welfare Distance

As one participant who had worked in Nigeria, Sudan and Chad among other countries also raised issues such as threats of terrorism, kidnapping and other safety concerns. Threats of terrorism, bombings, kidnapping, diseases, food poisoning and riots were the primary concerns raised by other cross-border firms when working in new frontiers throughout SSA. The findings revealed that military escorts and private bodyguards are sometimes utilised to avert security concerns in some parts of SSA when executing projects. As was relayed by one participant, these escorts accompanied participants to site meetings and waited outside to guarantee the safety of individual partners.

Health issues were also a huge concern to cross-border participants, as there were no private hospitals in some of the countries. Government (public) hospitals in most parts are generally overcrowded, lack basic equipment and understaffed compromising the quality of medical and health care, and patients run the risk of secondary infections in this setting. As one participants indicated that in instances when they needed serious medical attention, they had been airlifted to their home country for medical attention.

Food poisoning was a concern and it related to the different kinds of foods available in other countries, citing that different regions are used to different types of food and some food offered in other countries they are sensitive to and they react to it. Also risk of contracting Ebola and malaria in other parts was identified as a real risk. Poor quality of drinking water and sanitation was also raised as a concern. The welfare distance arises due to the nature of the environment participants are exposed to. Despite some attempt by participants to mitigate this distance by getting military escorts and being flown out to their home country for medical attention, this distance is not resolved and remains diverged. Instead, these participants are seen to be attending or dealing with individual events as they experience them, the best way they can at that point in time, therefore not treating the root cause of the problem that will help them narrow the distance. Their approach can be attributed to the fact that this distance falls outside the control of participants within the network and they are unable to bridge this distance and it results in divergence.

7.3 Objectives of the study

The specific objectives of the research were:

- To identify contextual distance/ differences that exists within the transnational networks of private real estate collaborations in SSA.
- To investigate how both (local and cross-border) parties to the transnational network navigate and bridge these differences in order to meet the objectives of the collaboration.
- To test the relevance and applicability of Transnational Public Sector Network (TPSN) model to close contextual distances in the private real estate context in SSA;
- To develop a set of generic principles informed by existing practices currently utilized by the (local and cross-border) firms that are based on their experiences navigating the contextual differences.

The study has accomplished the fulfilment of its two objectives, objective 1 and objective 2. In chapter 6, the study reported on the nine contextual distances that arise in the real estate setting between cross-border and local partner, represented in a matrix format with some initial analysis. Identifying these distances ensured that the study achieved its first objective which was:

- To identify contextual distance/ differences that exists within the transnational networks of private real estate collaborations in SSA.

Subsequent to that the study in this chapter, Chapter 7 discussed the findings and drew some patterns on how participants navigated the differences and how what they did to narrow and bridge these distances. Whilst focusing on that and studied the pattern of themes in depth, the study was able to make a realisation of a pattern where themes fell across the three main categories that related distance into three broad categories: 1) no distance was found in these themes; 2) where distance was identified, it was narrowed or bridged throughout the duration of the project and 3) where distance was identified, it was not narrowed or bridged and remained even after completion of project. These three categories mandated that the findings be arranged into the three categories so they can be analysed further and understood better.

These findings were sorted and denoted to categories as 1) *zero* distance; no distance identified during the project; 2) point of *convergence* where differences existed but participants employed strategies to bridge distance and reach convergence during the project and 3) point of *divergence* where distance could not be bridged until completion of the project. All the three categories are explained in detail at the beginning of the chapter. Following this trail of thought and sorting the findings accordingly, the study focused on the second category where findings revealed that participants were able to narrow/bridge distance in each theme. These distances were cultural distance, organisational distance, relational distance, technical distance, physical distance, knowledge distance and resource distance, which were a total of 7 distances. The study utilised these 7 distances to learn how participants narrowed or bridged distance that existed in the network. Under discussion of each of the 7 themes, the study discussed how each theme arrived at a point of convergence where distance was narrowed to identify the strategies that were adopted by participants to narrow distances. This process assisted the study to fulfil its second objective which read:

- To investigate how both (local and cross-border) parties to the transnational network navigate and bridge these differences in order to meet the objectives of the collaboration.

The chapter that follows will focus on detailing how the last two objectives of the study will be fulfilled and offer conclusion and recommendations.

7.4 Conclusion

This chapter discussed the findings of the study in detail. It first reviewed the order that was followed to guide these discussions. The main purpose of this approach was to ensure that the study links the findings back to the objectives of the study in order to ensure that the main research question is answered. The discussions were structured under three main categories namely, zero point, point of convergence and point of divergence. These three points were used to illustrate the type of findings per theme and each relevant theme was discussed under one of the three categories. From the three categories, points of convergence represented by 7 contextual distances were the key distances that enabled further findings and fulfilling further objectives of the study. Objective 2, was fulfilled in this chapter and the next chapter will focus on the third and fourth objectives further analysing the 7 contextual distances categorized under points of convergence.

8. CONCLUSION AND RECOMMENDATIONS

8.1 Introduction

This chapter addresses the last two objectives of the study, objective 3 and 4. In order to fulfil these objectives the chapter will develop generic practices that are utilised by firms when navigating the contextual distance or difference in order to meet project goals, which fulfils objective 4 after which a conclusion will be drawn on the findings of the study. Further recommendations, limitations and constraints of the study, research contributions and suggestions for further research will be discussed.

The chapter begins by demonstrating how the remainder of the two objectives, objective 3 and 4 were addressed and they are indicated below:

- To test the relevance and applicability of Transnational Public Sector Network (TPSN) model to close contextual distances in the private real estate context in SSA;
- To develop a set of generic principles/practises informed by existing practices currently utilized by the (local and cross-border) firms that are based on their experiences navigating the contextual differences.

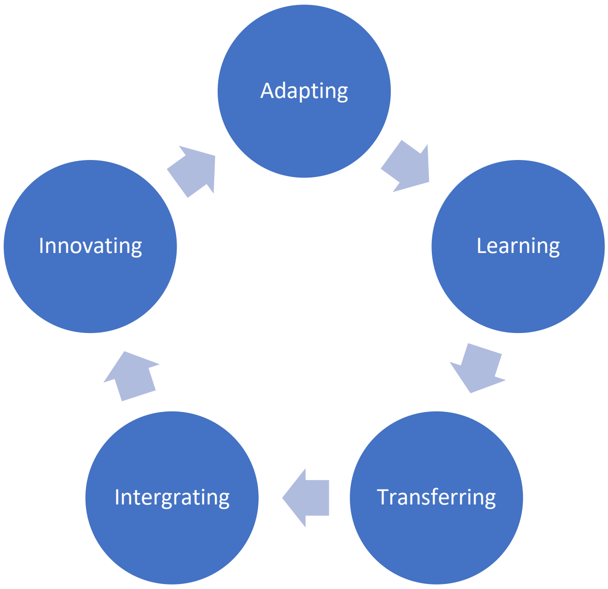
8.2 Summary of key findings

Emanating from the previous Chapter 7 that discussed findings of the study in the detail, the strategies utilised by participants to navigate their way in order to narrow or bridge contextual distances within the network were highlighted and discussed. The section narrows down to focus on the 7 contextual distances identified as affected by distance that was narrowed or bridged in the network. The focus below was on identifying the generic practices utilised to narrow or bridge distances, in order to be in line and fulfil objective 4 of the study. The key 7 contextual distances focused on were cultural distance, organisational distance, relational distance, technical distance, physical distance, knowledge distance and resource distance as they were the distances that proved to achieve a point of convergence that narrowed or bridged distance.

8.2.1 Identification and discussion of generic principles or practices utilised

Whilst exploring how cross-border and local firms bridge contextual distance in order to perform optimally and achieve project goals, the researcher documented in previous Chapter different ways used to narrow and bridge distances. From this information, the study was able to draw from it, formulate and deduce the generic principles informed by these existing practises that are utilized by both local and cross border firms to navigate their differences in order to meet project objectives. The key findings deduced from the existing practises utilised by participants to narrow or bridge contextual distance are summarised and grouped as adapt, learn, transfer, integrate and innovate. These were the key consistent tactics that were identified as measures used throughout 7 contextual distances. These are presented as the 5 key strategies that were adopted by cross-border and local participants to narrow and bridge the distance within the collaboration network. The practises are illustrated and discussed below:

Figure 8.1: Five generic principles or practices that bridge contextual distance



- **ADAPTING:** When participants experience change in the new environment, uniqueness and uncertainty, they alter what they think, do and feel in order to counter the situation. Adapting is the when participants change the way they think, act and feel in order to deal with a change in environment. They consider different choices, commissioning unusual arrangements and activities to improve and traverse the setting they find themselves in. Deducing from the findings, there was a general realisation and acceptance by cross-border participants that they needed to alter their thoughts about the situation and acclimatise to a new environment. Observing from the cultural distance theme that identified the difference in the way participants did things, the findings revealed that adapting to the 'new' way of doing things in the host country was a successful strategy adopted by participants that helped narrow the cultural distance. Adapting refers to the adjustments made to align with the realities of the new environment. The acclimatisation of partners coupled with the trust placed on local partners to lead local matters enabled them time to familiarise themselves with the ways of doing things in the new environment and made them rely on local partners to guide and direct local matters as they had the knowledge and understanding of the local nuances in their environments.

- **LEARNING**: Learning involves a process of developing new understanding, acquiring new knowledge, actions, skills, beliefs, mindsets, and inclinations. Equally from the findings, the study is able to pick up evidence of instances participants adopted a learning approach, learnt what was essential in order to narrow and bridge a distance that existed. Similarly, as with the abovementioned cultural distance, learning was adopted as there was a realisation from cross-border participants that the new environment is different from what they were used to. They learnt to adapt to a new environment. Learning involves realising, discovering and understanding that the status quo requires a different approach in order to work and achieve better results. Also, in other instances where differences were identified where local participants lacked exposure to software, learning occurred as they were trained to narrow and bridge the gap that existed under the technical distance and resource distance theme.
- **TRANSFERRING:** The movement of knowledge from source to recipient results in knowledge transfer. There are numerous instances that can be presented as evidence of how participants transferred knowledge to one another to narrow and bridge distance in the network. There were bidirectional and multi-directional flows of knowledge as locals transferred knowledge to cross-border, cross-border transferred to locals and various interactions with external stakeholders. Locals transferred their local knowledge to cross-border partners through advising on suitable and available building materials in home country, advising on local processes of obtaining project approvals from local authorities among other things. They transferred their knowledge to the cross-border partner to bridge distance that existed in order to meet project objectives. Correspondingly, cross-border partners transferred knowledge to local partner whilst designing and leading complex projects that local partner had not been exposed to before. Knowledge was transferred through offering training sessions to local partner, exposure to a different kind of building and project experience. These examples of incidents where transfer of knowledge was identified emanate from different themes

that range from cultural distance, organisational distance, technical distance, resource distance and knowledge distance.

- **INTERGRATING:** The findings revealed that ultimately the participants from both local and cross-border firms managed to bridge the different contextual distances that existed by integrating their technical know-how and, financial capacity, local knowledge and experience and exposure to create a successful product that they set to achieve. Integration of resources, knowledge and local nuances informed and directed participants to achieving success and meeting project goals. Integrating all strategies employed to narrow or bridge distance on a project and also managing the distance that could not be bridged under points of divergence enabled project success.
- **INNOVATING:** In bridging distances through adapting, learning, transferring and integrating all components of the system under different contextual distance, both cross-border and local partner managed to created new product that did not exist before in most countries. In this study, the findings reveal that contextual distances were reduced or bridged by, each participant in the network and making a meaningful contribution to the success of the project. A bidirectional flow of knowledge between cross-border and local partners was identified but largely a multidirectional flow led the project and knowledge came from numerous sources including external parties like, local authority, local communities, local, chiefs, other professionals that were not in a collaboration network. This multidirectional flow of knowledge contributed significantly and enable the innovation of a new product delivered by cross-border and local participants in a transnational network.

Different strategies were identified that were used to narrow and bridge distance. These strategies under different themes were considered and understood to formulate generic principles or practise employed to narrow distance. These generic principles were comprehended and concluded as: Adapting, Learning, Transferring, Integrating and Innovation of knowledge to bridge contextual distance and were expanded on earlier. This enabled the study to fulfil the fourth objective indicated below:

- To develop a set of generic principles/practises informed by existing practices currently utilized by the (local and cross-border) firms that are based on their experiences navigating the contextual differences.

These 5 generic principles found in the study are consistent with current literature on market entry in emerging markets where approaches utilised by firms to deal with institutional voids in host countries are comparable (Chipp *et al.,* 2019). 'Institutional voids can include underdeveloped or absent capital markets, small or non-existent skilled labour pools, and poor regulatory environments' (Khanna and Palepu, 1997). Common approaches in literature were identified as 'adapting to local conditions by internalizing functions, secondly, the firms shape or alter institutional conditions in the host country, or thirdly firms basically circumvent environments with institutional voids altogether' (Doh *et al.,* 2017). In their study Chipp *et al.,* (2019) 'proposed an alternative approach using loose network as an entry mode'.

8.2.2 Relevance and applicability of TPSKN in private real estate

The transnational public sector knowledge network was adopted to guide the empirical study and to test its relevance and applicability in the private real estate context. In order to test the relevance and applicability of TPSKN, the study adopted this model for use as a guide to collect empirical data of the 11 cases comprised of cross-border and local participants. The inquiry in the form of interviews was used to collect empirical data correlating to nine (9) contextual distances comprised in the TPSKN which included, cultural distance, political distance, organisational distance, resource distance, relational distance, knowledge distance, physical distance, intentional distance and technical distance.

Of the nine contextual distances, empirical data collected discovered differences from seven (7) themes of contextual distance. These differences from the 7 themes enabled the researcher to identify strategies that were adopted by participant when navigating differences to narrow and bridge contextual distance. Only one theme (1) intentional distance, did not exhibit differences between participants or with environment, and was therefore not used further to study the practices adopted to narrow distance. Political distance was one (1) other theme that could not be studied further and was excluded because participants did not employ any strategies to narrow and bridge this distance due to the fact that the distance was beyond their control. They could not make any adjustments to it, it was out of their hands and influence.

There was a notable emergence of a new contextual distance in the real estate sector context in SSA. This resulted in another one (1) supplementary theme that was also not discussed further, for the same reason as political distance was not discussed further, participants could not adopt strategies to narrow or bridge Welfare distance. Focus and observations moved to the seven (7) themes, that adopted different strategies to narrow and bridge contextual distance. In these 7 themes the distance was bridged using 5 generic practises that were observed from participants behaviours and various actions adopted to narrow the distance. These were broadly categorised and identified as, adapting, learning, transferring, integrating and innovation.

To conclude, the study found that TPKSN was relevant and applicable in private real estate context. TPKSN was utilised as a blueprint throughout the study and set the frame for data collection and thematic analysis of data using the nine contextual distances. Throughout the study the TPKSN frame aligned with empirical evidence collected. It also provided ease of analysis in a thematic fashion using the nine contextual distances as the themes to focus on in order to understand the contextual distances between cross-border and local participants in real estate context. TPKSN was the conceptual framework that guided the study and subsequent thematic analysis of data gathering between cross-border and local participants in order to fulfil the following:

- identifying distance between local and cross-border,
- learn and understand how the parties navigate in the network to narrow or bridge distance; and
- develop a generic set of principles or practises utilised to bridge distance.

The testing of TPKSN conceptual framework concerned its implementation and application in a different real estate sector and a different context in SSA. It was found to be suitable, relevant and applicable for use in private real estate context. All contextual distances in the conceptual framework aligned with empirical data and were applicable and relevant in a real estate context. The framework was a fit that provided guidance on transnational interactions between parties in a collaboration. The study saw an emergence of a new theme in the context of real estate in SSA, termed Welfare distance that extends literature to suit a different context. This finding is discussed in detail in the next paragraph. This affirms the relevance and applicability of the conceptual framework in the study and fulfils and conclude the third (3) objective of the study which was;

- To test the relevance and applicability of Transnational Public Sector Network (TPSN) model to close contextual distances in the private real estate context in SSA;

8.2.3 Knowledge difference between local firm and cross-border firm

The finding that local firms possess technical knowledge but lacked exposure to a different type of asset (which did not exist before in their home country) was unexpected and not consistent with literature that suggests local firms in Africa lack technical knowledge, with the exception of SA firms (Osabutey *et al.,* 2014).

8.3 Conclusions from main findings

The study set out to achieve 4 key objectives namely:

- To identify contextual distance/ differences that exists within the transnational networks of private real estate collaborations in SSA.
- To investigate how both (local and cross-border) parties to the transnational network navigate and bridge these differences in order to meet the objectives of the collaboration.
- To test the relevance and applicability of Transnational Public Sector Network (TPSN) model to close contextual distances in the private real estate context in SSA;
- To develop a set of generic principles/practises informed by existing practices currently utilized by the (local and cross-border) firms that are based on their experiences navigating the contextual differences.

The study succeeded in fulfilling and meeting all its 4 objectives by identifying the differences that exist in a network between cross-border and local firms in real estate, learned how the parties in a network narrow or bridge contextual distance, used the TPSKN conceptual framework as a test in the real estate context and found that it is relevant and applicable for use in real estate context and finally developed a set of five generic practices that were found in the study to be utilized by firms to navigate contextual distances. These practices aid firms to narrow distance and achieve projects goals and success.

8.3.1 Five generic practices adopted

Retaining emphasis on contextual distances that achieved points of convergence in the analysis, these distances were discussed and analysed further. From their analysis, parallels were drawn from approaches and conducts participants adopted within the network to deal with differences. These approaches were analysed, synthesized and integrated to accomplish a configuration of action that were broadly adopted by participants to narrow and bridge contextual distance. The outcome of this resulted in the development of generic practices that were broadly utilized by cross-border and local participants to deal with contextual distance within a collaboration network. These generic practices abetted in narrowing or bridging contextual distance in a network and were simplified and catalogued as; adapting, learning, transferring, integrating and innovating. These key findings enabled the researcher to answer the research question below:

The main research question the study aimed to answer was:

'*What are the practises that are adopted by both cross-border and local firms in private real estate collaboration networks in SSA in order to bridge contextual distances?'*

In answering the question above, diverse practices were adopted by cross-border and local firms in private real estate and these incorporated adapting; learning; transferring; integrating and innovating. Knowledge created within the network is shared between participants as they adapt to the environment and way of doing things, integrate their knowledge bases, transfer knowledge where there are gaps and this interaction results in innovation of new products (*real estate assets*) that achieve project goals. The findings of the study conclude that these are the 5 generic principles or practises that are adopted by firms to narrow and bridge differences that exist in the collaboration networks in real estate context in SSA.

8.3.2 Emergence of a new contextual distance

The study achieved its aim of identifying contextual distances that exist between cross-border and local firms in private real estate collaboration networks. It fulfilled all its research objectives and answered the main research question.

Further to that, from the data collected from participants in the study, the data was categorised into 9 themes derived from the TPSKN conceptual framework. Whilst this data was sorted, some parts of dissimilar data emerged and could not be correctly located within the existing contextual distance categories currently available as the 9 themes or distances. This data was then grouped together and analysed to understand what it means and relates to, and also where it can best be positioned. Appreciating that all the components from this findings related to aspects of risk, welfare of participants in the network, a new theme emerged catalogued as Welfare distance which best suited situating this data under. The emergence of a new contextual distance in the study is in line with Dawes *et al.,* (2012) observation that different contexts may present different results. The case studies examined under this study are characterised as a different sector case which was real estate, compared to the two case studies for air quality and health project cases that examined the adoption of advance technology (Gharawi and Dawes, 2013). This finding extends literature to include the tenth (10) contextual distance which was found in this study to be Welfare distance. This finding is relevant and suitable to a different context where Welfare distance prevails and impact on project goals and delivery of projects by partners involved in a collaboration network.

8.4 Research contributions

Empirical investigations conducted, researched the contextual distances that exist between cross-border and local participants and learned how participants in a collaboration network navigate these distances to narrow or bridge the distance.

Findings of the study were insightful and provide direction on what strategies are implemented to narrow distance by cross-border and local partners in a collaboration network in real estate context in SSA. The findings underscored that adaptation, learning, transferring, integration and innovation are the key practices that are utilized by parties to deal with differences in a collaboration network.

The research identified specific contributions made by the study in different arena including contribution to theory, contribution to industry practitioner, contribution to academics and researchers and lastly contribution to policy makers.

8.4.1 Contributions of the research to theory

The findings of the study contribute to knowledge and extend literature by advancing Dawes *et al.,* (2012) conceptual framework for TPSKN adopted in the study. The conceptual framework is extended, and it incorporates an emerging contextual distance generated in the findings of the study termed Welfare distance. The study found that Welfare distance emerged in line with the context of SSA. As elaborated in Chapter 2, it was indicated that many cities across SSA are under enormous pressure to provide infrastructure and respond to the exponential rate of urbanization taking place. Given this context, it is therefore not surprising that this study finds that there are Welfare issues that create distance within the network and 'actors' or participants constantly attempt to find ways to reduce or bridge contextual distance.

The study makes a distinctive theoretical contribution using a unique context of SSA in private real estate sector.

8.4.2 Contribution of the research to industry practitioners

The findings of the study are relevant and make a significant contribution to knowledge. Industry practitioners, predominantly those practitioners that access opportunities in new markets and local participants are key targets. These professionals may include quantity surveyors, architects, engineers, property developers, town planners, market researchers and many other that partake in real estate development process from initiation through to completion. The study extends our knowledge and understanding of the different environment's professionals in cross-border networks work in and are exposed to in new markets. The study makes a contribution to professionals with its findings that guide and advise how the contextual differences are narrowed or bridged to achieve project success. The practices included adaptation, learning, transferring, integrating and innovation as main practices adopted to narrow contextual distance. Adopting these practices reduces the risk of friction and delays on collaboration networks and contribute to meeting project goals. The findings also contribute to extending knowledge of practitioner on the diverse differences they are likely to encounter so they prepare and adopt an open approach that is less embedded when joining collaboration networks.

8.4.3 Contribution of the research to academics and researchers

The findings are significant to researchers and academics alike as they contribute to knowledge and further understanding of how distance impacts participants in a network and responses that are adopted to narrow and bridge distance. The study can be used as a referencing tool in studies concerned with strategies for entering new markets, knowledge transfer, collaboration networks and knowledge sharing by scholars in many fields. The findings of the study produced a depth of knowledge that can be used to formulate models for transnational collaborations and contribute to expanding current conceptual framework on minimizing contextual distance in collaboration networks.

8.4.4 Contribution of the study to policy makers

Due to the nature of the findings of the study on transnational collaboration impacting on politics, safety, laws and processes as some of the challenges to navigate within collaboration. The study has a potential to contribute knowledge that will inform and guide policy makers when making policy decisions. It has a potential to contribute information on the diverse contextual differences that exist in different home country environments and how these affect businesses and professionals. The adjustment of country policies to harmonize and align differences that have a negative impact on investment and businesses may contribute to increases in foreign direct investment, improvement of processes and transparency of markets among other benefits.

8.5 Limitations of the study

The challenge of obtaining large samples in qualitative research is acknowledged. Likewise, with this study, 11 cases were identified for this study where 22 participants comprising of (11) local and (11) cross-border participants were interviewed. The feasibility of interviewing a large number of participants is unworkable and time consuming. A smaller number of participants were interviewed but the sample chosen through purposive sampling and snowballing sampling were reliable and knowledgeable participants, who opened themselves to explore the contextual differences of working in a collaboration network with each other. Also, based on the context of the study which reviewed cross-border (SA) and local firms in rest of SSA, the population of these participants is a very small population as this is a new phenomenon and these kinds of projects are still emerging across SSA. Moreover, the same firms/ participants work in different projects in different countries further reducing the population size of potential participants. The key participants that were interviewed comprising of cross-border and local partners had depth of knowledge and were able to explore and address all the issues discussed in the study.

8.6 Recommendations

Through the use of Dawes *et al.,* (2012) conceptual framework that formed the basis for analysing the nine differences that exist in private real estate, the emergence of a new theme catalogued as welfare distance was recognised in the study. This difference explored and incorporated various risks, health related issues and safety related differences and concerns that participants representing their firms exposed themselves to whilst working in different countries across SSA. The difference impact on performance of participants in the collaboration network and therefore affect project delivery. This could be a unique finding for a unique environment in SSA. However, it is recommended that further research be conducted to find if welfare issues are relevant in a different sector or a different environment similar to

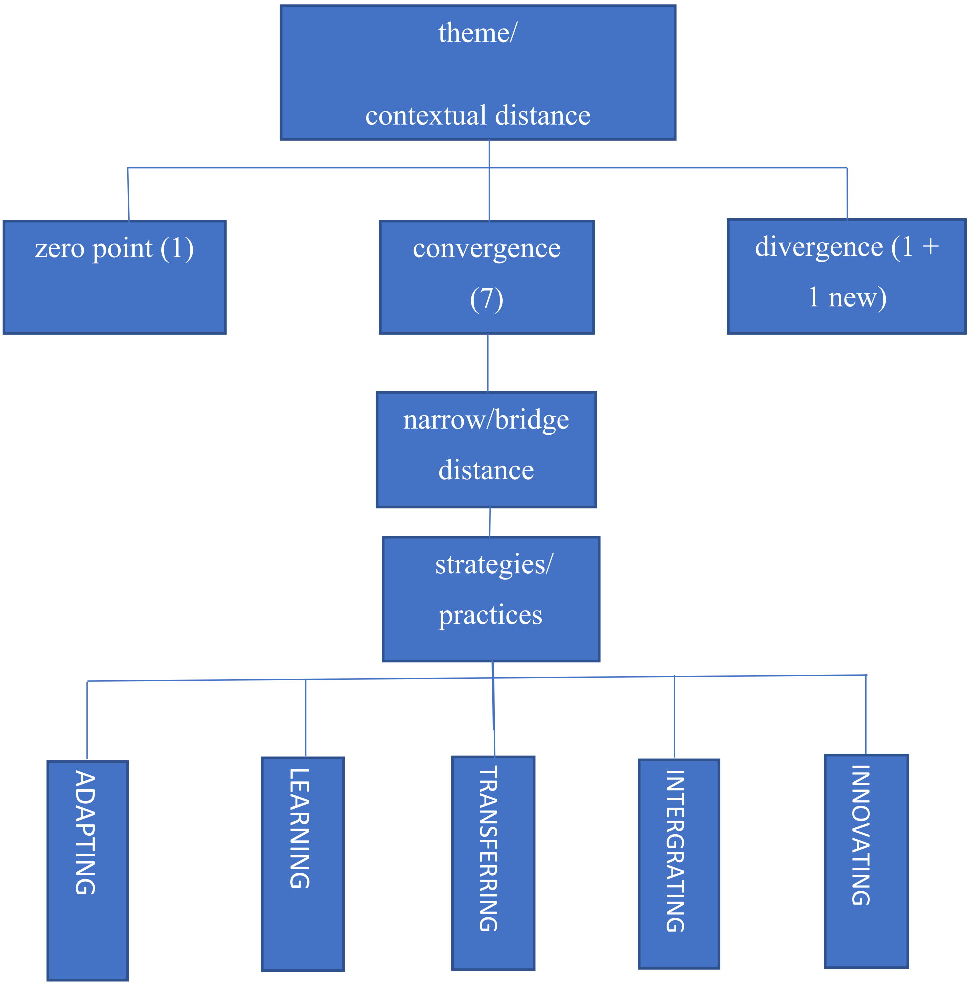
SSA. It is also recommended that investigation be carried out on how contextual distances that reflected points of divergence in this study including welfare distance and political distance can be narrowed to minimise the differences that exist under those themes as they also affect project success. Further, another study may look at measuring which distance has the most impact on project success or failure comparing the 10 contextual distance in a collaboration network.

8.7 Suggestions for further work

It is suggested that further work be conducted on the following, based on the findings of this study:

- Generic practices utilized by private real estate cross-border and local partners in SSA be tested in a different industry sector or a different context as a comparable study to highlights the contextual nuances that potentially affect diverse environments in different ways.
- Also, it is recommended that further work be carried out to ascertain the impact of each contextual distance on the project success and provide a ranking of the distances according to the order of their importance/ impact on the project.
- Further investigation on the concept of distance, relating to measurements of tolerance -how much each project can tolerate differences and achieve project goals (tolerable and intolerable levels of difference) in networks that create a conflict that affects project delivery.
- Welfare distance be tested in a different sector or other environments similar to SSA.
- Other differences/distances that are not part of a TPKSN but are relevant in transnational network may also be tested in the same context to compare results, differences such as psychic distance, corruption distance and economic distance among others.

Figure 8.2: Diagrammatic illustration of generic practices to bridge distance



Source: Author (2022)

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APPENDIX A: Ethics Clearance Form

APPENDIX B: Participant Information Sheet

University of the Witwatersrand
1 Jan Smuts Avenue,
Braamfontein
Johannesburg
2000

Dear Sir/Madam

I hope this letter finds you well.

My name is Pride Ndlovu and I am a PhD student at Wits University in Johannesburg. As part of my studies I have to undertake a research project, and I am investigating the transnational knowledge transfer between cross-border and local private real estate firms in Sub-Saharan Africa. The aim of this research project is to learn from firms/ partners (both local and cross-border) how they navigate difficulties within the network/ project in order to work together and achieve their project goals. There are nine themes I will focus on namely: physical difference, political difference, technical difference, organisational difference, resource difference, relational difference, knowledge difference, intention difference, and cultural difference. A case of private real estate joint ventures or collaboration comprising of local firm and cross-border firms (forming a transnational collaboration) in Sub-Saharan Africa is used to understand and learn how parties within the network navigate distances or differences and transfer knowledge.

As part of this project, I would like to invite you to take part in an interview. The interview will be conducted in your offices during normal business hours. The interview will involve answering questions about your experience undertaking real estate development projects in collaboration with cross-border or local firm in Sub-Saharan Africa. Both partners to the collaboration are to be interviewed individually and the interview will take around 40 minutes. With your permission, I would like to record the interview using a digital device.

You will not receive any direct benefits from participating in this study. There will be no cost, no payment associated with your participation in this study and there are no disadvantages or penalties for not participating. You may withdraw at any time or not answer any question if you do not want to. The interview will be completely confidential, and the information you give to me will be held securely and not disclosed to anyone else. I will be using a pseudonym (false name) to represent your participation, in my final research report. If you experience any distress or discomfort, we will stop the interview or resume another time. If you have any questions afterwards about this research, feel free to contact me on the details listed below. This study will be written up as a research report which will be available online through the University library website. If you wish to receive a summary of this report, I will be happy to send it to you upon request. If you have any queries, concerns or complaints regarding the ethical procedures of this study, you are welcome to contact the University Human Research

Ethics Committee (non-medical), telephone +27(0) 11 717 1408, email Shaun.Schoeman@wits.ac.za

Yours sincerely,

Pride Ndlovu (Ms.)

Researcher name: Pride Ndlovu, pride.ndlovu@wits.ac.za, 011 717 7663

Supervisor name: Professor David Root, david.root@wits.ac.za, 011 717 7663

APPENDIX C: The Formal Consent Form

Enhancing transnational knowledge transfer: the context of cross-border and local firms in private real estate collaborations in Sub-Saharan Africa

I ……………………………………….. agree to participate in this research project. The research has been explained to me and I understand what my participation will involve.

I agree that my participation will remain confidential YES NO (please circle)

I agree that the researcher may use coding/anonymous quotes

in her research report YES NO

I agree that the interview may be audio recorded YES NO

I agree that the information I provide may be used YES NO

anonymously by other researchers following this study

…………………………………… (signature)

…………………………………… (name of participant) (optional)

…………………………………… (date)

APPENDIX D: Research Instrument (Semi-structured schedule)

Basic Company Profile and Experience

General overview of transnational experience to determine areas of focus

What experience do you have working in cross-border projects or with cross-border partner in SSA?

Strategy used to enter new market/ How do you choose countries to work in? /how do you get selected or select partner to work on projects?

How is collaboration managed? Is there a dominant partner in the network, why?

How do you work together or relate to each other in a collaboration? What works well within collaboration and what doesn't work very well?

How does the project team relate to external stakeholders of the project, why and further suggestions?

What are your views on what your role and contribution is vs. theirs?

What are the differences you experience in the new environment and how do you deal with them? / Differences experienced when working with cross-border partner and how handled?

What is the main goal why you get involved in the project?

Inquiring on their perception and experiences of organizational goals, organizational differences and organizational culture and its impact on the collaboration?