South African MNCs' HRM Systems and Practices at the Subsidiary Level: Insights From Subsidiaries in Nigeria

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Abstract

Despite the extensive literature on multinational companies' (MNCs) human resource management (HRM) systems and practices from developed countries, there are gaps in the literature concerning emerging countries multinational companies' (EMNCs) HRM practices and systems at home and host countries. This thesis examines the transfer of HRM practices in Nigerian subsidiaries of MNCs from South Africa (an emerging country). This study empirically examines the similarities and differences of South African MNCs' HRM systems and practices at both the South African headquarters and the subsidiaries in Nigeria. Purposely, the study attempts to shed light on the nature of the employment practices, the transfer of HRM practices and the factors that influence the transfer process. The study adopted a qualitative approach with data/evidence collected through in-depth semi-structured interviews. It focused on group discussions conducted in the subsidiaries of three South African MNCs in Nigeria. The data was gathered primarily from HR managers, directors and officers in the Nigerian subsidiaries of the South African MNCs. The study revealed that the South African MNCs hybridised their recruitment and selection processes and localised compensation and employee relations. However, performance appraisal, talent management and code of conduct practices were mainly transferred to subsidiaries with minimal adaptation to contextual realities. Further research and practical implications are discussed in this thesis.

Declaration

This work has not previously been accepted in substance for any degree and is not being concurrently submitted in candidature for any degree.

Signed [redacted]

Date ....25-11-2020...

Statement 1

This thesis is the result of my own investigations, except where otherwise stated. Where correction services have been used, the extent and nature of the correction is clearly marked in a footnote(s). Other sources are acknowledged by footnotes giving explicit references. A bibliography is appended.

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Statement 2

I hereby, acknowledged that the Swansea University's ethical procedure have been followed and, ethical approval has been granted.

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List of Abbreviations

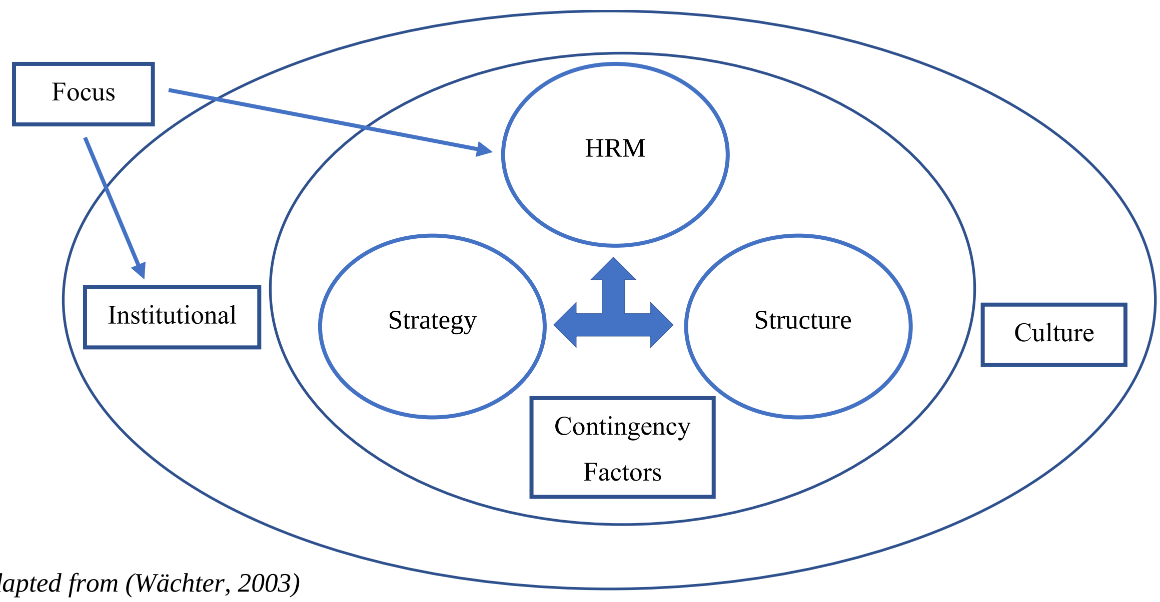
EMNCs	Emergent Multinational Companies
FDI	Foreign Direct Investment
GDP	Gross Domestic Products
HRM	Human Resource Management
IHRM	International Human Resource Management
HR	Human Resource
HQ	Headquarter
MNCs	Multinational companies
NYSC	National Youth Service Corps
SA	South Africa

Chapter 1: Introduction

1.1 Background

The rapid pace of globalisation and the increasing openness of economies continue to create new market opportunities, which have led to a proliferation of companies that transcend national borders. As a result, multinational companies (MNCs) are expanding their companies worldwide to increase productivity, reduce operating expenses and gain a competitive advantage (Dickmann et al. 2016; Latukha et al. 2020). Moreover, the globalisation of companies has increased the understanding of both academic and practical ways by which MNCs can be managed efficiently, now and in the future. However, MNCs face a growing challenge in balancing the often-conflicting needs of global coordination and local responsiveness. Assessing this trade-off involves a resource-based analysis of capacity at various levels within companies and considering the local context and its influence on human resource management (HRM) practices (Adams et al. 2017; James & Baruti, 2021; Yahiaoui, 2015). Figure 1.1 summarises the challenges faced by MNCs concerning culture, institutional environment and national regulations.

Figure 1. 1 Challenges Faced by MNCs concerning Culture, Institutional and national regulations



Adapted from (Wächter, 2003)

MNCs operate locally and globally simultaneously. They are exposed to a range of HRM practices in both settings, and they have to compare their performance with other MNCs (Boso et al. 2019; Hitt et al. 2016; Meyer, 2018; Wilton, 2016). MNCs are constantly under pressure concerning the HRM system and practice choices they make. Managers have to ensure that both local and corporate standards are met. An assessment of this trade-off requires a resource-based analysis of capacity at various levels within companies and a consideration of local context and its influence on the transfer of HRM practices (Adams et al. 2017; Armstrong & Taylor, 2020; Carrim & Senne, 2016) (as demonstrated in Figure 1.1).

The nature of the parent and subsidiary host countries can influence the choice or adaptation of HRM practices and the need to account for culture, institutional environment and national regulations (Gomes et al. 2015; Liu, Chen, Cooke, Liu, et al. 2019; Siebers et al. 2015). MNCs can either take a similar approach to peers in similar foreign settings by adopting an isomorphic technique of applying normative, mimetic and coercive methods or take a resource-based approach (Haak-Saheem & Festing, 2020; Tarique et al. 2015; Wei & Nguyen, 2017). Human resources help a company produce its distinctive character and create a competitive advantage. Employees possess knowledge, experience, decision-making skills, proclivity, risk-taking ability and wisdom. Each of these elements affects the competitive advantage of the company. The strategic goal of a resource-based approach is to build a more flexible and intelligent company than its rivals. Authors like Shaw (2021) have argued that an under-developed HRM function has a negative impact on companies' ability to go global, as it restricts the ability to 'think global' and, thus, sustain globalisation resources. Therefore, a company with efficient and capable human resources can transfer its HRM systems and procedures to its subsidiaries in host countries.

A resource-based approach can be used to analyse the transfer of HRM practices within MNCs. The resource-based approach identifies competitive advantages and distinguishes human capital build-up from external factors, such as company size. According to the resource-based approach, a company's human resources are its most crucial asset. It has been argued that a focus on human capital strategies can give rise to a significant competitive advantage (Ambrosius, 2018; Bailey et al. 2018; Shaw, 2021). This role is even more critical in MNCs. Human resources are the main factor that can help MNCs achieve a competitive advantage (Shaw, 2021). The management of employees in MNCs is significantly more complicated as it involves harmonising centralised and decentralised control to maintain global and local responsive integration (Adams et al. 2017). Brewster et al. (2017) suggested that the tension between integration and the consistency or differentiation between HRM practices in MNCs (i.e. local adaptations) was determined by a combination of internal and external factors.

This thesis will explore how South African MNCs transfer their HRM policies and practices to subsidiaries in Nigeria. Primarily, this chapter will highlight the background of the study and the nature of the HRM policies in Nigeria and MNCs from emerging countries. Furthermore, the distinction between MNCs from emerging economies and western countries will be explained, highlighting the importance of emerging countries multinational companies (EMNCs) in global transactions. In addition, gaps in the existing literature on EMNCs' HRM systems and practices in their Nigerian subsidiaries will be identified. Following this, the aims and objectives will be outlined, alongside the significance of this study. The penultimate section will focus on the thesis structure, and, finally, a chapter summary will be provided.

1.2 Background of the Study

Nigeria is a developing country on the West African coast. It has a land area of about 920,000 km^2. It has a population of approximately 200 million people. It is the most densely populated country in Africa, which makes it the largest market in Africa. It is among the ten most populated countries worldwide (Worldometre). Nigeria is a very young country. Nearly two-thirds of its population are 25 or under 25 years of age. Therefore, Nigeria has abundant, low-cost human resources. Nigeria is growing, and its population (seventh-most extensive worldwide) is expected to become the third-largest in the world before 2050, surpassing the United States. Nigeria consists of 36 states, and its national administrative capital is situated in Abuja. Nigeria has more than 250 ethnic groups and languages, but its formal language is English (The World Bank, 2021a). Nigeria has the highest gross domestic product (GDP) in Africa. It has ample natural mineral resources. Its current economic growth depends on the non-oil sector, telecommunications, construction, hotel and restaurant services, agriculture, manufacturing and wholesale/retail trade. However, inadequate power supplies, widespread corruption, a slow and ineffective judicial system and poor transportation infrastructure are major impediments to its development. Increased consumer spending and income due to urbanisation account for more than 70% of its GDP, which helps to boost the Nigerian economy (Inusa et al. 2018).

Since its independence in 1960, its economy has undergone significant fundamental changes. While some scholars argue that colonial heritage is the source of Nigeria's problems in building local talent to compete in the global market economy, others blame the failure of the post-independence Government to focus on national human resources development (Budhwar & Debrah, 2004). Nigeria is home to 200 multinational companies (Nnanna, 2015). Nigeria is among the fifty-four developing countries considered to be 'emerging economies'. Nigerian institutional policies and practices are geared towards implementing a capital economy. In terms of foreign direct investment, Nigeria attracts foreign investors, which introduces new business methods (David et al. 2015).

1.3 Area of Study

South African MNCs were selected as the subject of this study because there is a lack of research on the transfer of HRM practices from EMNCs to subsidiaries. Moreover, South Africa (SA) is the only BRICS (Brazil, Russia, India, China and South Africa) country in sub-Saharan Africa (Adams et al. 2017; Davis & Luiz, 2015; Newenham-Kahindi, 2009). Therefore, investigating South African MNCs' systems and practices will add knowledge to the current literature.

SA has the most robust economy in Africa and is an influential player in African politics. Before 1994, SA was secluded from the rest of the world due to the apartheid regime. However, this regime ended in 1990, and the first democratic elections, which resulted in black majority rule, took place in 1994. After 1994, the economy became more open, and South Africa's domestic market and export markets multiplied and became more competitive, with the rise of market globalisation. As a result, many companies were privatised and deregulated, and there was a massive construction boom due to the 2010 Soccer World Cup (Sewdass & Toit, 2014). Consequently, for South African MNCs to survive, they needed to globalise their business activities. They needed to exploit worldwide markets and country differences. Therefore, companies were compelled to recognise and react wisely to external environments, including socio-cultural, political/legal, economic and technological environments, and industry forces, such as suppliers, customers and competitors (Latukha et al. 2020; Sewdass & Toit, 2014).

The growth of South African MNCs raised concerns about the contingency approach in resolving conflicting organisational level application of HRM practices in diverse markets. South African people value individual accomplishment. However, group identity and harmony have strongly prevailed (Horwitz, 2017). While there is scarce empirical research on South African companies, male supremacy is apparent across ethnic groups, underlined by individualist values and a relatively large power distance between groups. This argument is supported by Jackson et al.'s (2012) framework based on racial, ethnic, and historical inequalities (Horwitz, 2017). Nonetheless, an emergent black middle class has started to occupy decision-making positions. Thus, class promotion may impact organisational culture and shape strategic choices concerning ethical business, corporate culture and HRM practices (Horwitz, 2017).

National and organisational cultures in SA both demonstrate significant pluralism and explicitly signify features of the stakeholder approach regarding the perceived framework of an Afro-Asian nexus. The beginning of democracy in SA and the promotion of global companies was the basis of the convergence of HRM and the domination of 'best practice' over local requirements. Hence, South African MNCs hybridised their HRM practices (Horwitz, 2017). Thus, it is debatable how these HRM practices can be transferred to subsidiaries in host countries.

1.4 Outlining the Research Gaps

International Human Resource Management (IHRM) researchers are paying attention to the transfer of managerial practices from parent companies to their subsidiaries and their adaptation to local contextual realities (Adams et al. 2017; Azungah et al. 2020). However, some scholars have started to explore the reverse transfer of subsidiary HRM practices to parent companies (Edwards, Rees, et al. 2016; Liu & Meyer, 2020; Sanderson & Mujtaba, 2017). Other researchers have focused on duality by studying the hybridisation of parent and host company HRM systems and practices (Edwards & Ferner, 2004; Lemański, 2014; Nair et al. 2016). They have found evidence of hybridisation, diffusion and adaptation of HRM practices in subsidiaries. However, most scholars have focused on the transfer of HRM practices between Western countries or Western companies to transitional economies and some developing countries in the East (Adams et al. 2017; Jasimuddin et al. 2017; Jiang & Yahiaoui, 2019; Yahiaoui, 2015).

Current literature research suggests that research on MNCs has focused chiefly on developed economies establishing subsidiaries either in other developed countries or in developing countries (Adams et al. 2017). There is less research on the transfer of HRM systems and practices from EMNCs to their subsidiaries in the host countries. However, there has been an increase in the global competitiveness of EMNCs, particularly those from BRICS countries (Adams et al. 2017; Zhu, 2019). Adams et al. (2017) work on South African MNCs operating in Ghana revealed that when HRM systems and practices from EMNCs were transferred to subsidiaries, minimum modifications to contextual requirements were made. However, they only investigated nine of the South African MNCs operating in Ghana, which may have influenced the generalisation of their findings.

In systematically reviewing the existing evidence base, Wood and Bischoff (2020) explored HRM in Africa, focusing on South African HRM. Their study added knowledge to the existing literature. It incorporated the most recent developments in comparative institutional thinking. The conclusion derived from their study revealed that current literature on HRM and work and employment in Africa remains divided in scope and in terms of reaching distinct scholarly communities. Their study highlighted that, despite the unquestionable heterogeneity of studies in HRM in Africa pertinent to SA, there was a fundamental divide at theoretical and applied levels between studies that focused on distinctive contextual features that embraced cultural and material situations and those that located human resource (HR) in Africa pertinent to SA within broad trends in the global political economy.

Accordingly, this study will address these weaknesses in the literature and contribute to knowledge and literature on IHRM. Furthermore, it will consider the scope of international HRM and analyse the transfer of MNCs' HRM policies and practices from an emerging country. To fulfil the purpose of this study, that is to understand the transfer of HRM systems and practices from South African MNCs to their subsidiaries in Nigeria. HRM policies and practices of South African MNCs will be explored within the context of Nigeria, as little attention has also been given to HRM practices in subsidiaries based in developing countries (Adams et al. 2017; Cooke et al. 2019).

1.5 Research Aim and Objectives

The study will employ a qualitative case study methodology to analyse the transferability of HRM practices of three South African MNCs to their subsidiaries in Nigeria. This study will focus on a range of HRM practices, including recruitment and selection, performance appraisal, compensation, talent management, employee relations/trade unions and code of conduct.

Firstly, the study will review the main trends in MNCs' HR systems and practices in South African subsidiaries in Nigeria. Secondly, this study will identify the types of HR practices existing in the host country's local context. Finally, given the lack of research on the transfer of HRM practices from EMNCs to their subsidiaries, this study will answer the following questions:

1. What is the nature of HRM practices in South African MNCs' subsidiaries in Nigeria?
2. To what extent are HRM practices in the South African MNCs' subsidiaries derived from parent companies' home country practices?
3. What models of HRM practices exist in the South African MNCs' subsidiaries in Nigeria?

1.6 Significance of the Study

There are several reasons why this is an essential area of research. The pressure of globalisation, along with the growth in information technology (IT), has connected the world and crossed nations, which has made HRM more critical than ever before. This has also created more difficulties for MNCs' leaders. MNCs need to be efficient and remain competitive, adaptable, flexible and capable of managing a diverse workforce in their subsidiaries (Mokomane & Potgieter, 2020; Rowlands & Iles, 2017). SA is the only emerging market country in Sub-Saharan Africa. SA owns the majority of African MNCs. Despite the growing numbers of EMNCs with substantial subsidiaries in many countries worldwide, there is a shortage of research on the transfer of HRM practices to the subsidiaries of EMNCs and BRICS companies (Horwitz, 2017). This study will enhance the understanding of this area of IHRM.

Rapidly developing economies, such as the BRICS countries, are shaping the global market in several ways. Companies from developing countries have been growing at an increasing rate for many decades. They are expanding from their country of origin to international markets, thus, becoming large employers, leading investors and strong competitors. They are changing the global landscape and making it a globally challenging environment (Brekveld, 2020; Farndale et al. 2017). The study of MNCs with headquarters in SA and subsidiaries in Nigeria provides a good context for this study. This study will fill a gap in the current literature and boost knowledge of this significant IHRM issue. The similarities and differences of the HRM systems and practices in South African MNCs and their subsidiaries in Nigeria will help to explain the emergence of the typologies/models of IHRM practices in EMNCs HRM systems and practices in their subsidiaries.

1.7 Structure of the Thesis

This thesis is divided into seven chapters. The first chapter provides an outline of the investigative area, the research aims and objectives, the research questions, the significance of the study and the thesis structure.

Chapter two provides a thorough review of current IHRM literature regarding the transfer of MNCs policies and practices. It outlines the factors that influence this transfer, including the home country effect, the host country effect, the dominance effect and the international integration.

Chapter three presents the context of HRM in Nigeria, presenting major studies about this area of the world. HRM in Nigeria and the Nigerian culture are then presented.

Chapter four explains the methodology chosen for this study and the reasons that informed this choice. It will also explain the qualitative, multiple-case method that was adopted for this study. The chapter also investigates the various themes and how the data was gathered using multiple sources, including interviews with top management officials and focus group members at the subsidiary level.

Chapter five analyses the Nigerian subsidiaries of three EMNCs (Stanbic Bank, MTN and Shoprite). These are South African MNCs from Three sectors (finance, telecommunication and retail, respectively). The case studies examine the parent companies' HRM systems and the Nigerian subsidiaries' HRM practices. The practices discussed include recruitment and selection, compensation, human resource development (training), performance appraisal and employee relations. In addition, this chapter also investigates factors that influence the transfer, coordination and control strategies employed by the headquarters.

Chapter six compares and contrast the findings from the three cases described in the previous chapters. Finally, chapter seven provides a conclusion in line with the aim and objectives of the study: presenting critical findings of the study, and discussing the contributions and limitations of this study and the implications for EMNCs and pinpointing possible areas of further research.

Chapter 2: Literature Review

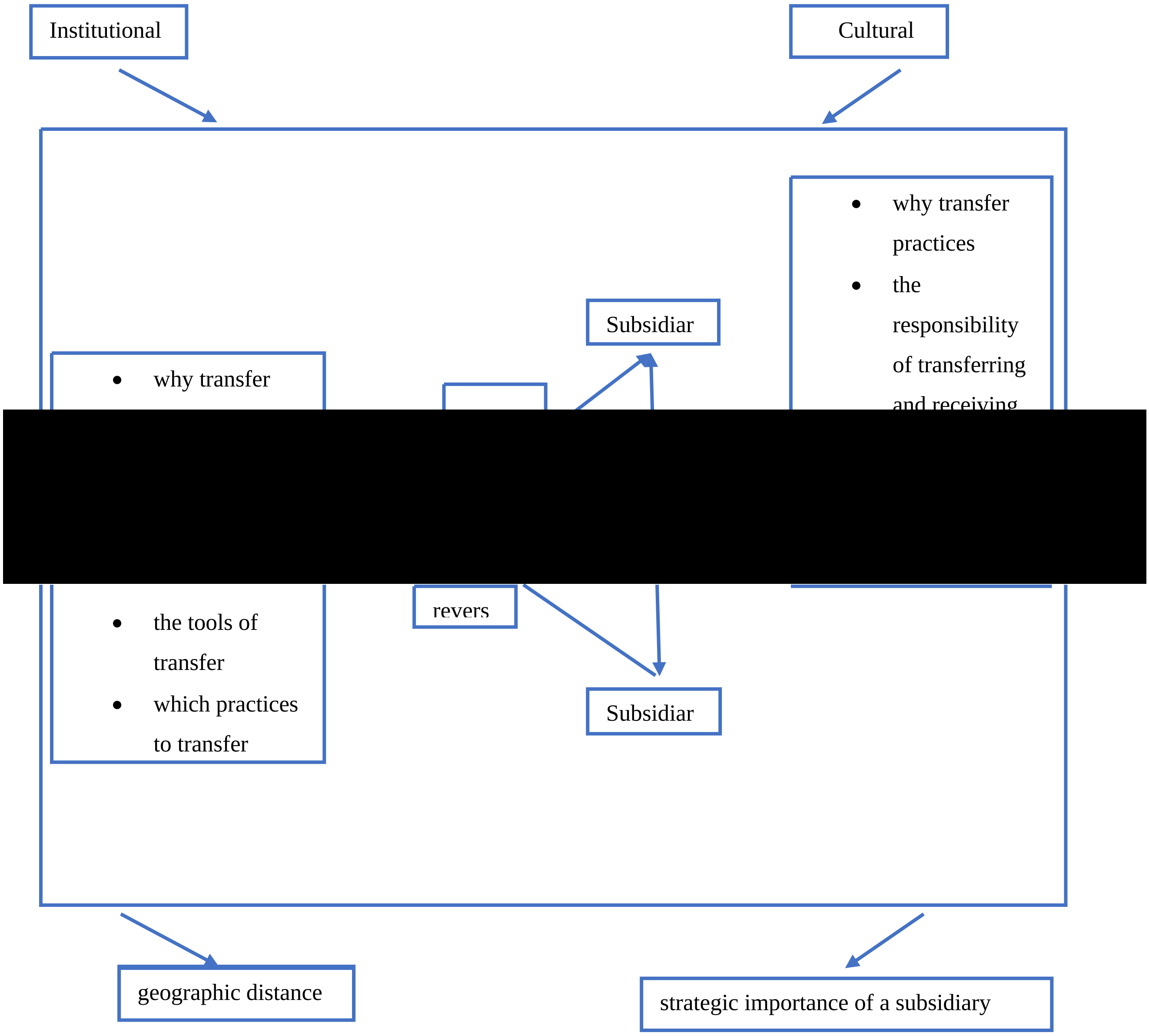
2.1 Introduction

This literature review will cover a range of topics, such as HRM practices, the transfer of HRM practices, the diffusion of HRM practices, the determinants of the transfer of HR policies and procedures, and the factors that influence HRM transfer within MNCs. The chapter begins with a discussion of the reasons why MNCs transfer their HRM practices from headquarters to subsidiaries. Here, a framework is provided to show the transfer and diffusion of MNCs' HRM practices. This is discussed in relation to the open system model of HRM systems. The discussion then moves to HRM practices of MNCs from emerging markets. The chapter also discusses the main HRM transfer theoretical approaches derived from organisational theory perspective including the significant typologies. This is followed by the exploration of the framework for subsidiary evolution. The chapter devotes considerable time and attention to factors influencing the transfer of HRM practices within MNCs. This discussion covered the country of origin effects, the global HRM transfer framework and the challenges in applying the best practices HRM transfer approaches.

2.2 Why Multinational Companies Transfer HRM Practices

MNCs work in a very complex environment with diverse institutional and cultural contexts (Chung, 2018; Hoenen & Kostova, 2015). Hence, MNCs need to consider the fit between headquarters and their host subsidiary companies' requirements when developing and designing their systems and practices. MNCs have to devise HRM policies and practices that are flexible and adaptive (Adams et al. 2017; Ayentimi et al. 2018a). Moreover, MNCs have to focus on different universal systems and practices. MNCs need to discover methods to achieve a competitive advantage via profits and productivity. They also are required to cultivate a strong sense of community, which is an extension of the socio-political context in which they operate. MNCs are the leading cause of the internationalisation of companies. They are significant players in the broader process of globalisation (Harzing & Pinnington, 2014; Liu, Chen, Cooke, Liu, et al. 2019; Vaiman & Brewster, 2015). Figure 2.1 illustrates a general managerial framework for the transfer and diffusion of HRM practices within MNCs.

Figure 2. 1 A General Managerial Structure for the Transfer and Diffusion of HRM Practices



Source: Chiang et al. (2017)

Chiang et al.'s (2017) model illustrates how MNCs transfer HRM practices to their subsidiaries. The model has many constructs. It does, however, remain simple compared to the multifaceted transfer phenomena. In addition, the model incorporates different factors that determine the transfer of HR practices from the parent company to its subsidiaries. In the multinational context, the transfer and diffusion of HRM practices can occur in three different directions. Forward (from the parent company to their subsidiaries), horizontal (among subsidiaries) and reverse (from the subsidiaries to the parent company) (Latukha et al. 2020).

As illustrated in Figure 2.1, each direction faces a unique set of challenges and levels of difficulty. For example, in the forward transfer and diffusion, the parent company may face opposition from trade unions (Ayentimi, 2018) or subsidiary managers (Ahlvik & Björkman, 2015). Horizontal transfer and diffusion can be challenged by operational and other background differences between subsidiaries, along with geographical distance (Lazarova et al. 2017). Finally, challenges to reverse transfer and diffusion can arise from the ethnocentrism of parent company managers (Adams et al. 2017) and the 'corporate immune system' (Kristiansen & Schweizer, 2021).

Both cross-border trade and foreign direct investments within MNCs have increased significantly over time. However, MNCs face the daily struggle of working in a complex, multi-centred environment, which is apparent when MNCs attempt to find the appropriate balance between the standardised, centralised parent company HRM practices and the diversified (in response to local requirements) subsidiary practices (Isfianadewi & Anggraita, 2020; Park & Hong, 2016). The difficulties involved in the transfer of HRM practices raise a vital management question: Why do MNCs not apply a highly decentralised approach to allow subsidiary managers to determine the type of employment practices appropriate to the particular national context? Some MNCs do this. However, there is considerable variation in national systems between countries (Harzing & Pinnington, 2014). A national business system is a set of correlated institutions and structures in a social and economic environment combined to create a nationally distinct form of established economic activity (Kristiansen & Schweizer, 2021).

The concept of a national business system is similar to Yin's (2020) view of 'institutional complementarities' between countries. Harmonisation, they argue, leads nations to develop consistent national practices. For instance, employment regulations designed to maximise job security are well-matched with financial systems in which capital provision and ownership are relatively stable, such as in Germany. However, they are unstable in systems where the organisational performance is assessed based on current indicators, such as share prices (where the active market is under corporate control). Companies would prefer to compete for a skilled, informed workforce who regularly engages in improvement activities. Such companies would ensure that industry-level collective bargaining matched salaries for similar jobs across companies, thus making poaching more difficult (Chung et al. 2020; Ma et al. 2013). Contrariwise, in systems where the inter-firm labour movement is broad and unconstrained by industrial relations, companies might be reluctant to assign substantial resources to train and develop their employees. Therefore, considerable variation in national systems between countries makes HRM practice transfer problematic (Oppong, 2018; Peng, 2016).

2.3 Human Resource Management Practices

The HR function in MNCs has developed over time. Originally, its primary role was merely the transactional management of human resources, but its role has evolved into a more improved service (Stewart & Brown, 2019; Welch & Björkman, 2015). The general focus of the HR function within companies includes recruitment and selection, performance appraisal, training and development, employee record keeping, employee relations, discipline, remuneration, policy formulation, crisis control, expatriate management, succession planning, internal communications and open job postings (Armstrong & Taylor, 2014; Wilton, 2016). These functions are more strategic and enhance productivity, giving rise to progression (Armstrong & Taylor, 2014, 2020; Marchington et al. 2016; Wilton, 2016).

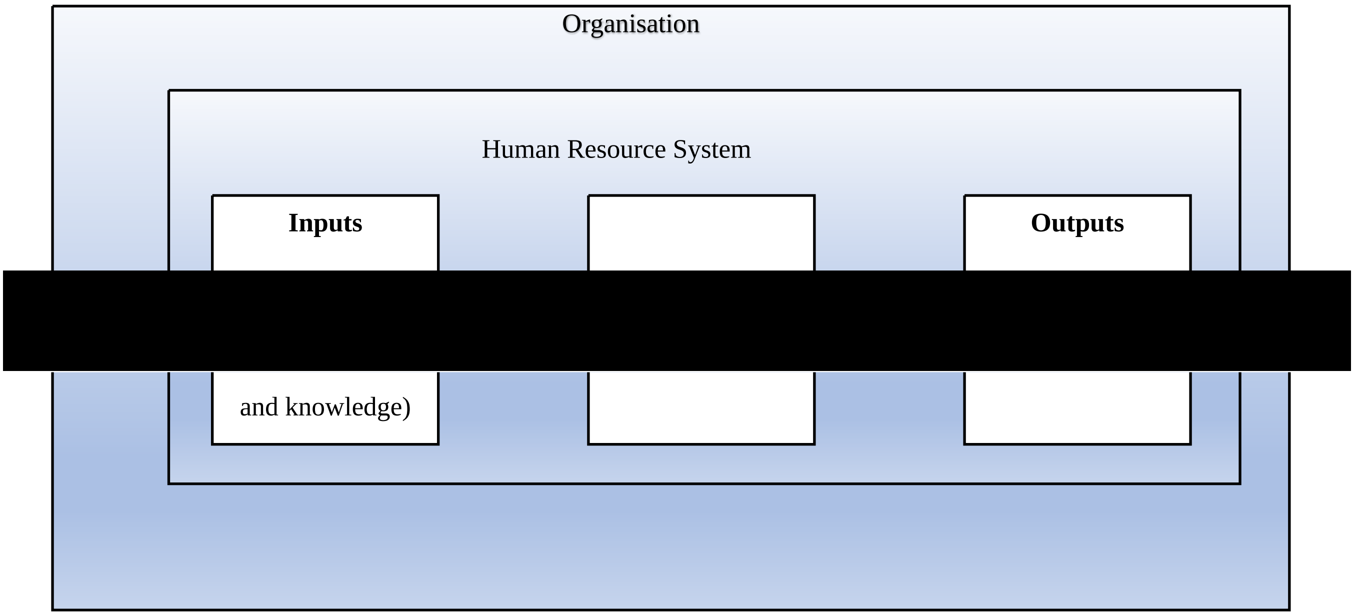
Crawshaw et al. (2020) identified five essential elements of MNCs' HRM functions: the transfer of HRM practices, leadership development, the strategic role of HRM, collaboration and knowledge sharing, and tension management between decentralisation and centralisation. These distinct functions overlap but show the range of HRM functions. Globalisation and company movement abroad have made HRM more strategic and influential. HRM enables information sharing and collaboration and serves as a network of exchange relationships and knowledge (Andersen & Andersson, 2017; Armstrong & Taylor, 2020; Cullen & Parboteeah, 2013). The primary source of competitive advantage in MNCs is the ability to maintain optimal exchange relationship function. Thus, for MNCs to succeed, they have to find the best way to align their HRM practices, systems, structure, internal strategy, institutional factors, national culture and the level of development in the particular region in which they operate (Adams et al. 2017; Carrim & Senne, 2016; Zhou et al. 2020).

There are two approaches to managing HR. MNCs can take a similar approach to their peers in similar foreign settings by adopting an isomorphic technique. This technique involves applying normative, mimetic and coercive practices. Or they can take a resource-based approach (Hoenen & Kostova, 2015; Latukha et al. 2020; Shaw, 2021). Existing research shows that employees are the primary aspect of a company that provides distinctive character and creates a competitive advantage. Employee resources include knowledge, experience, decision making, proclivity, risk-taking and wisdom (Armstrong & Taylor, 2020; Bailey et al. 2018; Carrim & Senne, 2016).

The strategic goal of the resource-based view is to build a more flexible and intelligent company than its rivals (Sparrow et al. 2016). In this respect, Crawshaw et al. (2020) argued that under-developed HRM reduced a company's ability to go global. It restricted their ability to 'think global' and, thus, sustain the effects of globalisation. The more the company environment at the subsidiary level differs from the parent company, the more MNCs need to consider aligning their systems, structures and strategies to meet the needs at the local level. This principle applies to every aspect of MNC operations, including HRM functions, such as recruitment and selection, performance management, reward systems, training and development, and health and safety (Kasemsap, 2019; Lemański, 2014; Vaiman & Brewster, 2015).

Armstrong and Taylor (2020) wrote extensively on HRM practices, arguing that high-quality human resources might influence a company's model and sustain its competitive advantage. The emphasis on how human capital can benefit company advancement has strengthened the need for companies to understand how to gain, and maintain, a competitive advantage (Armstrong & Taylor, 2020; Park & Hong, 2016). It has also led to more robust integration of strategic management via resource-based thinking (Sparrow et al. 2016). In strategic management literature, the focus on resource-based approach centres around sources of competitive advantage and not external factors, such as the size of a company or its distinguishing internal factors (i.e. human capital build-up) (Isfianadewi & Anggraita, 2020; Marchington et al. 2016). As illustrated in Figure 2.2, human resources can be viewed as potentially rare, non-replaceable, valuable assets because they are specialised, scarce and able to retain strategic knowledge (Armstrong & Taylor, 2020; Reiche et al. 2016). Thus, imitating human capital accumulation is challenging because it is hard to recognise which particular advantageous aspect of a company's human resources is the most important. Therefore emulating this success is hard. This is because gaining competitive advantage through HRM depends on the unique competencies and skills of the organisation and the processes in place to make use of these inputs.

Figure 2.2 An Open System Model of the Human Resource System



Source: Wright and Snell (1991)

Strategic HRM researchers have suggested that investing in HRM practices can increase the success of companies. Companies can enhance their training and development techniques, use sophisticated selection methods and enhance financial incentives and other practices that might improve the value of their workforce (Bailey et al. 2018; Groutsis & Harvey, 2014). Large investment companies use HRM practices as tools to building a workforce that enhances their productivity (Armstrong, 2016; Armstrong & Taylor, 2014; Cooke et al. 2019). MNCs are determined to standardise their managerial functions, capitalise on economies of scale and improve their efficiency and the cost benefits of implementing such activities (Armstrong & Taylor, 2020; Osabutey et al. 2015). In contrast, HRM practices in low investment companies have less influence on long-term human capital development. These companies treat employees like commodities and regard them in the same way as other resources, such as capital, inventory and machinery. Subsequently, employees have few opportunities to gain sustained competitive benefits (Reiche et al. 2016; Stewart & Brown, 2019; Wilton, 2016). Companies that use human capital strategies obtain an advantage via superior financing or material resources technology (Hitt et al. 2016; Nankervis et al. 2019).

The literature shows that HRM investment and human capital accumulation can positively impact company performance (Latukha et al. 2020; Reiche et al. 2016). In line with these arguments, Isfianadewi and Anggraita's (2020) analysis showed significant practical evidence of a link between human capital accumulation and company performance. When human capital development was high, companies gained from their knowledge and ability to maintain growth. Human capital accumulation is potentially most valuable when companies retain their human resources. Competitors cannot easily imitate their capital stock (Boso et al. 2019; Hitt et al. 2016; Meyer, 2018; Wilton, 2016).

Similarly, Zhou et al. (2020) examined the transfer of employment practices in MNCs, arguing that human resources were often considered their most crucial asset. Focused human capital strategies give rise to a significant competitive benefit concerning the efficient running of a company. This role is even more critical in MNCs, where human resources help companies achieve collaboration and knowledge sharing (Horak et al. 2019; Sanderson & Mujtaba, 2017). HRM in MNCs is significantly more complicated. It involves the conformity of centralised and decentralised control to maintain global and local integration (Adams et al. 2017; Ambrosius, 2018; Gannon et al. 2015; Reiche et al. 2016).

2.4 HRM Practices in MNCs from Emerging Countries

This section will provide an examination of the implementation of HRM in EMNCs' subsidiaries. It will help explain the current research into the transfer process from South African MNCs to their subsidiaries in Nigeria. There is an extensive amount of literature published on HRM systems and practices in MNCs from developed countries. However, there is a shortage of research on the diffusion, adaptation and hybridisation of HRM practices in EMNCs and their subsidiaries in host countries, despite the significant emergence of EMNCs (particularly those from the BRICS countries) (Adams et al. 2017). IHRM scholars have suggested that national culture influences HRM practices in MNCs (Cooke et al. 2019; Latukha et al. 2020). Accordingly, the national cultures of emerging economies should have a considerable impact on HRM transfer from EMNCs to their subsidiaries (Wood & Bischoff, 2020).

Consequently, it is imperative to analyse HRM transfer from South African MNCs to their subsidiaries in Nigeria (Harzing & Pinnington, 2014). This study will examine the HRM transfer process from EMNCs to their subsidiaries in Nigeria. MNCs originating from emerging economies are generally not as large as MNCs from developed countries; moreover, they enjoy relatively lower international exposure and resources. The mechanism and implementation of the transfer of HRM practices from EMNCs to their subsidiaries might be restricted in terms of their ability to effectively conduct the transfer, compared to their developed country counterparts (Wood & Bischoff, 2020).

Emergent nations are complex and often politically and socio-economically volatile. They are transitional societies with diverse demographic and ethnic mixes, demanding human development challenges, inequality and social stratification. Companies in these nations understand working with such issues (Attah-Boakye et al. 2020). This ability to work with such complexities arguably provides a measure of resilience and deployment of competitive capabilities, which may place them adroitly in international markets, though not without criticism for insufficient local capacity development and advancement (Wood & Bischoff, 2020).

2.4.1 South African HRM Practices

South Africa is a member of the BRICS group of leading emerging market countries (Adams et al. 2017). South Africa struggles to balance indigenous solutions to preceding discrimination and the apparent need for successful HRM practices (Horwitz, 2017; Wood & Bischoff, 2020). Traditionally South African companies have utilised authoritarian styles and Western autonomous HRM practices (Horwitz, 2017). Since 1994, South African companies have implemented contemporary employment practices, such as fair employment practices, managing trade unions expectations, proper training, performance improvement and impartial conduct in the workplace. Their HRM practices remain primarily based on collective bargaining when responding to divergent workplace interests (Horwitz, 2017). South African MNCs have started to develop HR practices based on Western standards. However, the organisational and national institutional cultures evident in South African MNCs, such as Ubuntu (respect, harmony, hospitality) and Indaba (group debate), Sebenza (problem-solving teams) are distinct from Western culture, where individualism is the priority (Horwitz, 2017).

Generally, HRM practices in most EMNCs (especially South African MNCs) lag behind the employment-relations practices employed by MNCs from developed countries, specifically in the paternalistic orientation of HRM practices. However, in recent years, South African MNCs have started to adopt Western HRM practices, such as flexible working practices and decentralised decisions (Budhwar et al. 2017; Horwitz, 2017).

The values of African society differ from Western society. Western society recognises individual achievement over the intrinsic value of a person based on who they are (Jackson, 2014). South African culture has caused South African MNCs to move towards horizontal structure and devolution by decentralising the responsibilities and authorities downwards, from strict controls to integrated corporate culture (parallel to MNCs from most developed countries). As a result, South African MNCs have converged with best IHRM practices; however, they face challenges in this regard, such as accommodating national culture in corporate HR strategies. As a result, South African MNCs face HRM challenges in convergence, training, development, performance management and employment equity. Subsequently, cross-vergence or hybrid models have started to emerge in South African MNCs (Horwitz, 2017).

2.4.2 Brazilian HRM Practice

Brazilian MNCs have a distinctive management style that focuses on short-term thinking, creative improvisation, power distance and loyalty. This style has a clear impact on HRM practices in Brazilian MNCs. These impacted practices include promotion, team management and performance management (Friel & Pinot de Villechenon, 2018). Thus, the Brazilian management model directly impacts the HRM competencies when HRM is transferred from Brazilian MNCs to their foreign subsidiaries. Power distance and uncertainty avoidance are two dimensions that are prominent in Brazilian management. In addition, HRM practices in Brazilian MNCs focus on centralised decision making with greater control over subsidiaries (Geary et al. 2017). These Brazilian cultural dimensions influence the HRM functions of Brazilian MNCs and their subsidiary management methods. Brazilian MNCs tend to have greater control of their HRM functions due to the impact of cultural characteristics. This explains the lower autonomy given to Brazilian subsidiaries when implementing the transferred HRM practices (Geary et al. 2017).

The Brazilian authoritarian management style harks back to the country's historical legacy. Colonialism, slavery and the early formation of an elite class led to the inflexibility of high-class structured society. Periods of military rule gave rise to 'Governmental authoritarianism' (Geary, 2016). The Brazilian management style relies on personal relationships and informal institutions and not formal institutions (as seen in developed economies). However, recently Brazilian management styles have been modified. Large MNCs have imported 'best practice' (mainly from the United States) by employing the expertise of US-based management consultancy firms and recruiting from leading business schools (de Amorim et al. 2019).

The management of headquarter-subsidiary relations within Brazilian MNCs is highly integrated, with subsidiaries enjoying limited local autonomy, particularly regarding policy (Bretas et al. 2021). Brazilian MNCs transfer staff from head office to subsidiaries during the initial stages of expansion. Brazilian MNCs consider HRM practice an essential element of international growth (Bretas et al. 2021). However, many Brazilian MNCs do not allocate sufficient resources for global HRM competency or adequate training for expatriate management to cope with the requirements of cross-cultural management (Geary et al. 2017).

2.4.3 HRM in China

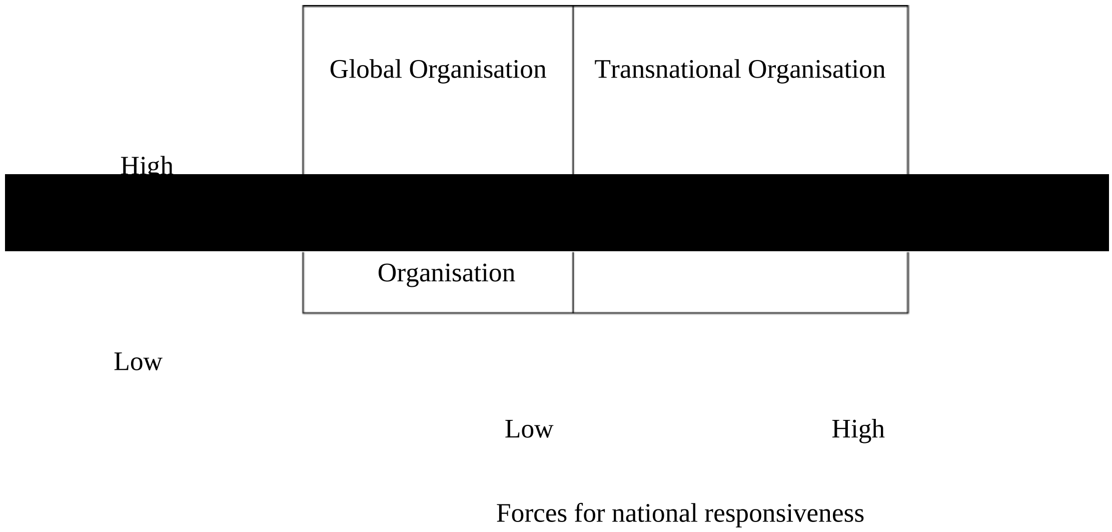
Chinese HRM is in transition due to China moving from a command economy to a market socialist one. HRM practices in Chinese MNCs are proportionately sparse and strikingly divergent (like MNCs from developed economies). Chinese MNCs use standardised HRM practices to exploit their existing competitive advantages in other developing economies. Current case studies have provided supportive evidence of this (Cooke et al. 2018). Some studies found that Chinese MNCs imported home country practices and employed expatriate staff rather than developing local human capital (Jackson, 2014). Other studies pointed to their positive efforts, such as their technological upgrades, skill transfer, employment creation and the introduction of a culture of organisational employment and discipline (Cooke et al. 2020). Yet, other studies suggested that Chinese MNCs localised their employment practices by employing local workers, partly due to their greater degree of compliance with host countries' legal requirements and to the cost of hiring Chinese workers (Geary & Nyiawung, 2021).

Since China introduced market socialist reforms, Western-style HRM practices have been progressively adopted. A hybrid HRM system encompassing some old personnel management model elements and some US-based high-performance work practices has emerged in many companies. The Chinese management style has developed into a hybrid of Western and local Chinese styles (Bretas et al. 2021). Yet, the implementation of Western HRM practices differs across companies. Size and ownership type affect the level of implementation. Western HRM practices are more common in larger companies than in small and medium companies (Zhu, 2019). Jackson (2014) shed light on the expansion of Chinese MNCs into Africa. He discovered that Chinese HRM practices in Africa reflected traditional Confucian values, such as paternalism and collectivism, which were transferred and implemented in less-developed African countries.

2.5 Main Theoretical Approaches

IHRM scholars have applied several organisational theories to the study of HRM in MNCs. The most significant typology method is the four typology model designed by (Bartlett & Ghoshal, 1989). This model was based on the integration/responsiveness framework created by (Prahalad & Doz, 1987). The typologies were compared using two forces: forces for global integration and forces for local responsiveness. This comparison led to four types of MNCs: international, multinational, transnational and global. Figure 2.3 shows the four typologies developed by Bartlett and Ghoshal (Bartlett & Ghoshal, 1989). The study found that multinational organisations were responsive to local markets while global organisations standardised worldwide. This study enhanced the understanding of the internal processes and structures of MNCs.

Figure 2.3 Typologies of Bartlett and Ghoshal



Source: Bartlett and Ghoshal (1989)

Another research focus has been on issues related to coordination and centralisation between the headquarters of a company and its subsidiaries (Egelhoff & Gates, 1986; Hedlund, 1981). Hedlund (1981; 1986, 1993) stated that MNCs should not depend only on formal control to manage their subsidiaries but also on normative management and non-hierarchal communication. He observed several MNCs and found that many focused on solid corporate culture, lateral communication with their subsidiaries and shared goals.

Nohria and Ghoshal's (1997) study focused on the affiliation between a company's headquarters and its subsidiaries, and the affiliation between subsidiaries. They emphasised the necessity of employing informal control mechanisms to build collective values within companies due to the uniqueness of each subsidiary. The main impact of this study was that several different types of structure were found among the different subsidiaries, based on the distribution of resources. This study provided the basis for this thesis, which will consider the subsidiary as a single unit of analysis. The subsidiary role will be at the core of this study. Different models were established to describe the various subsidiary roles.

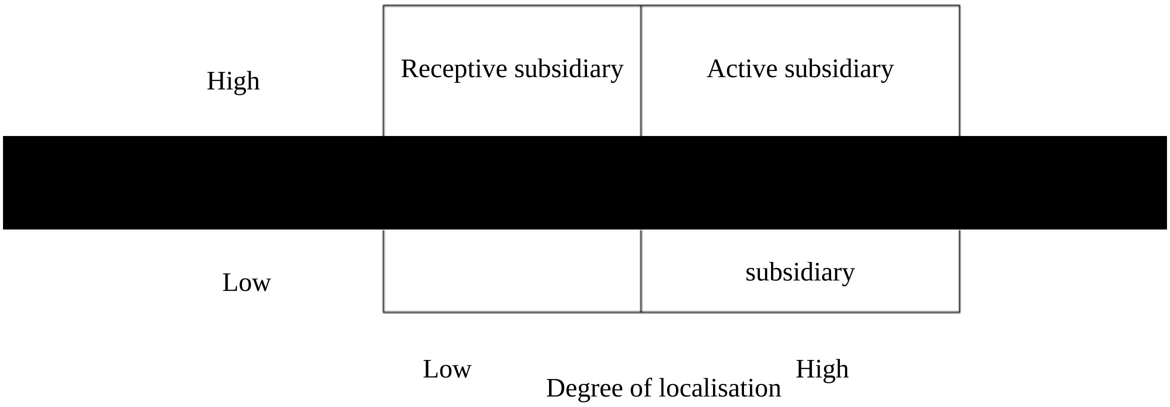
The first model was developed by (Bartlett & Ghoshal, 1986), who studied nine core companies in three industries and over twelve secondary companies from other sectors. Their findings revealed that most of these companies had developed their international organisation based on two assumptions. The first of these assumptions was the 'headquarter hierarchy syndrome'.

This syndrome assumed an inclination for headquarter managers to harmonise critical decisions, control global resources and motivate subsidiaries to act as adapters and implementers of the worldwide strategy in their regions. The second of these assumptions was the ‘United Nations model assumption’, in which MNCs managed all their foreign subsidiaries in the same manner. These two assumptions constrained the organisational ability of a company’s global operations. Under the first assumption, the company risked overcompensating for the requirements of less important markets and, therefore, remained under-responsive to vital market needs. Under the second assumption, international capabilities and assets might be underutilised. In addition, under this assumption, subsidiary managers’ skills and energy might be wasted.

To evade these shortcomings, the authors developed three roles for subsidiaries where they were influenced by the importance of their national environment to the global strategy. First, the role of the contributor was taken by a subsidiary that had a distance ability but operated in an insignificant market. Therefore, management could use the valuable expertise offered by this subsidiary’s employees on corporate projects. Second, the subsidiary was an implementer when operating in a strategically insignificant market but could maintain its local operations. This subsidiary was vital for the company as it could capture economies of scale that could support the company’s global strategy. Furthermore, when the subsidiary was operating in a tactically significant market, it could be considered the headquarters’ partner in developing and implementing strategies. Thus, it would take the position of a strategic leader. These models developed by (Bartlett & Ghoshal, 1986) added to the knowledge base by showing that subsidiaries could take different roles depending on the strategic importance of the market in which they were operating. Consequently, this study suggested that not all subsidiaries should be managed in the same way, as previous assumptions have considered.

Jarillo and Martinez (1990) developed another model. This model was developed as a response to the gap in understanding subsidiary strategies. The researchers believed that creating a model or a framework that could support an understanding of international strategy at a subsidiary level could be beneficial in different ways. First, it would allow local companies to understand the strategies employed by MNCs in the host country, especially if they wanted to compete with these MNCs or act as efficient suppliers. Second, host Governments could track how MNCs were operating in their countries. Third, managers in MNCs could differentiate between the different strategies that their subsidiaries were using. The scholars studied 50 Spanish subsidiaries of MNCs operating in eight industrial sectors. Eleven variables linked to the value chain functions determined each company's strategy. Three roles were identified, following a two-dimensional analysis matrix. These roles were geographical localisation of activities (whether operations were local), research and development (marketing, manufacturing and so on) and the level of integration of the activities performed in the country compared to the same activities in other company subsidiaries (as shown in Figure 2.4). A subsidiary that performed most of its tasks in its country could integrate well with headquarters by exporting a large part of its output to the parent company, or it could be highly independent of headquarters by selling most of its output in its own country. The subsidiary could also be receptive if only a few tasks were performed in its country and it was highly integrated with the rest of the company.

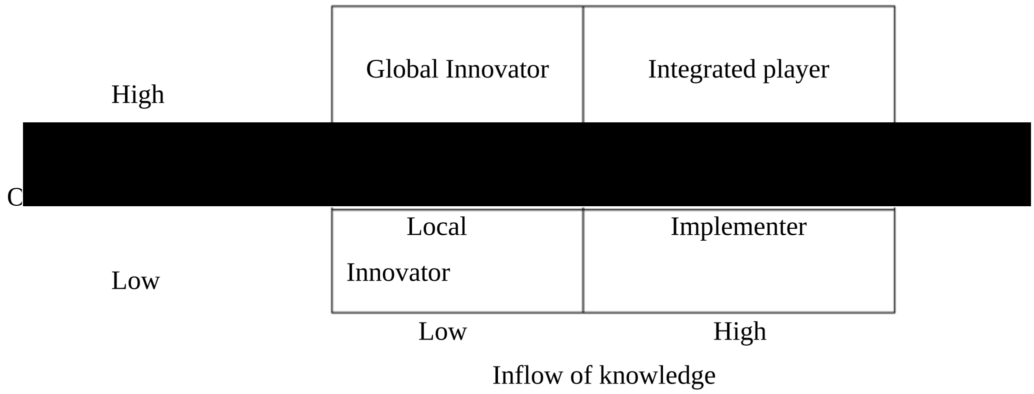
Figure 2.4 Different Types of Subsidiary Strategy



Source: Jarillo and Martíanez (1990)

Gupta and Govindarajan (1991) developed an alternative model to analyse the roles of subsidiaries based on the differences in knowledge flow across subsidiaries. A two-dimensional matrix was established following two axes: (1) the degree to which the subsidiary participated in knowledge inflow from the rest of the company and (2) the degree to which the subsidiary participated in knowledge outflow to the rest of the company. Their research found that, as a global innovator, a subsidiary served as the source of knowledge for other units. They suggested that an integrated player was similar to a worldwide innovator; it generated knowledge that other subsidiaries could use. Yet, it was not independent in achieving its own knowledge needs, so it also required an inflow of knowledge from other units. The subsidiary was an implementer when it generated little knowledge and depended heavily on knowledge inflow from the parent company or other subsidiaries. The subsidiary became a local innovator when it became responsible for developing knowledge relevant to the country in which it was operating. Yet, this knowledge could not be used outside the country in which the local innovator was operating. Figure 2.5 illustrates the model designed by Gupta and Govindarajan (1991).

Figure 2.5 Variations in a Subsidiary Strategic Context: A Knowledge Flow Model

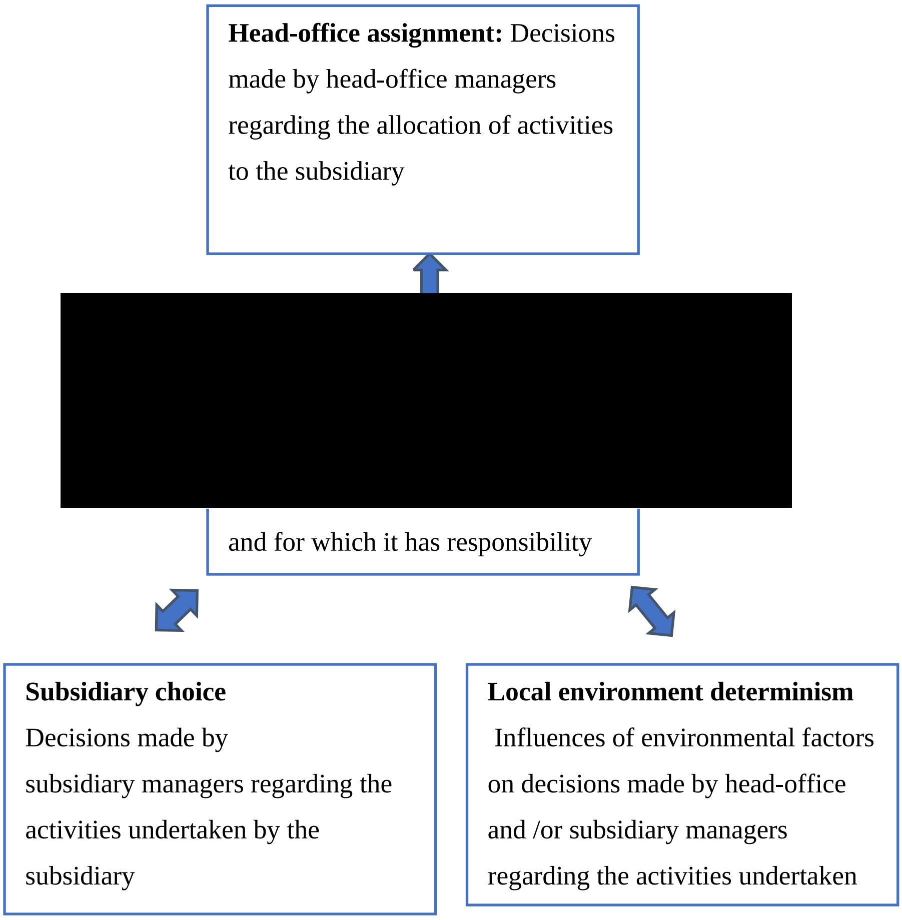


Source: Gupta and Govindarajan (1991)

Another research stream that analysed subsidiary growth also focused on the subsidiary as a unit of analysis. However, in this case, the role of the subsidiary was considered robust rather than static. According to Delany (2000), subsidiaries operated in three markets: internal, local and global. Subsidiaries took initiatives in these markets that progressed, consolidated or supported their current position. The development initiatives needed to supplement the strategic goal of the parent company could eventually strengthen a subsidiary's contribution to the company. Delany (2000) proposed an eight-stage development model for subsidiaries. The model suggested that MNCs encourage initiative-taking in subsidiaries. In addition, they stated that subsidiary managers should change their mindset from submission to headquarters to be more proactive if they wanted to boost the subsidiary's value to the parent company.

Birkinshaw and Hood (1998) developed a framework (Figure 2.6) to explain how the role of subsidiaries evolved. They believed that evolution was 'the result of build-up or depletion of capabilities over time'. They suggested that three main factors drove the developmental role of the subsidiary: headquarter delegation, local environment determinism and subsidiary choice. The first factor was related to the decisions taken at headquarters concerning subsidiaries, including decisions concerning resources, level of control or technology. The local environment determinism included the local constraints that could restrain the development of the subsidiary (for example, Government regulations). Finally, the subsidiary choice consisted of the choices taken by subsidiary managers concerning their level of acceptance of the role of the subsidiary and their activities and the company's desire to build novel strategies. The main contribution of this research stream was that it focused more on the importance of subsidiary roles, and it showed that these roles evolved due to internal or external factors.

Figure 2.6 Framework for Subsidiary Evolution



Source: Birkinshaw and Hood (1998)

For this study, it was essential to look at the typology of Birkinshaw and Morrisson (1995) as it linked the subsidiary role with standardisation versus adaptation, which will be discussed later in this study. The authors described the subsidiary as a local implementer when headquarters had the lowest level of control and when the subsidiary was very receptive to the local market. This situation encouraged the lowest level of standardisation within an MNC network. When the subsidiary was mainly dependent, there was a large flow of knowledge between headquarters and the subsidiary. The subsidiary was considered a world mandate when standardised practices existed. When the subsidiary had an intermediate level of interdependence and power, it was called a specialised contributor. The following section will discuss the market, political and cultural approaches used to explain the transfer of MNC HRM practices.

2.6 The Transfer Process

Understanding how certain HRM practices emerge in a particular subsidiary requires examining the processes and mechanisms through which HRM knowledge and practices are integrated into MNC subsidiaries. Integration may be conceptualised as incorporating elements of both coordination and control (Latukha et al. 2020). Prior studies suggest that control mechanisms have been used to transfer and integrate HRM policies and practices (Azungah et al. 2020; Fossats-Vasselin, 2021; Song, 2021). Thus, the critical element is managing behaviour and using power relations between parties involved to achieve integration. On the other hand, the coordination mechanism suggests that some degree of localisation is essential to transfer practices effectively (Fossats-Vasselin, 2021). According to Song (2021) coordination involves creating linkages between geographically dispersed units of a function; nonetheless, control focuses on ensuring that business activities are coordinated to align with expected set targets. Integration mechanisms have been classified under four main groupings: centralisation - where decision making remained with the parent company; formalisation based - a standard procedure based on manuals, rules and policies; information-based - the flow of information through databases, intranet and electronic means; and people-based - enabled through networking, training and the transfer of employees across subsidiaries (Dagnino et al. 2019; Kostova et al. 2018; Song, 2021).

The integration mechanisms, as mentioned earlier, are respectively consistent with the work of Galbirth (1973) who discovered four modes of integration: hierarchical referral, lateral relations, information systems, rules and programmes. Similarly, Martinez and Jarillo (1989) presented some categories of integrating methods, including formal and informal coordination, coordination by feedback and coordination by strategy. Four classes of integrating modes mentioned above investigated in the current work are not mutually exclusive but rather theoretically interrelated, cooperatively comprehensive and well focussed on capturing all the dynamics related to business functions integration across national boundaries. The four approaches are discussed in more detail below.

2.6.1 Centralisation-based

In the centralisation-based approach, power is centralised, and senior management makes decisions. The headquarters have absolute authority regarding the transfer of business functions within the group, and there is a significant concentration of knowledgeable top management executives in an MNC. This approach is valuable where there is a need to integrate geographically spread units to improve global economies of scale, scope and learning (Fossats-Vasselin, 2021; Song, 2021). The headquarters used hierarchical mechanisms, such as centralisation, to restrict subsidiary autonomy and generate sizable benefit streams. High-value subsidiaries were given more freedom and were subject to less control from the headquarters. As a result, MNCs increasingly depend on leveraging their subsidiaries to develop a competitive advantage. Some subsidiaries have strengthened their home-based benefits and gained considerable power within their Group (Cuervo-Cazurra et al. 2019).

2.6.2 Formalised-based

Companies formalise the integration of HRM functions in their subsidiaries. Formalisation refers to the direct supervision of subsidiary workforces and the implementation of standard workplace practices. Centralisation is a ‘hard control’ mechanism used by the parent company to control subsidiary activities (Kostova et al. 2018). Formalisation can be coherent with decentralisation because subsidiaries follow established guidelines for their actions. Formalisation might similarly implicate more output control than input control. Thus, its efficiency is reliant on the extent to which work practices, policies, regulations and procedures are clearly explained and understood adequately across subsidiaries. This integration mode could also be referred to as coordination by bureaucratic control (Kostova et al. 2018).

2.6.3 Information-based

Companies use information systems to integrate their business functions on a global level. They transfer information across their group via electronic means, such as emails, the corporate intranet and other databases. Information transfer and learning are vital for the sustenance of the balance between global integration and local differentiation. Social interaction within an MNC via international workshops, social events and regular management meetings can influence the transfer and diffusion of HRM practices (Fossats-Vasselin, 2021).

Effective communication must be strategic. Companies must use proactive and effective tactics to identify the most successful communication methods (Alexandrina Cristina, 2014). López-Sáez et al. (2021) stated that communication is a form of education, supervision and management. Chatterjee et al. (2021) noted that HRM correspondents selected and presented important messages via various formal and informal communication channels. The success of a communication strategy will inevitably influence the transfer of employment practices from the parent company to its subsidiaries.

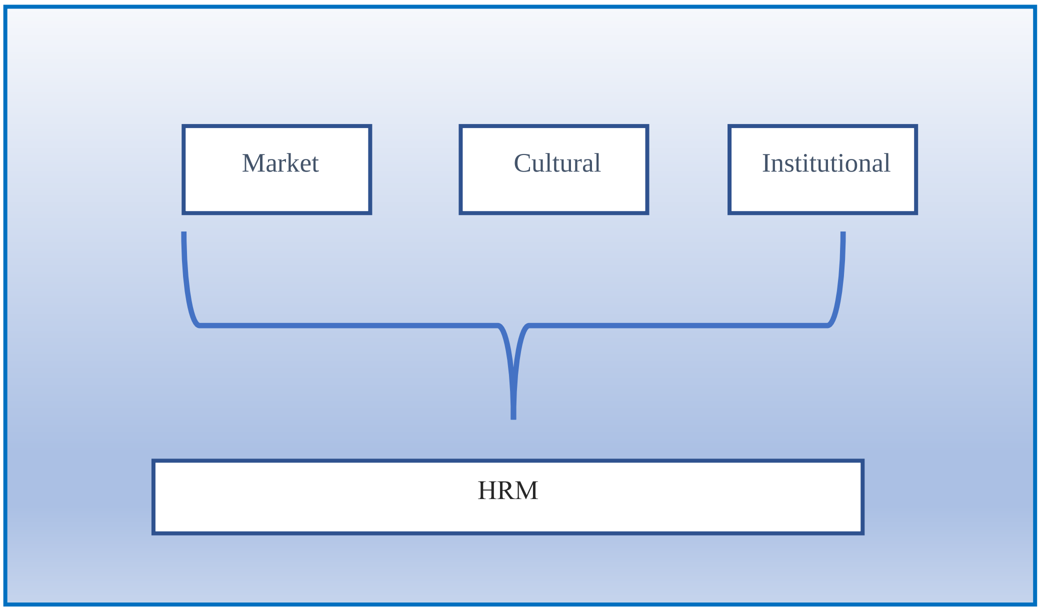
2.6.4 People-based

People are the primary mechanisms MNCs use to coordinate and control their business functions across national borders effectively. Employee movement within an MNC enables the diffusion of tactical and codified practices across subsidiaries (Harzing et al. 2016). Patel et al. (2019) claimed that the representatives from the headquarters became the transfer conduits for corporate culture. EMNCs transfer a subtle corporate influence onto their subsidiaries by sending managers to the parent companies to be trained in HRM practices. According to Harzing et al. (2016), the practice of sending headquarters representatives to their respective subsidiaries ensure that corporate values, vision and norms are shared among workforces, thus building trust amongst them. This mode is mainly implemented where corporate knowledge and information are transferred among workers on a face-to-face basis.

2.7 Approaches of the Transfer of MNC HRM Practices

Figure 2.7 shows the three approaches (market, political and cultural), which have been used to elucidate the desirability of the transfer of HRM practices in MNCs.

Figure 2. 7 Approaches of the Transfer of MNC HRM Practices



Adapted from Carbery & Cross (2013)

2.7.1 The Market-Based Approach

The market-based approach assumes that pressures from financial, product and labour markets impact how MNCs manage their human resources, which leads to suboptimal results that threaten a company's long-term capability (Bartram et al. 2019; Hughes et al. 2017; Zhao & Cao, 2017). The emphasis on 'best practice' suggests that MNCs can quickly identify successful HRM practices to ensure the effective running of both parent and subsidiary companies. It also assumes that senior managers can determine the appropriate courses of action and implement them successfully (Geary et al. 2017; López-Sáez et al. 2021).

Researchers claim that the strength of competition that MNCs enjoy in the global product market implies that companies are missing opportunities to improve their productivity if they do not share 'best practice' strategies (Neal, 2016; Ogunsegha, 2013; Rong et al. 2019). The entire development period for a globally operated company is the ‘transnational’ form, which is established on an integrated network of subsidiaries sharing knowledge and expertise (Chung, 2018; Sanderson & Mujtaba, 2017). The transfer of HRM practices is a fundamental part of this transition. A company’s capability to develop global organisational competency is a key factor that distinguishes winners from ordinary survivors in the global competitive environment (Sparrow et al. 2016; Wood & Bischoff, 2020). Edwards et al. (2016) highlighted the influence of commercial requirements on the transfer. They suggested that a ‘rationalistic cost minimising’ approach could explain the transfer of practices within MNCs.

Empirical studies of MNCs have also presented assumptions based on the market-based approach. The market-based approach stresses the competitive pressures on MNCs to share ‘best practice’ across their international operations (Boso et al. 2019; Latukha et al. 2020; Luo & Zhang, 2016). Drawing on the resource-based theory, James and Baruti (2021) claimed that MNCs transferred HRM practices to their subsidiaries when they believed they were essential to the successful operation of the subsidiaries. Research has revealed that some home countries exert a unique influence on MNCs’ HRM practices (Andersen & Andersson, 2017; Azungah et al. 2020). It has been suggested that the primary source of MNCs potential competitive advantage is at the parent companies level, which signifies the unique set of assets and capabilities that MNCs have built over their lifespan. However, studies have shown that enormous pressure has originated from the particular alignment of human, cultural, economic and other resources in parent companies (Azungah et al. 2020; Hoenen & Kostova, 2015). Many researchers have argued that parent companies are ingrained in the institutional environments of their home countries to a varying degree, which implies that specific parent country features have become embedded in an MNC’s corporate identity and have formed their global direction (Azungah et al. 2020; Bartram et al. 2019).

MNCs feel pressure to decentralise their decision-making processes when it comes to HRM. They need to confirm to national-level regulations in the labour market. The diversity of legal administration and the vast variation in the strength and role of labour market institutions has led MNCs to decentralise responsibility to their foreign subsidiaries (Cooke et al. 2019; Edwards et al. 2010; Hoenen & Kostova, 2015). The market-based approach perceives the transfer of employment practices as a potential source of enhanced efficiency. However, pure market-based studies are scarce (Harzing & Pinnington, 2014; Kamoche & Siebers, 2015). Another advantage of the marker-based viewpoint is the potential benefit of transferring HRM practices to owners, shareholders and senior managers (Boso et al. 2019; Siebers et al. 2015). However, the potential downfall of this approach consists of the risks downplaying the contested nature of the transfer. Zhou et al. (2020) claimed that HRM practices were a robust political process that some organisational actors influenced. They suggested that the balance between implementing strategies that were both locally sensitive and globally integrated tended to be represented as a technical matter, which required a management level decision. According to Jiang & Yahiaoui (2019), managers are expected to have the competency to resolve any problem using persuasive techniques, by building appropriate management tactics and/or via excellent communication.

2.7.2 The Political Approach

The second approach is the political approach. MNCs are complex companies characterised by sophisticated internal political practices and power groups. However, knowledge concerning micro-political activities within MNCs is scarce (Cooke et al. 2019; Neal, 2016; Sanderson & Mujtaba, 2017; Thomas & Peterson, 2017). The political approach looks at how players in companies willingly participate in the transfer process to advance their interests and achieve legitimacy. A range of players can pursue a promotion or protect their positions by engaging in the transfer of HRM practices (Bretos et al. 2019; Horwitz, 2015). For instance, those at the parent company may seek to promote their positions within the company by portraying themselves as the principal agents regulating the practices. Managers are faced with competitive pressure, and look for opportunities to manipulate organisational actions that threaten their position (Banerjee & Venaik, 2018; Salomon & Wu, 2012). The transfer of HRM is not managed merely by rational choices made by one set of economic players. Instead, companies display the competing rationalities of different actors. Thus, decision-making becomes an intrinsically political process decided by power relations (Geppert et al. 2016; Haak-Saheem et al. 2017; Meyer et al. 2018).

The primary source of difference between the preferences of actors in MNCs is their involvement in distinct national business systems. Accordingly, the transfer of HRM in MNCs is shaped by various ‘channels of influence’ (Geary & Nyiawung, 2021; Groutsis & Harvey, 2014). For example, the tensions that accompanied the transfer of HRM practices to Chinese subsidiaries of Japanese MNCs studied by Hong et al. (2016) (which, in large, were generated by groups of Japanese expatriates and local managerial employees) impeded the transfer of HRM practices. While the expatriate managers enjoyed representing headquarters, the local managers retained considerable influence and created a network that shared information and gathered gossip and rumours that the Japanese could not access.

Those in critical managerial positions in companies, which provide a service or produce a component for another company, want the headquarters of the company and their subsidiaries to share practices. They may also support senior managers in their quest to obtain acceptability and orders from potential customers (Banerjee & Venaik, 2018; Myloni et al. 2007). Building a system of networked 'transnational' procedures has the potential to improve their image. Those in senior positions in subsidiary companies may be keen to share practices with their counterparts to portray themselves as leading contributors to the MNCs' network. Acting as a good corporate citizen may enhance individual entitlement to a pay rise or promotion (Neal, 2016; Ogunsegha, 2013; Rong et al. 2019). Some employees and their representatives in MNC subsidiaries may readily accept transferred practices if they are concerned that failing to collaborate will result in the commencement of the transfer. Other actors might intend to block the transfer if they perceive it to be against their interests. Consequently, the diffusion of HRM practices is a challenging and political process(Geppert et al. 2016).

The main objective of this approach is to identify the motivation of company players that participate in the transfer of practices, which are beyond the coherent assessment of the potential benefits to the company (Bartram et al. 2019; Clegg et al. 2015; Khan et al. 2019; Tjosvold, 2017). However, focusing mainly on the micro-politics of a company does not give enough information about the influence of MNCs broader national business systems.

Furthermore, there is inadequate knowledge of where the urgency to transfer HRM practices originated. Neither does current research reveal enough about the constraints on external company transfers (Li & Pilz, 2021). The political approach provides a basis for understanding why MNCs deviate from institutional norms, henceforth avoiding determinism. Still, micro-politics risks exaggerating the number of choices MNCs have to pursue and why their courses of action depart from institutional or market pressures. Moreover, it does not explain how actors within companies use their power. Nor does it explain the role that institutions or markets play (Harzing & Pinnington, 2014). Correspondingly, the interest lies predominantly in the relationship between the parent company and its subsidiaries or between different management structures. Also, few studies consider the employees' role in determining these preferences or ultimately defending others (Azungah et al. 2020; Carrim & Senne, 2016; Groutsis & Harvey, 2014). The market-based and political approaches can be used to explain why MNCs transfer HRM to their subsidiaries. However, researchers who have adopted the cultural approach believe that the transfer practices are shaped by the legacy of national and corporate cultures (Khan et al. 2019; Zhu, 2019).

2.8 The Cultural Approach

Cultural awareness is an essential feature of international business. An understanding and knowledge of culture affects the outcome of business practices. For example, it might be challenging to develop marketable products that motivate a workforce without first understanding its culture (Hack-polay et al. 2020). According to Hofstede (1980), culture is 'the collective programming of the mind, which distinguished the members of one group or category of people from another'. Issues of national culture vary significantly across countries, which creates a significant source of national differences in HRM systems and practices (Bartram et al. 2019; Carrim & Senne, 2016; Cooke, 2014; Dimba & Obonyo, 2015). Many models of IHRM literature have argued that cultural differences between countries have led to a degree of 'differentiation' (Edwards et al. 2010; Hoenen & Kostova, 2015; Liu & Meyer, 2020).

According to Tocar (2019), multiple models and theories on national culture exist, which simultaneously impedes the analysis of the cultural differences in companies and causes significant setbacks to examining the impact of culture in the transfer of HRM practices. Presently, some six national culture models appear in IHRM literature. These models are the Hofstede model, the Trompenaars model, the Hall model, the Schwartz model, the Kluckhohn and Schwartz model and a model based on research completed by GLOBE Associates.

The Trompenaars Model: This study was focused on personal relationships and values across different cultures; it was carried out at Shell for over a decade. It appears to be the complete model. It also incorporates (in a much more precise manner) sensitive issues related to modern-day society (for example, orientation towards nature and time). The Trompenaars Model presented seven dimensions: universalism-particularism, individualism-collectivism, neutralaffective, the time perspective, specific-diffusion, achievement-ascription and the environmental relationship. Five of these dimensions focused on human relationships, and the remaining two focused on the relationship of society with nature and time management (Bãlan & Vreja, 2013).

Hall's Model: Using ethnographic research, Hall and Hall (1990) studied culture concerning communication, time and space in four countries: France, Germany, Japan and the USA. Hall and Hall (1990) examined two notions of time: 'monochronic' and 'polychronic'. Monochronic meant undertaking tasks one at a time. Polychronic meant performing more than one task in parallel.

People in monochronic societies tended to view time as a sequence of divisions, for which they planned carefully and in which they performed activities successively according to strict schedules. People in polychronic societies tended to engage in several activities simultaneously. Hall and Hall (1990) also defined context as 'the amount of information in a given communication as a function of the context in which it occurs'. They found that high-context societies preferred a communication style in which individuals drew interpretations from implicit information, where the spoken part of a message conveyed less information. They stated that people perceived the rules to be extracted from context. In contrast, they found that people in low-context societies preferred information to be stated directly and with quantifiable detail. Low-context cultures were characterised by explicit messages conveying most of the data (Tam & Oliveira, 2017).

Kluckhon and Strodtbeck Model: This model presented culture from the standpoint of value orientation. They named five different cultural dimensions that covered five fundamental human problems common to all peoples in all places: innate predisposition, time dimension, human relation to nature, relationship pattern and valued personality type. Their studies were carried out in five American Southwest subcultures (Laith & Serife, 2020).

Schwartz (Schwartz, 1992, 1994): This model adopted a more psychological approach to culture. He acknowledged motivational goals as a fundamental aspect of societal values. He highlighted ten basic values that people in all cultures recognised, which he labelled universal, and he viewed them from the angle of social motives, needs and demands (Schwartz, 1992, 1994). These values were universalism, achievement, benevolence, uncertainty avoidance, stimulation, power, self-direction, conformity, hedonism, tradition and security. Schwartz studied school teachers and college students in fifty-four countries; however, his study was an organisational study despite its focus on appropriate social behaviour (Kaasa, 2021).

Some values conflict with one another (for example, power and benevolence) whereas others are compatible (for example, security and conformity). Moreover, values are structured similarly across culturally diverse groups, implying a standard organisation of human motivations. However, the structure and nature of values may be universal, and groups and individuals may differ considerably in their feelings related to the relative importance of the values. That is, groups and individuals may have different value priorities or hierarchies (Kaasa, 2021).

The GLOBE (Global Leadership and Organizational Behaviour Effectiveness) research program defined culture as shared beliefs, values, motives, identities and meaning or interpretations of events that result from everyday experiences among community members and are passed on from generation to generation (Sochor, 2020). This study was conducted to study the cultural dimensions within companies. A group of international professionals carried out this study. As a result, nine cultural dimensions were named: power distance, collectivism, in-group collectivism, uncertainty avoidance, institutional assertiveness, gender egalitarianism, human orientation, future orientation and personal orientation. The data was collected from sixty-two countries, and the findings of this study revealed that leaders were different across cultures. A participatory leadership style was standard in Western countries; however, in Eastern countries, its effectiveness was doubted ("Culture, Leadership, and Organizations: The GLOBE Study of 62 Societies," 2004). Furthermore, there was much emphasis on a paternalistic leadership style and supportive groups among Asian managers. In comparison, a charismatic leadership style was predominant in some cultures, and more assertive but relatively docile in others (Sochor, 2020).

Hofstede Model: In his pioneer study, using 116,000 employees in a MNC in the US, Hofstede (1984) conducted a study on the differences in national culture. Hofstede (1984) established a framework called the ‘dimensions of national cultures: power distance, masculinity/femininity, individualism/collectivism and uncertainty avoidance, long-term versus short-term orientation and indulgence/restraint'. Issues of national culture vary significantly across countries, which creates a significant source of national difference in HRM systems and practices (Carrim & Senne, 2016; Cooke, 2014; Dimba & Obonyo, 2015; Sochor, 2020). Hofstede's study in IBM discovered that even a company with a reliable company culture could experience differences in employee values at the local level (Ferraro & Briody, 2017; Thomas & Peterson, 2017).

Many models of IHRM literature have argued that cultural differences between countries have led to a degree of 'differentiation' (Edwards et al. 2010; Hoenen & Kostova, 2015; Sochor, 2020). However, Hofstede (2009) had one main criticism: his model focused on a particular case study (IBM) in more than fifty countries with 116,000 questionnaires distributed over four years (1968-1972). Thus, the result of his study were specific to IBM, and they may not represent the culture of other MNCs (McSweeney, 2002).

Current research provides evidence that the forces of competition govern the transfer process. Subsequently, MNC incentives in building a global approach have to be balanced against the need to respond to local environments (Deresky, 2017; Ogunsegha, 2013). For example, Cooke (2014) studied the transfer of Chinese employment practices in MNCs from China, as they expanded into Asia and Africa. The study saw the dilemma facing senior managers in Chinese companies regarding the management of employment relations in their foreign subsidiaries. It was considered a trade-off between the competitive pressure to utilise those practices that formed a part of successful production at the parent company and the need to adapt to the element of local conditions. Thus, MNCs are faced with difficulties that lead them to decentralise decision-making on HRM matters to managers in their domestic context. Decentralisation allows managers to respond to national particularities and local pressures (Adams et al. 2017; Chung, 2018; Hack-polay et al. 2020).

The most widely cited feature that creates pressures for decentralisation is national culture (Abugre, 2018; Chung et al. 2020; Chung et al. 2014; Neal, 2016). MNCs need to be sensitive to their foreign host subsidiaries' prevailing attitudes and values to operate effectively (Harzing & Pinnington, 2014; Xing et al. 2016). The cultural approach raises an important point regarding the transfer of HRM practices. It explains why MNCs adapt their desired practices to local conditions rather than implement shared practices across their subsidiaries (Harzing & Pinnington, 2014; Liu & Meyer, 2020). An extension of this notion is that national cultures impact how MNCs behave by encouraging them to take aspects of national culture with them when they operate globally (Ferraro & Briody, 2017). Hallikainen and Laukkanen (2018) suggested that corporate culture was shaped by the national culture of the country of origin. Thus, some researchers in this field have sought to explain the transfer of parent company practices to foreign subsidiaries through a cultural approach (Latukha et al. 2020; Thomas & Peterson, 2017). An emphasis on the manner of these national contexts is central to the cross-national comparative approach. The cultural method is the most popular variation, which contends that MNCs assume the legacy of the parent country's attitudes, values, and personality. Hence transfer is shaped by the parents and the host countries' cultures (Almond et al. 2017; Zhou et al. 2020).

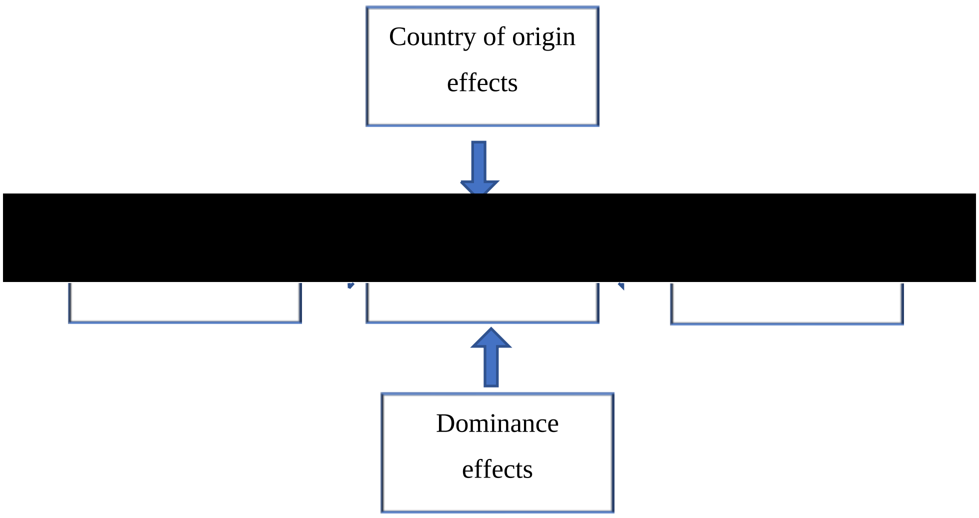
This argument has many weaknesses. First, the main drawback arises from a heavy dependence on the small number of existing typologies in the literature of the culture, predominantly Hofstede, Trompenaars, Hampten Turner, Schwartz, Kluckhohn and Schwartz and the research done by GLOBE Associates. These findings are faced with the same criticisms of original work themselves (Ferraro & Briody, 2017). These typologies were unable to discover cultural values in a convincing social context. As a result, they do not offer a realistic account of the sources of these social values or how they emerge (Dimba & Obonyo, 2015; Neal, 2016; Tjosvold, 2017). Second, the argument only partially explains why MNCs have to adapt their preferred HRM practices to local environments rather than implementing standard HRM practices in their subsidiaries (Ferraro & Briody, 2017; Salomon & Wu, 2012; Sanderson & Mujtaba, 2017; Vaiman & Brewster, 2015). Third, national culture influences MNCs' behaviour by encouraging MNCs to take features of national culture with them when they operate internationally. Consequently, their corporate culture is shaped by the national culture of the parent company (Hack-polay et al. 2020; Neal, 2016; Sanderson & Mujtaba, 2017; Thomas & Peterson, 2017).

As mentioned above, prevailing attitudes and values arise in a particular institution, legal or political environment. Still, the cultural approach fails to recognise institutional and contextual influences (Ayentimi et al. 2018b; Hoenen & Kostova, 2015; Neal, 2016; Siebers et al. 2015; Stahl, 2017). Moreover, it is very challenging to link cultural typologies to efficient HRM systems and practices. For instance, it is unclear whether payment systems should differ in countries where power distance is high versus nations where power distance is low or in more 'feminine' than 'masculine countries. The cultural approach explains relatively little about national cultural values without understanding the historically evolved institutional arrangements with which such ‘values’ might be associated (Edwards et al. 2010; Hack-polay et al. 2020; Tjosvold, 2017; Vaiman & Brewster, 2015).

Furthermore, while the cultural approach discusses how tensions can result from the transfer process, it says little about how politics can influence a corporate decision, and this is worthy of concern on its own. Thus, the cultural approach simply raises more questions. For instance, how did particular attitudes and values come to describe a specific country? How are cultural differences between countries explained? Moreover, how are the differences in cultures between countries interpreted? The downfall of studies in this area is the failure to explain the precise nature and origin of global and local effects (Khan et al. 2019; Stahl, 2017; Vaiman & Brewster, 2015). The vast diversity between most national economies, regional differences and sub-cultures makes the transfer process challenging (Neal, 2016; Ogunsegha, 2013; Rong et al. 2019). This diversity initiates from differing country regulations. In the USA, for example, the presence of some ‘right-to-work states’, such as in the southern states, makes it difficult for unions to function in these states (Almond et al. 2017). Moreover, the training and development of employees varies significantly between countries. In India, for example, MNCs are reluctant to train their employees as India is characterised by poor governance, political uncertainty, a poor investment climate and underlying inequality and poverty. Therefore, the training and development of staff in Indian MNCs is multi-layered and multifaceted (Patel et al. 2018).

These three approaches (market, political and cultural) contribute to an understanding of the transfer of HRM within MNCs. However, each offers only a partial understanding individually (Haak-Saheem et al. 2017; Harzing & Pinnington, 2014). Therefore, an integrated approach that does three things considers is needed. Firstly, it should understand the commercial interests and the competitive pressures on companies in global markets when transferring HRM practices. Secondly, it should assess the role of organisational players in introducing, participating in or blocking the transfer of HRM practices. Thirdly, it should evaluate the influence of culture, institutions and contexts in shaping the comportment of MNCs (Attah-Boakye et al. 2020; Haak-Saheem et al. 2017; Harzing & Pinnington, 2014). The political, market-based and cross-national comparative approaches each have some logical value when analysing the nature of the transfer of HRM practices within MNCs. However, their respective weaknesses present the question of what an integrated approach may present. Below is a diagrammatic presentation of an integrated plan established on four sets of influences: the country of origin effect, the host country effect, the dominance effects and international integration (Harzing & Pinnington, 2014).

Figure 2.8 Factors that Affect the Transfer of HRM Practices

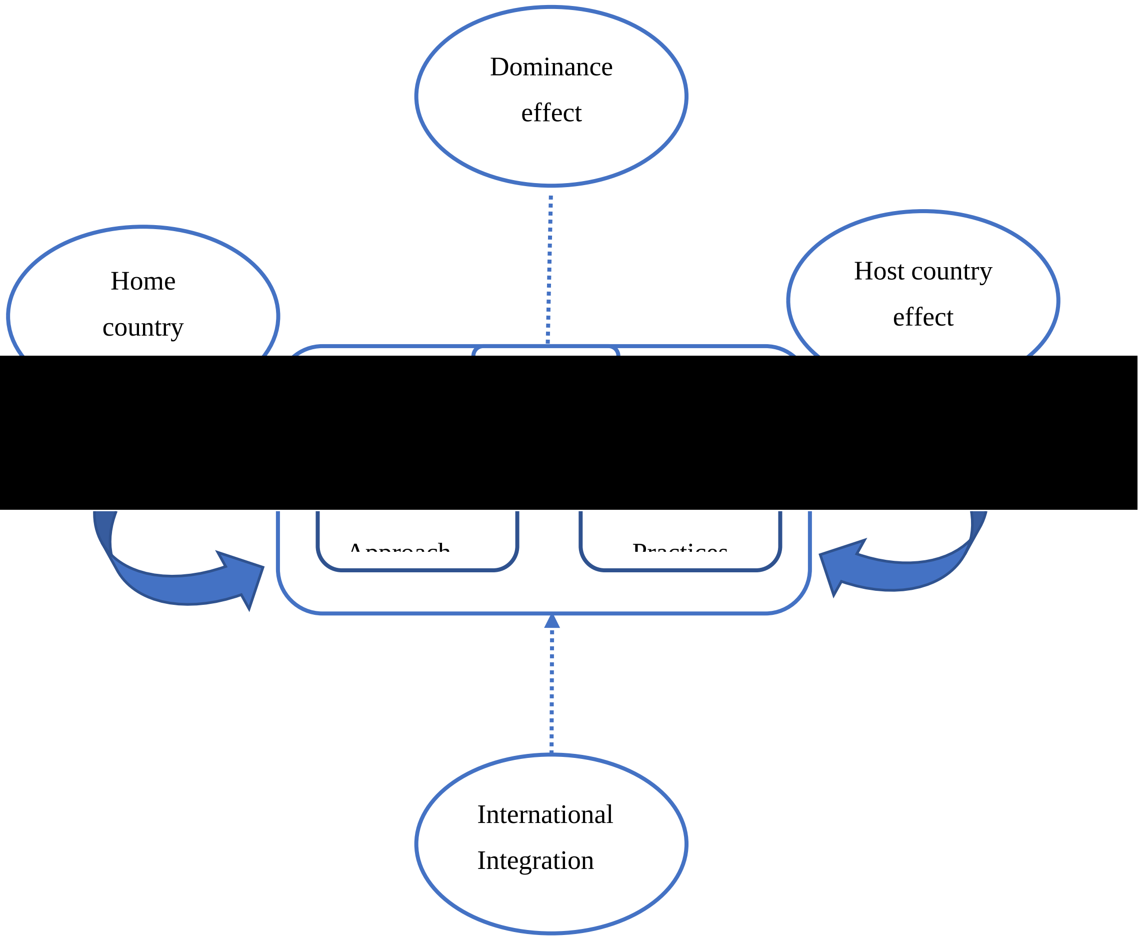


Source: Carbery and Cross (2013)

2.9 Factors that Influence the Transfer of HRM Practices within MNCs

IHRM studies suggest four main influences on MNCs' management practices. These influences are the country of origin effects, the host country effects, the dominance effects international integration (Dickmann et al. 2016). In addition, the HRM system adopted by EMNCs depends on national business systems and the forces of internationalisation. The increasing inter-connectedness of national economies and the rising perceptibility of organisational forms in these economies also have an effect (Davis & Luiz, 2015; Farndale et al. 2017; Ouyang et al. 2019). The practical impact of these different influences on HRM practices is related to some situations and reinforces one another. The best way to describe how these factors affect MNCs' HRM practices through cultural and institutional approaches (Adams et al. 2017; Dickmann et al. 2016; Osabutey & Jackson, 2019). The diagram below shows the four factors that influence the transfer of HRM globally within MNCs.

Figure 2.9 Factors that Affect the Transfer of HRM Practices



Source: Dickmann et al. (2016)

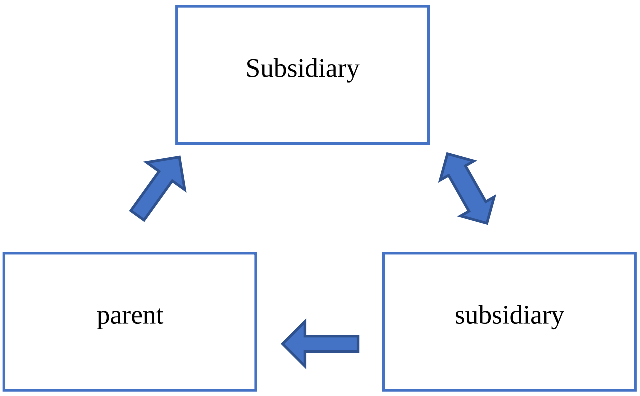
2.9.1 The Country of Origin Effect

Economic globalisation has accelerated growth in international trade and economic development. Global trade and economic development has been facilitated by MNCs and multinational enterprises (MNEs). An MNC is defined as a company that functions in numerous countries but is managed by the parent country. MNCs may be one of four forms: a centralised company that obtains cost-benefit through centralised production; a decentralised company that has a substantial home country presence; a universal and an international company that builds on headquarters technology or research and development; or a transnational company that combines all the three of these methods (Dickmann et al. 2016). Generally, MNCs may not have synchronised products presents in each country because they vary their products and services. They are motivated to adjust their products and services to each local market (Dickmann et al. 2016; Zhou et al. 2020).

The modes of systems and practices in MNCs' subsidiaries have created vast interest among IHRM scholars on how human resources are managed (Adams et al. 2017; Chung, 2018). Accordingly, these scholars have explored the leading sets of influences on the way MNCs manage their HRM at the subsidiary level. The four main influences are the country of origin effect, the host country effect, the effect of dominance and the effect of international integration (Azungah et al. 2020; Sanderson & Mujtaba, 2017; Young et al. 2017).

The first of the four influences is the country of origin effect. The country of origin effect is often referred to as the home country effect. MNCs transfer their HRM practices to their foreign subsidiaries to seek a competitive advantage (Azungah et al. 2020; Kamoche & Siebers, 2015). However, global innovation can alter the way MNCs transfer their employment practices to different countries. As demonstrated in Figure 2.10, the transfer of HRM policies and procedures can go in any direction. It can go from home to host nations and vice-versa (Han et al. 2018; Liu, Chen, Cooke, Liu, et al. 2019; Yahiaoui, 2015).

Figure 2.10 The Transfer of HRM Processes

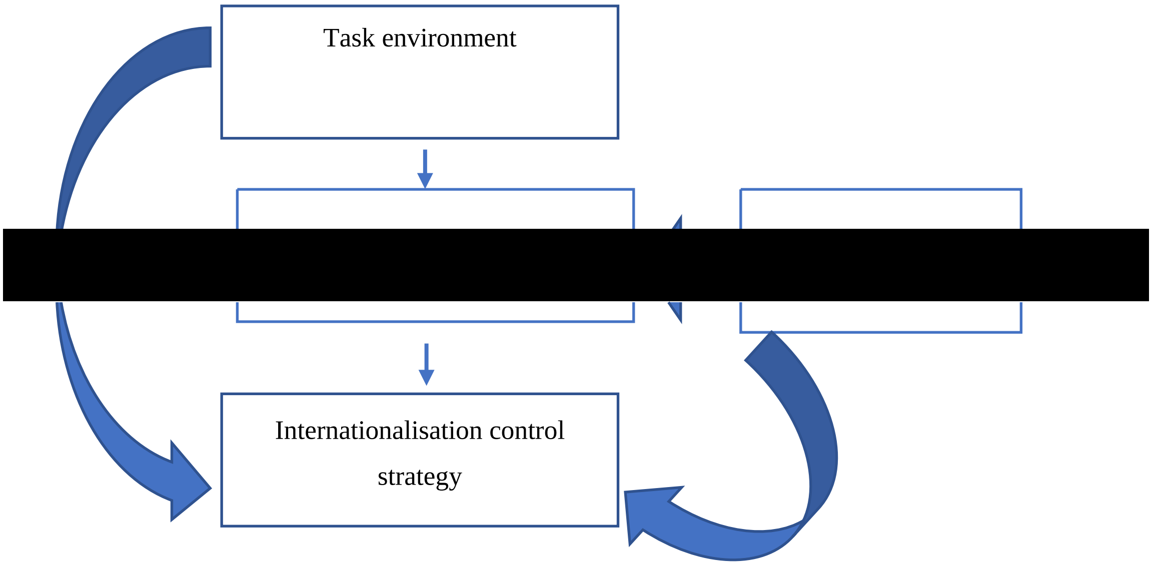


Developed for this study

Managers can share knowledge from their working experience at various branches. Therefore they become sources of integrated skills and capabilities and can improve MNC performance. Likewise, managers can adapt HRM practices at the local level. However, their broad-based experience might lead them to adjust to a wide range of uniform global HRM strategies (Chung, 2018). Whether or not MNCs intend to transfer the practices of their home countries, it is apparent that parent companies make strategic decisions. For example, MNCs might create a ‘country of origin effect’ transferred directly to foreign subsidiaries by deploying expatriate staff (Andersen & Andersson, 2017; Latukha, 2015; Latukha et al. 2020; Rees & Smith, 2017).

Over time, the legacy of the country of origin effect for companies that operate for longer at the global level tends to weaken (Adams et al. 2017; Budhwar et al. 2017). While it is apparent that MNCs are concentrated in their home countries, this concentration is becoming less noticeable. The recent trend of cross-border mergers and acquisitions has increased the rate of this process by forming several bi-national MNCs with links to more than one business system. Moreover, MNCs may try to diffuse the legacy of the country of origin, where it is perceived as exhibiting an unfavourable constraint (Azungah et al. 2020; Novitskaya & Brewster, 2016). Correspondingly, the country of origin effect generates a distinctively national flavour to management systems and practices, yet, MNCs may still learn from other business systems in which they operate. Thus, MNCs do not have a rigid and fixed national identity that enforces a restriction on organisational actors (Budhwar et al. 2017). Parent companies can shape the practices of these players and allow them to draw on employment practices from other countries. The relative power of particular nations within the global economy is shaped by how MNCs take advantage of the constituents of the different business systems of their home country and their diverse host countries. Strong economic performance in one country generates pressure for HRM diffusion within MNCs (Andersen & Andersson, 2017; Budhwar et al. 2017; Geary et al. 2017; Zhu & Jack, 2017).

Figure 2.11 Conceptual Model of Country of Origin Effect



Source: Noorderhaven and Harzing (2003)

Figure 2.11 clarifies the conceptual model underlying the definition of the country of origin effect. Internationalisation strategies are presumed to be influenced by the country of origin of the MNC and the contingency factors in the task environment. The contingency factors vary between companies and cause specific internationalisation strategies to be more prevalent in some companies than others. However, the choice of an internationalisation strategy could also be influenced by the country of origin of the MNC (Ouyang et al. 2019). Likewise, the internationalisation strategy could affect the international control strategy, as some internationalisation strategies demand more control than others. However, the global control strategy may also be directly influenced by contingency factors, such as industry size. Hence, in evaluating the country of origin effect on international control strategies, there is a need to control both internationalisation strategy and factors in the task environment of the MNC (Ouyang et al. 2019).

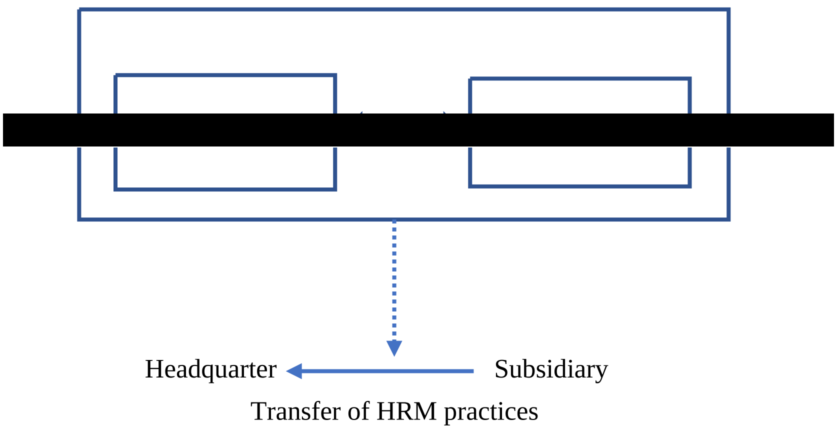
MNC systems and practices are not homogenous, as every country has unique societal philosophies and cultures. Thus, what is suitable in one country, such as the US, may not be appropriate within another, such as China and Korea, as they have different international operations (Sageder & Feldbauer-Durstmüller, 2018; Sanderson & Mujtaba, 2017). Thus, it is essential to understand that these factors should not be considered in isolation, as they could act as forces that either oppose or complement each other (Savaneviciene & Kersiene, 2015).

The causes of the control lie in the culture of the parent company of the MNCs. Thus, the best way to describe the country-of-origin effect is through an analysis of cultural and institutional approaches (Rees & Smith, 2017; Rowlands & Iles, 2017; Zhu & Jack, 2017).

2.9.1.1 Cultural Approach

The first of the cross-national comparative approaches is national culture. Many IHRM researchers have employed an analysis of national cultural distance to investigate the transferability of HRM practices in MNCs (Adams et al. 2017; Hallikainen & Laukkanen, 2018; Harzing et al. 2016; Horwitz, 2015, 2017). If they are culturally thoughtful, MNCs that implement their HRM practices could adapt their systems and methods to those of the subsidiaries in host countries (Hack-polay et al. 2020; Horwitz, 2015; Minkov et al. 2017; Myloni et al. 2007). However, the country of origin effect tends to weaken with the length of a company's global operations (Jasimuddin et al. 2017; Zhu & Jack, 2017). Figure 2.12 shows the influence of culture on the transfer of HRM practices.

Figure 2.12 The Influence of Culture on the Transfer of HRM Practices

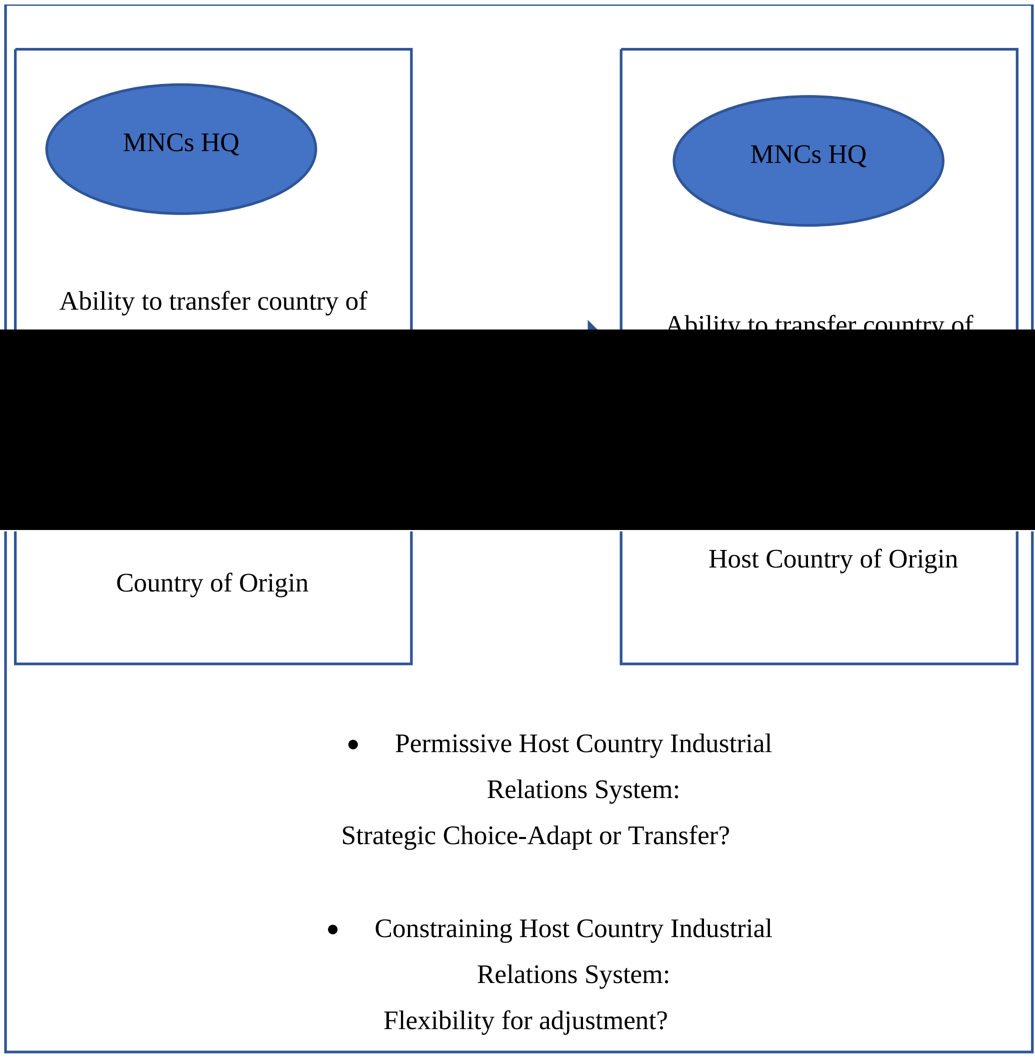


Source: Carbery and Cross (2013)

Some researchers believe that the performance and the strategic position of an MNC influences the diffusion of foreign practices into the subsidiaries (Han et al. 2018; Ouyang et al. 2019). Cross-border mergers and acquisitions decrease the country of origin effect and empower the company to draw on HRM systems and practices from the host country (Andersen & Andersson, 2017; Khan et al. 2019). The country of origin effect diffusion depends on the host country's deference, receptiveness and openness to new employment practices. Companies could quickly transfer and implement country of origin workplace practices in an open subsidiary national business system. At the same time, the diffusion of the country of origin systems tends to be more restricted in a closed economy with business systems that are highly regulated (Deresky, 2017; Oppong, 2018; Vaiman & Brewster, 2015).

Cultural dimensions depend on a particular country's attitudes, norms and values (Dias et al. 2020; Ferraro & Briody, 2017; Minkov et al. 2017; Ogunsegha, 2013; Thomas & Peterson, 2017). Differences in perception could be problematic for MNCs that want to understand the cultural differences between countries. For instance, Hofstede's cultural dimension revealed that Japan had a higher emphasis on masculinity than the US and, the US had stronger individualism tendencies than Japan (Tjosvold, 2017). US MNCs would find it challenging to implement their anti-union attitude in a subsidiary in Japan, where Japanese culture demonstrates high tendencies toward collectivism (Bergiel et al. 2012). Adams et al. (2017) emphasised that national origins could affect MNCs' systems and practices, though there was usually scope for them to draw on the actions and behaviour in the host countries (Adams et al. 2017; Sochor, 2020). Figure 2.13 illustrates the effect of cultural forces on the transfer of country of origin HRM practices in MNCs.

Figure 2.13 The Effect of Cultural Forces on the Transfer of Country of Origin Practices in MNCs



Source: Tempel (2001)

Cultural compatibility is one of the most significant problems MNCs face when attempting to transfer and implement parent company HRM practices in host country subsidiaries. Direct implementation of home country HRM practices without adaptation may be seen as a challenge to the host country's traditions and values. MNCs could be seen to be imposing a foreign culture upon subsidiaries (Cooke et al. 2019; Jasimuddin et al. 2017). Scholars stress that the smaller the national cultural distance, the more comfortable the transfer of HRM practices from home companies to foreign subsidiaries. National cultural distance has been widely analysed in IHRM literature (Ayentimi et al. 2018a; Olowookere et al. 2021).

Many IHRM scholars have used national cultural distance to measure how cultures are different or similar. The influence exerted by various national cultures shapes human behaviour. Thus, HRM practices are formed according to their cultural environments. Therefore, it is challenging to transfer some HRM practices between countries with varied national cultures (Al-Sarayrah et al. 2016; Ogunsegha, 2013; Thomas & Peterson, 2017; Zhou et al. 2020).

Incompatibility when applying an individualistic HRM system in a collectivist culture and vice-versa has been discussed by Tian (2016), who suggested that MNCs have to understand some fundamental differences when managing employees in different countries. For instance, MNCs from a universalistic culture, such as China, should realise that relationships matter to Chinese people and take time to develop them (Tian, 2016). MNCs' management systems are embedded in their assumptions and attitudes. Similarities between two organisational cultures can positively affect the transfer of practices. When the values underlying a company's culture are compatible with the values implied by particular workplace practices, employees at the subsidiary will understand and accept those practices (Harzing et al. 2016; Kim, 2017; Liu, Chen, Cooke, Liu, et al. 2019; Tjosvold, 2017).

Other researchers suggest that it is hard for subsidiary employees to comprehend and accept the transferred workplace practices from the home company if the core values of the home company and the subsidiary conflict (Adeleye, 2011; Almond et al. 2017; Banerjee & Venaik, 2018; Sanderson & Mujtaba, 2017). Xing et al. (2016) studied Chinese multinational companies in Africa. His study found that when Chinese managers brought their management styles, attitudes, assumptions and values to their subsidiaries in Africa, the Chinese managers seemed to draw on their cultural resources and were able to create a cross-vergence of African culture and Chinese management. The similarities between Guanxi and Ubuntu helped Chinese MNCs to transfer their HRM practices to Africa successfully. However, both Chinese managers and African employees needed to learn from each countries' culture and show mutual respect (Xing et al. 2016).

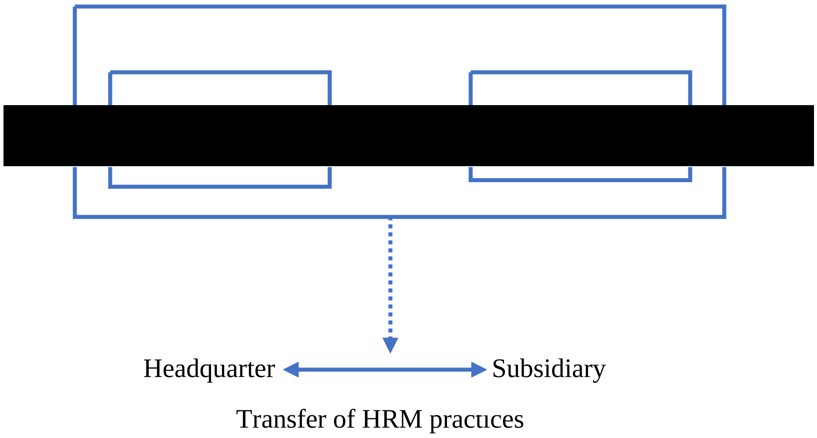
Similarly, Jackson (2014) argued that Chinese culture, such as the Confucian testimony regarding society, was similar to the African Ubuntu culture. Ubuntu is a typical African idea of personhood. The concept underlying Ubuntu is prevalent in Sub-Saharan African countries. There is a family atmosphere in these regions - a moral affinity and kinship among and between the native people (Jackson, 2014). Similar to Ubuntu, Guanxi is at the heart of the five types of primary relationships in Confucianism (parents, husband and wife, friends, offspring and siblings) (Chen et al. 2013, as cited in Xing et al. 2016). Confucianism also considers a person's reflexive behaviour, taking into account other people and treating others the way a person would like to be treated. Confucianism believes that people should never impose upon other people something that they dislike. Both Ubuntu and Confucianism stress a person's close connection with and responsibility to other people. The central ethics behind these crucial relationships are loyalty, commitment and sincerity (Karsten & Illa, 2005, as cited in Xing et al. 2016).

Cultural impact at the macro level can influence a company's employment practices. The more significant the cultural difference between the parent and the subsidiary countries, the more difficult it will be for MNCs to transfer their home country practices to their subsidiaries (Ouyang et al. 2019). In his influential study of 'the dimensions of national culture', Hofstede (1984) uncovered differing national cultural differences. However, his analysis did not explain the country of origin effect, and it did not clarify why different countries hold unique values (Kim, 2017; Rong et al. 2019). Thus, it is essential to investigate the institutional approach, which examines how MNCs fit within the historical development of national institutions (Ferraro & Briody, 2017).

2.9.1.2 Institutional Approach

The second alternative to the cross-national comparative approach is institutionalism. Most extant work on HRM practices in MNCs has used an institutional approach. It is more realistic than the culturalism approach. It provides crucial information on the transfer of HRM practices. The institutional approach also emphasises the influence on political, social, and economic factors that form a particular environmental structure rather than diffuse cultural values (Haak-Saheem et al. 2017; Meyer et al. 2018). Institutions represent the assumptions, norms and rules that shape economic activity and the choices of organisational players (Sparrow, 2021; Sparrow et al. 2016). Most MNCs are deep-rooted in their country of origin practices. IHRM intellectuals have studied the country of origin effect and have provided a convincing explanation of its impact on employment practices in MNCs. Consequently, their practices and strategies are shaped by the system of skill development and the predominant governance system in their parent countries (Adams et al. 2017; Kim, 2017; Latukha, 2015; Sanderson & Mujtaba, 2017; Sparrow, 2021; Zhu & Jack, 2017). As a result, MNCs will attempt to diffuse headquarter systems and policies into their host country subsidiaries because they believe their parent company practices have contributed to their global success and competitive advantage. Figure 2.14 displays the institutional influence on the transfer of HRM practices.

Figure 2.14 The Institutional Influence on the Transfer of HRM Practices

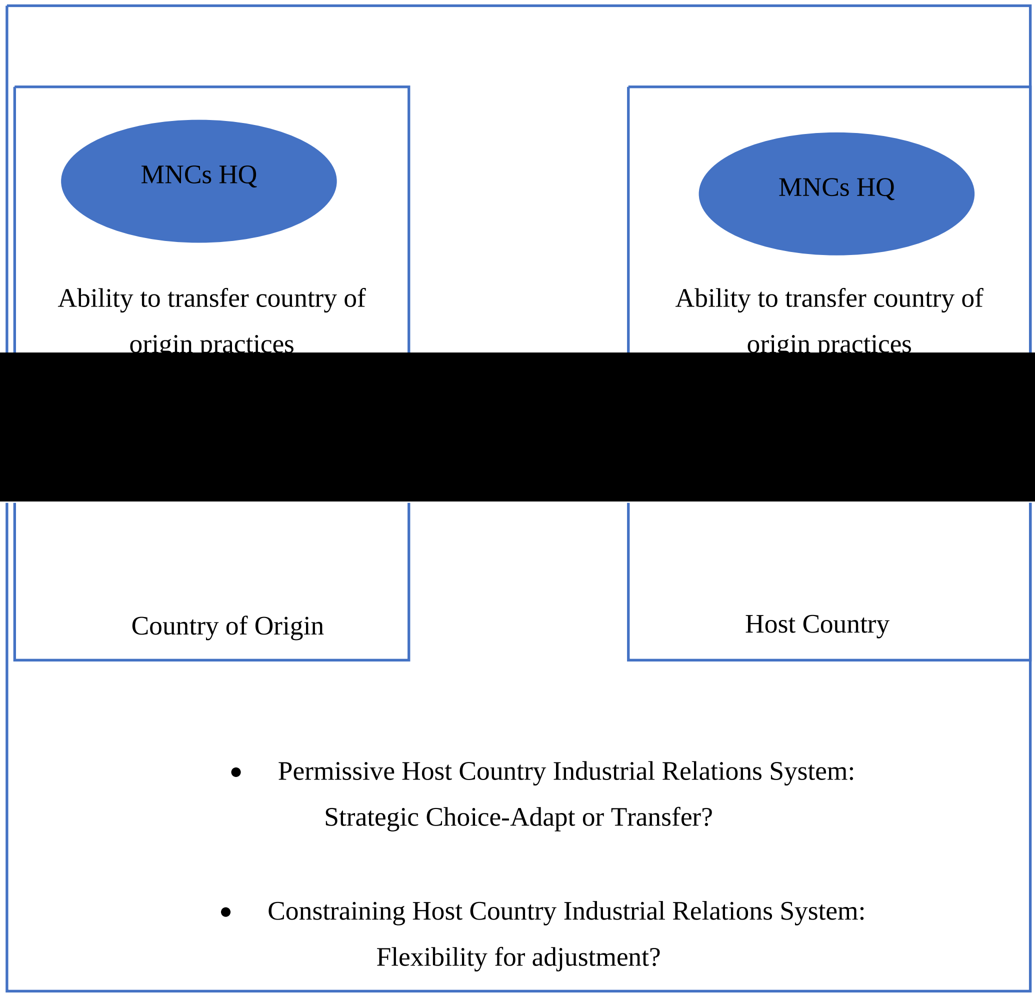


Source: Carbery and Cross (2013)

Some empirical IHRM studies have mentioned that MNCs are under different degrees of pressure within multiple institutional environments. The institutional theory indicates that, for companies to survive, they must adopt the dominant belief and rule systems prevalent in the background in which they operate (Laith & Serife, 2020; López-Sáez et al. 2021). Institutional isomorphism, both procedural and structural, will receive the corporations' legitimacy (Savaneviciene & Kersiene, 2015). Home and host institutional environmental pressures have had a significant influence on HRM practices (Chung, 2018; Sanderson & Mujtaba, 2017). MNCs that operate in different nations react differently to similar challenges (Caliggiuri, 2014; Minkov et al. 2017). Economic, political and social factors form an institutional structure of a particular environment which provides advantages for engaging in a specific approach of HRM practices in that region. When companies receive institutional support, they can function efficiently. Accordingly, parent companies exert a different influence on the management technique of MNCs (Chung, 2018; Haak-Saheem et al. 2017; Meyer et al. 2018).

MNCs are regarded as national companies with international operations in such a way that the HRM systems and practices in the home countries inform subsidiaries in the host countries (Bartram et al. 2019; Dickmann et al. 2016; Horwitz & Budhwar, 2015). Furthermore, MNCs are likely to link with their parent country's financial institutions by raising capital and adopting their corporate structures (Budhwar et al. 2017; Dickmann et al. 2016). Similarly, MNCs can obtain competitive benefits from their parent companies by concentrating research, development and innovation in a national system with which the company is familiar (Rees & Smith, 2017; Sageder & Feldbauer-Durstmüller, 2018). Also, MNCs can implement headquarters' HRM practices that have established success in their foreign subsidiaries (Azungah et al. 2020; Harzing et al. 2016). MNCs' national systems and the quest to satisfy domestic shareholders can influence strategic and political decisions and affect how MNCs manage their global human resources (Deresky, 2017; Meyer et al. 2018). Maharjan and Sekiguchi (2016a) studied Japanese and US MNCs in Nepal. They found that institutional distance could support, rather than obstruct, the transfer of HRM practices as far as the practices met the local needs. Their findings also indicated that the local labour market requirements and nature were better predictors of the transfer of employment practices than those identified in present IHRM structures, such as cultural distance and institutional factors (Maharjan & Sekiguchi, 2016a). Figure 2.15 shows the effect of institutional forces on the transfer of home country HRM practices in MNCs.

Figure 2.15 The Effect of Institutional Forces on the Transfer of Country of Origin HRM Practices in MNCs



Source: Tempel (2001)

Institutional systems deliver a more dynamic perspective than cultural ones. However, vigilant consideration is needed when applying them. In particular, institutional approaches can be deterministic if they perceive that companies are inactive in their interaction with the institutional environment (Banerjee & Venaik, 2018; Rowlands & Iles, 2017). If this is the case, MNCs might fail to incorporate the role of institutions in producing economic and political outcomes, resulting in the formation of 'structural determinism'. Therefore, MNCs need to view institutionalisation as a contested process whereby different groups have divergent interests and power resources. The focus should be on how players seek to advance or protect their interests, resolve conflicts and use their resources. This approach emphasises how transfer goes against the interests of some organisational groups (Ahmad, 2019; Dickmann et al. 2016; Rees & Smith, 2017).

The institutional approach integrates the role of national business systems within the country of origin. It describes how the national institutional framework has developed and its influence on MNC workplace policies and practices (Rees & Smith, 2017). National institutions incorporate companies structure and coordination with other national companies, industrial relations, financial markets, labour markets, educational institutions and legal systems (Boso et al. 2019; Dickmann et al. 2016). National institutions provide a framework for how companies operate within domestic and international markets. Thus, MNCs build their policies and practices around their historical roots and national context (Almond et al. 2017; Chung et al. 2020). For instance, US MNCs are notably anti-union in their approach (Bergiel et al. 2012). Miedtank (2015) claimed that US MNCs collective bargaining systems could be traced back to the specific hostile relationship between controlled labour and capital and the widespread opposition to the employment relationship and state regulations. The anti-union attitude of the US could be a result of how companies achieve capital. US companies generate money from stock markets. They rely less on banks for funding. Shareholders raise the capital for companies. Consequently, a union is a threat to shareholders decisions as shareholders are the leading investors in companies. It is, therefore, necessary to eradicate any threat of collective labour conflict (Bergiel et al. 2012).

A prevailing view in IHRM literature is that, despite globalisation, MNCs tend to adopt their home country HRM practices and approaches in subsidiaries in host countries (Chung et al. 2020; Meyer et al. 2018; Welch & Björkman, 2015). Correspondingly, the methods and systems in the MNCs' countries of origin persistently shape the behaviour and HRM methods in their subsidiaries (Ouyang et al. 2019; Welch & Björkman, 2015). Geppert et al. (2014) studied European supermarkets, namely, Metro-Real (a German MNC), Carrefour (a French MNC) and Tesco (a British MNC). Their study revealed that the systems and practices in the MNCs parent companies influenced the way the MNCs managed their global HRM practices. The host country environments demonstrated varying levels of acceptance regarding the HRM systems. Subsequently, the approaches these companies developed varied in the way that they operated in their subsidiaries. These systems and practices were formed due to the relationship between the different HRM systems in the parent countries and the adaptation to the host countries' environments.

In Germany, Metro-Real enjoyed a healthy relationship with work councils and trade unions. Consequently, it accepted trade union representation in its subsidiaries. However, in Poland, it encouraged the division of trade unions in most of its stores with its decentralised company organisation. In France, Carrefour had an oppositional relationship with trade unions. It initially opposed trade union recognition in Turkey, but eventually compromised and employed a collective agreement (Geppert et al. 2014). Tesco transfer the critical elements of its parent company employment practices to its three host countries, but with variable adjustment to the different host country environments. In Ireland, the unions had strong representation in the forum; these were used to replace union recognition in Turkey and Poland. However, there was no collective agreement, even though the union was part of the forum process. Metro-Real and Carrefour were from countries with less permissive HRM practices and had less incentive and scope to build a robust HRM system. Their workplace systems and practices, rooted in highly institutionalised sectoral and collective legislation agreements, could not be easily transferred to subsidiaries in other nations with unique environments (Geppert et al. 2014).

Tesco attributed much of its success to its management style and pressure to transfer those practices to its subsidiaries with varying degrees of success. As a result, it was unlikely to find unions that understand and desire to adopt the parent company's employment practices. In contrast, Tesco operated in a permissive parent-country context, which enabled it to develop its corporate model to manage its human resources over the years. As a result, in countries with a weak union (Poland), the model improved their workplace role. On the other hand, in countries with a strong union (Turkey and Ireland) the model was viewed as an attempt to lessen their role (Geppert et al. 2014).

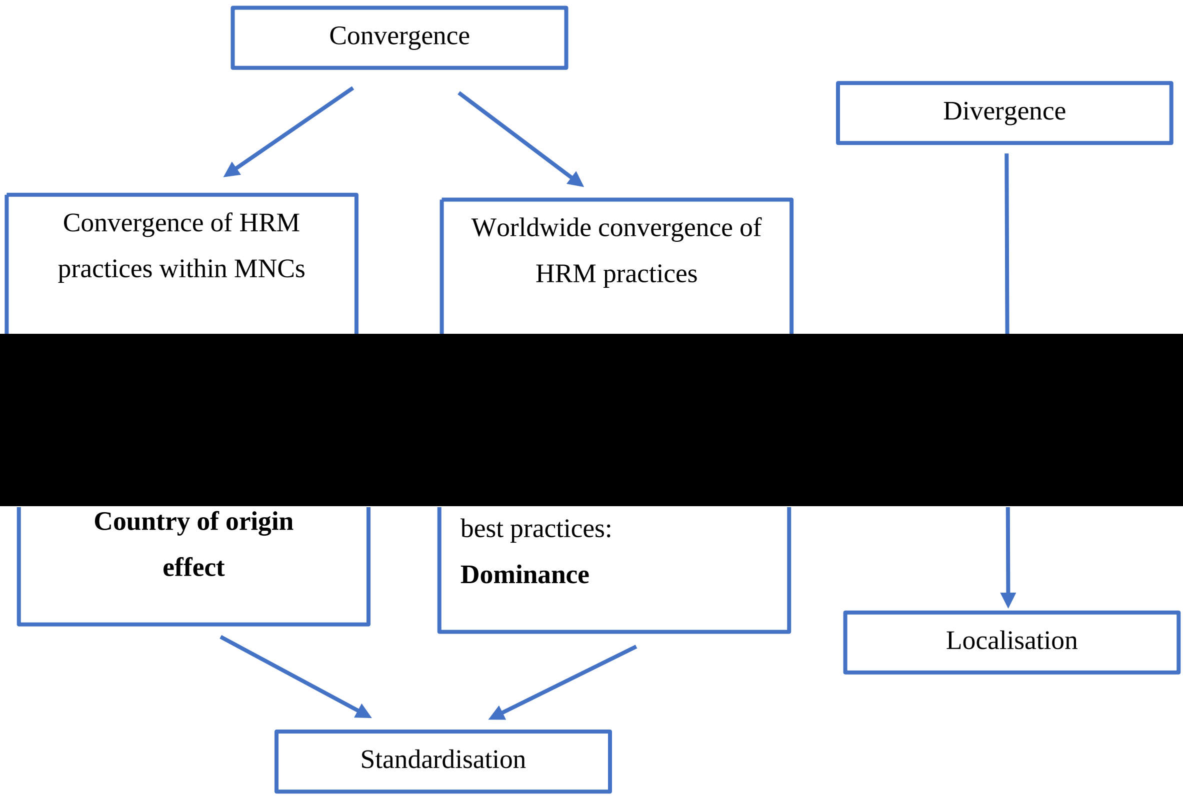
A subsidiary that performs poorly tends to have less bargaining power to implement and protect local systems and practices than a subsidiary with a high performance rate that occupies a strategic position (Cullen & Parboteeah, 2013; Jasimuddin et al. 2017; Savaneviciene & Kersiene, 2015). Accordingly, poor performance reduces the influence of management. It dramatically weakens the power of HRM in the subsidiary, which paves the way for headquarters to transfer and implements their practices into the host subsidiaries (Caliggiuri, 2014; Han et al. 2018; Journé et al. 2020). It is more likely that MNCs will transfer the country of origin workplace practices to subsidiaries with a weak institutional environment than subsidiaries with closed systems. However, some subsidiaries with closed economic business systems tend to have well-organised institutions that forcefully impose regulations. The strength of labour market institutions tends to inhibit the diffusion of new policies and practices into subsidiaries in such environments (Han et al. 2018; Kamoche & Siebers, 2015). Maharjan and Sekiguchi (2016a) studied Japanese-affiliated, US-affiliated and local Nepalese companies and investigated how the context of Nepal (as the least developed country) influenced the way MNCs transferred and implemented HRM practices in their Nepalese subsidiary. Their findings revealed that US subsidiaries seemed to import most, or all, of the components of their parent workplace practices. On the other hand, Japanese subsidiaries localised their employment practices; however, values such as working overtime, punctuality and the Japanese business style were transferred from the parent company. Expatriates were the primary transfer vessel, and they were unwilling to localise shared values. In both cases, labour relations and the conditions in the local market had a strong influence on the implementation of HRM practices. One of the significant limitations of this study was that the study was solely based on the information provided by the interviewees. Hence, possible information bias is undeniable (Maharjan & Sekiguchi, 2016a).

Institutionalists have used institutionalist theory to analyse the transfer of employment practices. They have shown that the pressure for legitimacy within MNCs has provided a strong incentive on actors at the operating units to engage in the transfer. In addition, IHRM academics have suggested that MNCs are subject to intense pressures of 'local isomorphism', leading them to resemble local firms (Chung, 2018; Novitskaya & Brewster, 2016; Ouyang et al. 2019). Finally, both cultural and institutionalist approaches have also been used to explain the occurrence of 'the host country effect', the process in which practices are transferred from foreign subsidiaries to MNC domestic operations.

2.9.2 The Host Country Effect

MNCs are geographically distributed companies with different goals and objectives. MNCs consist of parent companies and various national and international subsidiaries, which faces distinct internal and external pressures arising from other players such as employers, suppliers, Governments and customers within the social setting (Abugre, 2018; Sageder & Feldbauer-Durstmüller, 2018; Wintersberger, 2017). MNCs have to balance internal consistency in managing opposition conflicts through local response, global coordination and local institution adaptations (Adams et al. 2017; Sageder & Feldbauer-Durstmüller, 2018; Wei & Nguyen, 2017). Advocates of management practice contingency theory emphasise the difficulty of the transfer process, which depends on the context and structure of the companies and is shaped by the perceptions and strategies of the stakeholders (Bartram et al. 2019; Rees & Smith, 2017; Tian, 2016; Wei & Nguyen, 2017). Transferring HRM practices involves taking them from their original home and initiating it in a new location. The process of transferring employment practices is not an event. Nevertheless, it is challenging, vigorous, and unstable (Robert & Gabriel, 2004; Yin, 2020; Zhu & Jack, 2017). Transfer, therefore, signifies a dual strategy of contextualisation (what values do managerial practices have outside their original context) and re-contextualisation (what value do employment practices have in a new setting). Numerous stakeholders play a vital role in transferring these practices, such as the Government, directors, creditors, employees, suppliers, unions, owners and shareholders (Rees & Smith, 2017; Zhou et al. 2020). Figure 2.16 summarises these relations.

Figure 2.16 Country of Origin, Localisation or Dominance Effect



Source: Pudelko and Harzing (2007)

MNCs generally have to adjust HR practices to imitate the cultural and institutional features of the foreign host country's environment. Hence, HRM in MNCs has a polycentric tendency. They adapt their practices to reflect the local values, norms and laws to successfully transfer HRM practices from headquarters to the host country environment (Hughes et al. 2017; James & Baruti, 2021; Xing et al. 2016). National and institutional factors can affect how MNCs transfer their HRM policies and practices to their foreign subsidiaries. Institutional factors can have a powerful impact on HRM practices, which relate to the features of the host country's national business systems, for example, the legal framework and the structure and nature of their labour market institutions, such as the local councils and trade unions (James & Baruti, 2021; Xing et al. 2016). An emerging stream of literature has contended that companies in different countries have explicit HRM policies and practices (Adams et al. 2017; Chung et al. 2014; Yahiaoui, 2015). Thus, transferring HRM policies and practices within MNCs can be pretty challenging. Some significant difficulties are closely related to host country cultural and institutional environments (Bartram et al. 2019; Sanderson & Mujtaba, 2017).

Nonetheless, the dominance of the American management concept has led to the belief that standard management practices are applicable nationwide. However, research has revealed that behaviour, values and attitudes vary across national cultures (Tjosvold, 2017; Vaiman & Brewster, 2015). Hence, there is no exact way to manage companies since so many factors can influence how MNCs manage their workers; among those factors is the difference in national cultures (Boso et al. 2019; Liu, Chen, Cooke, Liu, et al. 2019).

2.9.2.1 Cultural Influence

Several management scholars have applied a cultural perspective to analysis of HRM practices (Hofstede, 1980; Jackson, 2002; Laurent, 1983; Trompenaars, 1993, as cited in Tocar, 2019). Central to this approach is that countries/societies vary from one another and that this distinctiveness is mirrored in the way that companies manage their employees. Companies cannot be isolated from their unique cultural environment (Liu & Meyer, 2020; Sanderson & Mujtaba, 2017; Vaiman & Brewster, 2015). Cultural beliefs, values and assumptions of the local culture in which companies are deep-rooted, shape employment practices, which causes worries when MNCs decide to transfer some of their employment practices overseas, especially in cases when the expectations that underlie such methods do not fit with the cultures of the recipient host-countries (Attah-Boakye et al. 2020; Farndale & Sanders, 2017; Xing et al. 2016). Failure to adapt HRM practices to host country cultures can lead to negative results and constrain subsidiary performance. Subsidiaries managed by national cultural expectations perform better than subsidiaries managed otherwise (Hack-polay et al. 2020; Patel & Bhanugopan, 2017).

Cooke (2018) and Thomas and Peterson (2017) acknowledged that national cultural differences could influence employee behaviour and create different HRM practices according to different cultural settings. Maharjan and Sekiguchi (2016) highlighted the gap in the literature concerning the transfer of HRM practices in MNCs. They focused on Japanese HRM practices in their subsidiary in Hungary. They found that there was a more significant Japanese influence on the gender ratio. The company they interviewed was mainly male-dominated in Hungary, which might have been due to the more substantial impact from the parent company on gender ratios. The HR department was primarily male-dominated in Japan. The masculinity dimension is associated with the characteristics of gender defined by society. Men and women are considered different. Men have 'masculine' characteristics, such as being logical, competitive and assertive and women have 'feminine' characteristics, such as being peaceful, caring and modest (Hofstede, 2001, as cited in Grill et al. 2016). Correspondingly, highly masculine people consider achievement and material success to be very important. In contrast, less masculine people pursue a better quality of life, conformity and group harmony (Hofstede, 2001, as cited in Kim et al. 2018).

Furthermore, Maharjan and Sekiguchi (2016) discovered Japanese influences on safety practices, corporate culture and the preference of in-house training, which indicated that Japanese companies sought to implement parent company operating values and control mechanisms through cultural values. However, cultural values are not the only elements of individual behaviour that can influence management practices. Social structures can be used to explain behaviour. They act as a monitor of or constraint on workers and institutions and the duties of these institutions within the entire social system (Adams et al. 2017; Jasimuddin et al. 2017; Khan et al. 2019).

2.9.2.2 Institutional Influence

Research by institutional academics has focused on the impact of social forces on organisational behaviour and structure. The primary argument is that company practices are regularly influenced by social institutions, producing processes and structures that reflect national patterns (Khan et al. 2019; Patel et al. 2018; Yahiaoui, 2014). Empirical research has shown how institutional systems shape companies in relation to their environment, location and size. Accordingly, institutional theory provides an extensive analysis and understanding of how home and host country's national institutional settings can influence the transfer of MNC HRM practices (Bretos et al. 2019; Farndale & Sanders, 2017). The extent to which companies transfer their country of origin practices depends on the constraints the host countries exert on the transferred HRM practices (Patel & Bhanugopan, 2017; Stahl, 2017). MNCs are compelled to adjust to local practices in countries where institutions are integrated, cohesive and have established a unique business system. However, in a permissive institutional framework with few formal institutions, MNCs are less constrained (Azungah et al. 2020; Novitskaya, 2015; Patel et al. 2018).

Host country legal regulations represent a sound environmental pressure on MNCs' subsidiaries. The legal setting in which MNC subsidiaries are embedded can constrain the transfer of employment practices from their parent companies (Kim, 2017; Liu, Chen, Cooke, Liu, et al. 2019). The national business system can influence the diffusion of HRM practices in various ways. For instance, the employment law structure can constrain the implementation of the HRM practices (Farndale & Sanders, 2017; Liu, Chen, Cooke, Liu, et al. 2019). Likewise, the nature of primary labour market institutions, such as work councils and unions, can restrain the transfer and implementation of HRM practices directly by affecting employee representation and indirectly by applying pressure on employment relations. Isomorphic pressures in the host and home countries can be used as a tool to explain the differences and similarities in HRM practices between home and foreign host subsidiaries companies (Ayentimi et al. 2018a; Grill et al. 2016; Hughes et al. 2017; Patel et al. 2018; Yin, 2020). Institutional studies have focused on uniformity and obstinacy stemming from institutional pressure, isomorphic mechanisms and legitimacy. Consequently, institutionalist studies have argued that MNC subsidiaries' are under local isomorphic pressure to adjust and act according to local practices in the host countries to enable them to gain recognition and legitimacy (Festing & Tekieli, 2021; Lazarova et al. 2017; Novitskaya & Brewster, 2016).

The primary purpose of institutional theory is to explain the degree of persistence, homogeneity and isomorphic pressure provided by the host country's national institutional environments. Based on the available body of literature, institutionalists argue that both home and host countries' domestic institutional settings could affect MNCs' subsidiaries. This is known as institutional duality (Ayentimi et al. 2018a; Festing & Tekieli, 2021; Lazarova et al. 2017; Yahiaoui, 2014, 2015). The examples mentioned above illustrate that the institutional and cultural characteristics of the host country can restrict the transfer of HRM practices.

Maharjan and Sekiguchi (2016a) studied US and Japanese companies in Nepal and discovered that this was not always true in the least developed nations. The Nepalese local environment is an example of a permissive institutional context with few formal institutions. The distinctive features of the Nepalese local environment, such as the increased use of the Internet, enabled US subsidiaries in Nepal to use the parent recruitment practice of using social networking sites without much resistance. In this case, the institutional distance promoted, rather than impeded, the transfer of practices. Therefore, institutional distance did not constrain the transfer of HRM practices in this lesser developed country (Maharjan & Sekiguchi, 2016a). Moreover, the need for managerial and technical knowledge in the local market, especially for younger local people who were eager to learn technological skills, assisted MNCs' subsidiaries in implementing training and development practices from the parent companies to the subsidiaries in Nepal (Maharjan & Sekiguchi, 2016a). The HRM practices from institutionally distant nations were accepted in Nepal as long as they satisfied the local technical and managerial skill requirements and were formalised HRM practices. Employees were not satisfied with the present less-progressive and unstructured HRM practices. They welcomed the international HRM practices, which comprised cutting-edge technology. Consequently, these MNCs were less constrained when introducing country of origin practices in Nepal (Maharjan & Sekiguchi, 2016a). The authors noted that the host countries' legal regulations represented a vital institutional force on MNCs' HRM practice structures in host countries.

Contrary to Maharjan and Sekiguchi's (2016a) findings, Lazarova et al. (2017) offered an alternative perspective. They claimed that host country regulatory systems, social actors, trade unions and other sub-national institutional settings could exert local isomorphic pressure on MNCs to localise their HRM practices, resulting in institutional uniformity and persistence in the host countries. The higher the regulatory or legal differences between countries, the more challenge MNCs faced when attempting to diffuse their HRM practices or adopt global standardised HRM practices (Han et al. 2018; James & Baruti, 2021; Sanderson & Mujtaba, 2017). Similarly, host country social actors and national and sub-national institutions could exert isomorphic pressure on MNCs' subsidiaries to adapt to HRM practices similar to local companies. Other conditions, such as control and coordination, competition and globalisation could exert competitive isomorphic pressure identical to local isomorphism (James & Baruti, 2021; Myloni et al. 2007). Actors in host countries could block transfers when they consider them to be a challenge to their interests. In other circumstances, however, the constraints may be only partial (Cooke et al. 2019). Hence, a particular practice may not work in the same way in the host companies as in the parent companies. It may need to slightly transform as actors in the host country seek to familiarise it to pre-existing models of assumptions, power relations and behaviour (Festing & Tekieli, 2021). Indeed, some writers in this field have claimed that political restraints are generally weaker than observed. They have stated that MNCs are in a strong position to overrule them where they attempt to do so (James & Baruti, 2021; Kamoche & Siebers, 2015; Xing et al. 2016).

While the particularities of the host business systems may exercise partial or total restraint, this restraint is subject to being flexible to the influence of large MNCs. Senior employees in large MNCs can pressure Governments to relax rules and regulations and force unions into negotiations through collective bargaining (Festing & Tekieli, 2021). Trade union recognition in less developed economies is expected to be a standard practice compared to developed economies like the US, where there are considerable opportunities to adopt union prevention strategies (Budhwar & Debrah, 2013).

In most developing economies, the regulatory system or framework leaves little room for companies to avoid trade unions. Nonetheless, in some developing countries, these difficulties have been overcome by adopting free trade zones to attract foreign direct investment. In these regions, conditions such as union recognition requirements are wavered, and business regulations are minimal, creating a chance for union avoidance among MNCs (Debrah, 2013 and Otoo et al. 2009, as cited in Ayentimi et al. 2018a)). Labour union are the significantly influential local institutions (Xing et al. 2016). Institutionalists suggest that if a union represents subsidiary employees, subsidiary HRM practices may resemble domestic companies. Therefore, even if managers believe that parent HRM practices would be advantageous in unionised companies, they may not implement them because of potential conflict with employee attitudes or union rules. Subsequently, MNCs tend to conform to local practices to gain acceptance and legitimacy (Xing et al. 2016).

Xing et al. (2016) explored an African subsidiary of a Chinese MNC, their study found that Chinese MNCs tended to modify their HRM practices to the local setting in Africa rather than diffuse their HRM practices. Chinese MNCs lacked familiarity with the African business environment (Government relations, market knowledge and distinct characteristics that stemmed from cultural differences). Chinese managers had to adapt to the local African workforce settings. They had to adjust to the local labour force and local unions, which had a significant impact on the performance of local employees (Xing et al. 2016).

Labour unions play a vital role in African countries (Ayentimi et al. 2018a; Butler, 2017; Sanderson & Mujtaba, 2017). African employees usually complain to their local unions when they are not pleased with their employer, mainly when dealing with compensation and salary issues. The Chinese policy in MNCs that managers across countries should carry out performance appraisals of all of employees and ensure that adverse consequences (such as pay freezes or dismissal) are applied accordingly, was rejected by some local managers who felt that such an approach was against the expectations of local workers (Xing et al. 2016). Labour unions are powerful in Africa, particularly when negotiating wages, days off and working hours. The head of the union usually represents the employees and organises the workers to strike to protect them. Thus, labour unions have a significant bearing on society in African countries (Xing et al. 2016).

African unions can exert a great deal of external pressure, which has resulted in difficulties for the everyday management of HRM in Chinese MNCs in Africa (Xing et al. 2016). Chinese managers have found it challenging to manage the unions because they are entirely different from the unions found in their home companies. Chinese unions are mainly concerned with the stability of Chinese managers. Chinese managers prefer to adapt to African rules and regulations to lessen and avoid confrontation. They resort to the local unions to resolve conflict. Consequently, Chinese managers in Africa have adjusted their HRM practices to satisfy the needs of the local African employees (Xing et al. 2016). This demonstrates how the cultural and institutional features of national business systems can affect HRM transfer. The approach in which actors in host countries may block transfers when they see it as a challenge to their culture and interests. Despite these insights, the research completed by Xing et al. (2016) was exploratory, and therefore their results may not apply to a large population. MNCs have to hybridise their employment practices and transfer their home country models by adjusting them to fit host country subsidiary requirements so that they can operate successfully in foreign subsidiaries.

2.9.2.3 Hybridisation

Horwitz (2017) studied IHRM in South African multinational companies and suggested that MNCs were under ‘institutional duality’ pressure when managing employees in foreign subsidiaries. MNCs have to adapt to isomorphic pressure in host countries, which depends on the isomorphic pressure and the local institutional context from the parent company, which is contingent on the intellectual context between these two entities. These factors influence employee attitude and behaviour towards practices transferred by the parent company (Festing & Tekieli, 2021; Patel & Bhanugopan, 2017). Arguably, most empirical studies claim that both local and global factors are in evidence. Nonetheless, the balance between the two varies across MNCs. The subject of the ‘hybridisation’ of global and local effects is present in MNCs’ HRM practices (Dias et al. 2020; Sparrow et al. 2016). The hybrid of local and global styles is also explicit in various studies (Adams et al. 2017; Chung et al. 2014; Ouyang et al. 2019; Yahiaoui, 2015). Hybridisation arises from collaborations between several national labour markets, legal systems, skill structures and institutional and political contexts. Hybridisation is not a deliberate process, and hence it has an unpredictable result (Ouyang et al. 2019; Patel & Bhanugopan, 2017). The outcome can lead to the emergence of entirely new practices to those transferred. Research in IHRM has found the adaptation of managerial practices depends on their acceptability in the external environment. Isomorphic pressures can restrict mimetic, coercive and normative organisational choices (Ayentimi et al. 2018a; Hughes et al. 2017).

Furthermore, political, cultural, economic and institutional factors affect resistance to the transfer process in MNCs (Ayentimi et al. 2018a). Numerous factors may facilitate or hinder the transfer of employment practices in MNCs, which include the situation for introducing the transfer process (for example, the local culture), the institutional and operational models, the redefinition of the geopolitical setting and/or the level of dissatisfaction on a national level of the legitimacy of local practices which allow the use of the MNCs' production model (Ayentimi et al. 2018a; Geary & Nyiawung, 2021). The combination of transfer mechanisms (coercive, mimetic and normative) has a considerable influence on the pace of the transfer process and the level of interpretation or adaptation from the original model (Ayentimi et al. 2018a). Difficulties result from the resistance of influential groups, the national economy and the power of political institutions on business which can hinder or even stop the transfer. These factors emphasise how influential stakeholders are in the hybridisation process and that hybridisation arises from the interactions of various stakeholders and how they relate to the environment (Ayentimi et al. 2018a). MNCs can choose to react to institutional pressures by either challenging, avoiding, manipulating, devoting or compromising beyond the subsidiaries' requirement. These reactions vary according to the interests of the subsidiary company managers. Likewise, local managers may have different opinions from the local context. Their discernment is influenced by their personal experiences abroad through study, training or work (provided by the parent company). These skills could enable prospect managers to approve and apply international managerial practices (Festing & Tekieli, 2021).

The primary distinctions between diffusion, adaptation and hybridisation depend on how they are transferred. Both diffusion and adaptation are intentional because a manager initiates them. In contrast, hybridisation is an unpredictable, not deliberate process (Jiang & Yahiaoui, 2018; Yahiaoui, 2015). Several stakeholders shape the hybridisation process, making it a complicated and uncontrollable process that is neither guided nor organised. MNCs cannot pre-plan the hybridisation process. Thus, subsidiary HRM practices can resemble those of the parent company or host country; or they can be different from both (Jiang & Yahiaoui, 2019; Oppong, 2018).

Conversely, hybridisation can form a distinctive third form of managerial practice with unique structures different from the home company model and local practices (Harzing & Pinnington, 2014; Jiang & Yahiaoui, 2019). For instance, Patel et al. (2018) investigated the transfer of

HRM practices from emerging Indian MNCs to their subsidiaries in Australia and discovered that Indian IT MNCs assumed a 'hybrid' technique to the transfer of employment practices; they mainly transferred their parent company's HRM practices to their Australian subsidiaries, with some degree of localisation, to satisfy the Australian subsidiary environments.

Moreover, their analysis revealed that Indian IT corporations provided parent company-based training and used a percentage of their subsidiary revenue to provide local training to their Australian subsidiary workforce to meet formal and customer requirements. Besides, Indian IT MNCs processed the wages of their subsidiary workers from their headquarters but paid them according to the local Australian wage system (Patel et al. 2018). Indian IT MNCs combined some local (Australian) practices with most of their parent company approaches to adopt a mix of polycentric and ethnocentric orientations. Indian IT MNCs employed forward diffusion of superior headquarter HRM practices while combining them with local methods to achieve the ideal balance to suit their host subsidiary setups. The transferred HRM practices were adjusted to a level that allowed the subsidiary to be locally responsive to the environment of the host country (Patel & Bhanugopan, 2017; Patel et al. 2018). However, this study focused only on HR practices in a particular company and a single unit (IT and subsidiary) and it relied on interviews with single respondents in most cases. Interviewing multiple respondents and applying other methods would yield more generalised results.

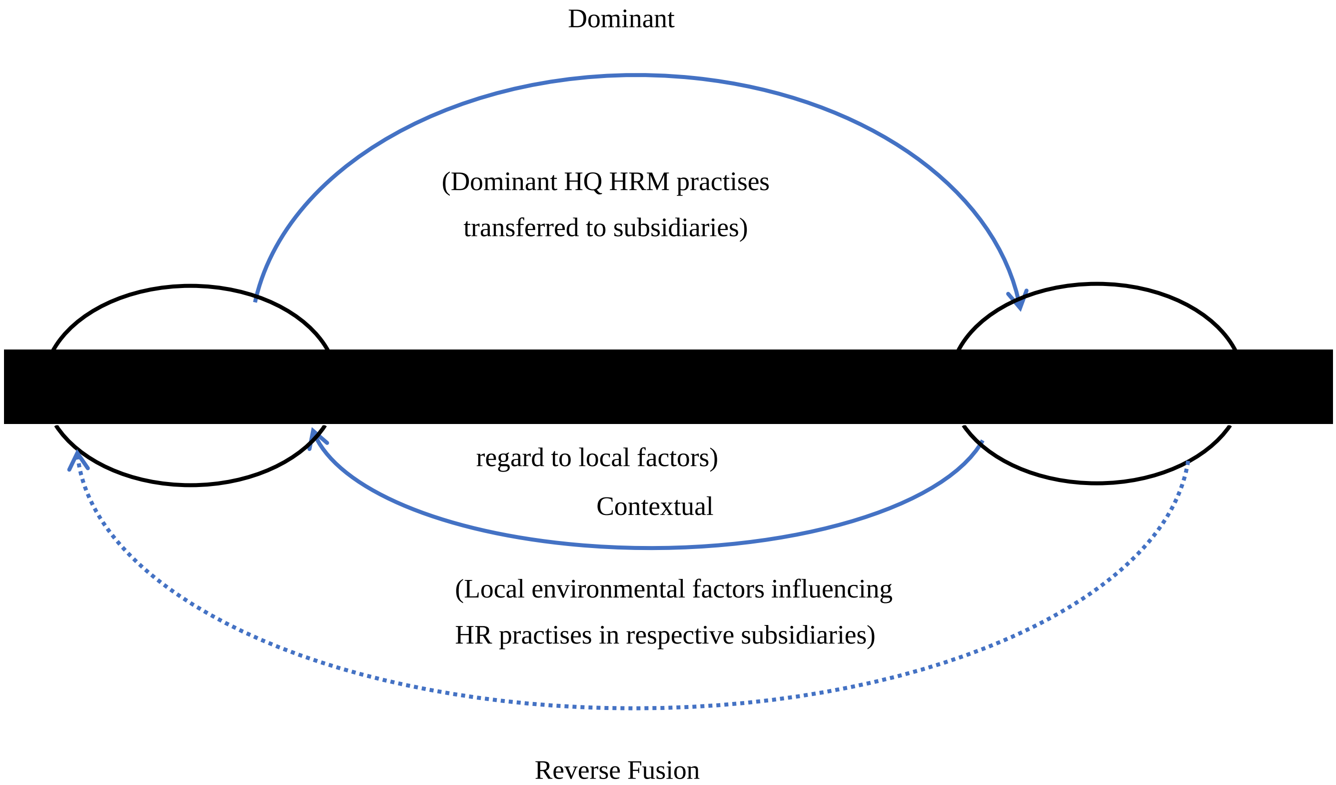
Grill et al. (2016) study discovered that employment practices in Japanese MNCs in Hungarian subsidiaries reflected both country of origin and localisation effects. Their findings also indicated that the localisation or country of origin effects were not sufficient for managing human resources, but hybridisation of practices allowed the interplay of both forces. HRM in Hungarian subsidiaries of Japanese companies hybridised Hungarian and Japanese styles of employment practices (Grill et al. 2016). There was more Japanese influence on the areas of responsibility of corporate culture, HRM, safety and the preference of in-house training. In contrast, performance appraisal incorporated both parent and local company features. At the same time, recruitment and selection techniques and rewards and benefits seem to be relatively Hungarian (Grill et al. 2016). However, this study covered only manufacturing companies, and they interviewed only one person from each company which could lead to bias (Grill et al. 2016). While many scholars have been concerned with how MNCs struggle to transfer HR practices to subsidiaries in countries through forwarding diffusion, HRM practices can be moved in any direction, including subsidiary to parent companies, a process known as reverse diffusion (Hughes et al. 2017; Nair et al. 2016; Peltokorpi, 2015).

2.9.2.4 Reverse Diffusion

The extent to which forward diffusion is achievable depends on the strength of the institutional regulation in the host countries. MNCs with similar institutional frameworks to host countries might find it easier to diffuse HRM practices (Liu & Meyer, 2020; Nair et al. 2016). The concept of reverse diffusion refers to when MNCs transfer HRM practices from subsidiaries in foreign settings back to the parent company or throughout the entire company. MNCs may take advantage of the subsidiary environments to experiment with advanced HRM practices, perhaps to implement them more thoroughly. It is a means by which MNCs can acquire scarce inputs from their subsidiaries for advancement and obtain a competitive advantage (Harzing et al. 2016; Liu & Meyer, 2020). Subsidiaries that depend heavily on host countries regarding local suppliers and technological and managerial expertise are expected to affect these actors regarding their employment practices; mainly when a subsidiary needs to maintain or acquire a preferred employer status (Lazarova et al. 2017; Liu & Meyer, 2020).

Nonetheless, the role of the host country effect in the transfer of HRM practices is not merely a matter of headquarters managers trying to break down the opposition. For MNCs to successfully carry out reverse diffusion, a particular method may rely on superior employee knowledge and skills. If employees lack these qualities, host countries subsidiaries will not be capable of transferring the HRM practices, but a lack of willingness is not the result of any opposition (Bartram et al. 2019; Nair et al. 2016; Patel & Bhanugopan, 2017). Figure 2.17 illustrates reverse diffusion within MNCs.

Figure 2.17 Global HRM Transfer Framework



Source: (Oppong, 2013)

Adams et al. (2017) studied an example of reverse diffusion, and found that subsidiary HRM systems and practices underwent incremental modifications to global innovations and local conditions, which gave rise to a hybrid of the HRM systems and practices over time. The stemming hybrid HRM practices were finally adopted by the headquarters through innovation and better performance and transferred to other subsidiaries referred to as ‘reverse diffusion’. This study was based on nine South African MNCs operating in Ghana. The small amount of companies studied may impact the generalisability of the study. Moreover, they interviewed only managers who directly supervised workers at the subsidiary level, discounting other employees. Non-managerial employees have different norms and perceptions of employment practices and tend to present different views from their managers concerning transferred HR systems and methods (Adams et al. 2017).

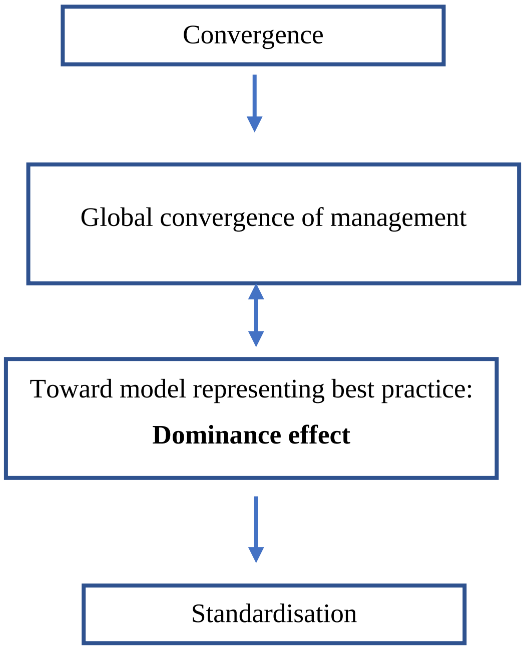
Bartram et al. (2019) and Lazarova et al. (2017) suggested that the political difficulties of adopting subsidiary employment practices were likely to be more challenging to overcome than those of forwarding transfer. Thus, managing the transfer of subsidiary HRM to the home companies can be more challenging than forward transfer (Festing & Tekieli, 2021; Sanderson & Mujtaba, 2017). The transfer of HRM practices from subsidiaries to parent companies arises from managers' strategic decisions. They identify and seize new opportunities in the forms of long-term evaluation of contemporary HRM practices from their cross-border subsidiaries (Lazarova et al. 2017; Song, 2021). Chung (2018) and Budhwar et al. (2017) also found divergent HRM practices were preferable to fit local requirements when emerging economy organisations had a healthy localisation mindset, with a high degree of autonomy for their managers. Therefore, the political pressure of adopting subsidiary HRM practices were likely to be more challenging to overcome than forward transfers. For MNCs to effectively adopt subsidiary HRM practices, headquarters managers need to set up a plan for the transfer by identifying the benefits of taking on the transfer role from the subsidiaries by forming suitable organisational systems and policies for accepting best practices (Patel et al. 2018; Zhou et al. 2020).

In the courses of cross-border practice transfer, MNCs are required to overcome the psychological challenges that result from the symptoms of headquarters defiance to change, and the obstacles of the responsibility of adaptation and stickiness. These forms of opposition develop due to contextual and cultural differences (Zhu & Jack, 2017). MNCs usually prefer their headquarters established practices to those transferred from subsidiaries. Likewise, awareness of nationalistic supremacy, which results from employees not accommodating different methods, may hinder the transfer process (Farndale & Sanders, 2017; Kynighou, 2020). While these psychological and institutional barriers can be present in all cross-border transfer types, resistance to approving HRM practices from foreign subsidiaries could be predominantly strong (Patel & Bhanugopan, 2017). It is clear that there is evidence of the host country effect leading to the transfer occurring in this direction, and reverse diffusion is expected to be most common in MNCs from dominant countries, as the two forces reinforce one another (Ayentimi et al. 2018a; Kynighou, 2020). However, in MNCs from developing economies, or a developed economy that is performing poorly, the dominance effect will challenge the host country effect. Standardisation can also take place in another pole (Azungah et al. 2020; Nair et al. 2016). Hence, the national management approach is intensely competitive and, consequently, assumes a role model. In this situation, employment practices of subsidiaries are designed according to neither the parent country (country of origin effect) nor the host country (host country effect) but in accordance to the country that sets the standards that are perceived as global ‘best practice’ (the dominance effect) (Harzing & Pinnington, 2014; Pilla Galetti Bretas et al. 2021).

2.9.3 The Dominance Effect

Another significant influence on the transfer of MNCs’ HRM practices is the dominance effect. Scholars suggest that sometimes MNCs choose to use third-party practices not originating in the host or home countries; particularly those practices widely considered as ‘best practices’. The dominant economies transfer the ‘best practices’ to their subsidiaries (Bailey et al. 2018; Geary et al. 2017; Peng, 2016). Edwards et al. (2016) explored the ‘dominance effect’ on the transfer of HRM practices. They argued that a hierarchy of economies within the global system gives rise to a ‘dominance effect’ at any particular time. They noted that countries in dominant positions have advanced conventional methods of improving productivity and sustaining competitive advantage, which has invited emulation and interest (Andersen & Andersson, 2017; Chung et al. 2020; Geary et al. 2017). The rationality of the ‘dominance effects’ is that the legacy and force of institutions do not solely form the transfer of HRM practices. Still, competitive pressure at the international level shapes the transfer process. As indicated in Figure 2.18, the national business system is considered to have an identifiable homogeneous set of structures and practices considered ‘optimal’ or ‘best’ at any given time. ‘Best practice’ is deemed best by connecting with leading companies from prominent or dominant national business systems, such as US-based MNCs. This preference for global isomorphism based on ‘best practices’ has been called the ‘dominance effect’ (Bartram et al. 2019; Rowlands & Iles, 2017; Yahiaoui, 2015).

Figure 2.18 The Dominance Effect



Source: Developed for this study

2.9.3.1 Challenges Faced by MNCs in Applying the 'Best Practice' Approach

MNC decisions on adopting and implementing HRM practices from countries, other than the countries of origin, are influenced by their perceptions of the strengths and weaknesses of economic performance across nations. Strong performance in one country gives rise to interest from companies in other countries in imitating features of that business system (Almond et al. 2017; Ayentimi et al. 2018a). Internal efficiency motives and the logic of appropriateness that is fostered by institutional environments reflect organisational practices. Such governing logic reflects isomorphic pressures for conformity that are common. While the evolution of global competition has generated more significant interest in company practices universally and a greater ease with which MNCs transfer information internationally, this implies that the interest in the international transfer of HRM practices is higher than ever. Such advancements depend on management techniques, which progressively revolve around global 'best practice' (Ayentimi, 2018; James & Baruti, 2021; Park & Hong, 2016; Peng, 2016).

2.9.3.2 US as the National Dominance Model

The dominance effect acts to reinforce the country of origin effect in US MNCs. The dominant national model has been the US for some time and, subsequently, US MNCs, as they originate from the world's most exceptional economy, are often the bearers of the dominance effect. US MNCs adopt a more centralised method of managing their global workforce than MNCs of other economies (Deresky, 2017; Furusawa et al. 2016; Sanderson & Mujtaba, 2017). Moreover, the practices of US MNCs are only moderately entrenched in the political, cultural, and legal structures of the country of operation. US MNCs are determined to avoid the influence of bodies that will make it difficult to transfer and implement their preferred policies and practices (Sanderson & Mujtaba, 2017).

The work of Novitskaya and Brewster (2016) on the influence of national context effects on HRM practices at Russian subsidiaries of Western MNCs is an example of how US MNCs implemented more reliable formal and informal control over their Russian subsidiaries. They supplied them with written rules, regulations and policies; informal communication channels; detailed planning and regular training for managers. The home country effects were quite influential in MNCs originating from the US, where they had high levels of standardisation. US companies are generally more standardised and inclined to retain a fixed business model (Novitskaya & Brewster, 2016). However, the results obtained by Novitskaya and Brewster (2016) were not able to determine to what extent MNCs were forced to make these adaptations and to what degree they chose to apply them (Novitskaya & Brewster, 2016). In this case, US MNCs had to respect and adapt to the laws and regulations of the host country. The US headquarters provided the structure of the management practices, but the adjustment and application usually depended on the subsidiaries (Ayentimi, 2018).

The host country effects, including legal, economic, cultural, social, political, and legal systems in the host country context, often compel MNCs to respond to the local environment. The home country effect signifies the conduct features of the MNC, which are engrained in the characteristics of the national business system from which the MNC originates (Adams et al. 2017; Almond et al. 2017; Bartram et al. 2019; Garavan et al. 2016). The transfer of 'best practice' is mainly likely to occur in MNCs that originate in inferior or lesser national business systems where expert managerial competencies are lacking (Ayentimi et al. 2018a; Wei & Nguyen, 2017; Xing et al. 2016). Such imitation is derived, too, from the prominent position of US business schools and consultancy companies and their particular role in the training of managers and the diffusion of management expertise (Chung et al. 2020; Harzing & Pinnington, 2014). In addition, the sheer number of US MNCs with subsidiaries in other countries eases the process of dissemination. Replication is thus seen to arise as a consequence of both normative and mimetic isomorphism. However, all national business systems are considered to have a level of intra-national variation (Ayentimi et al. 2018a; Deresky, 2017). Global 'best practices' are widely linked to the dominance effect, which reflects the tendency of observing and learning from a role model, widely seen as 'best practice', arising from a country that inhabits a dominant position in a hierarchy of national economies (Chung et al. 2020; Furusawa et al. 2016; Sanderson & Mujtaba, 2017).

MNCs from newly emerging markets and industrialised economies deprived of an organisationally and institutionally entrenched and established set of alternative HRM practices are urged to accept standard legitimised HRM practices (Rowlands & Iles, 2017; Yahiaoui, 2015). As a result of their unique cognitive and institutional conditions, they may undoubtedly arise as the frontrunners for adopting global 'best practices' (Ayentimi, 2018). Perhaps, critical actors in the preservation and strengthening of dominance effects (which implies that shortcomings of origin, especially the role of institutional instability and the perceived weak acceptability of being a non-dominant economy) play a vital role in influencing IHRM strategies of EMNCs (Azungah et al. 2020; Chung et al. 2014). Also, there is often a shortage of well-defined and established dominant practices in their home countries due to competition among different institutions in the process of rapid reformation. Even if there are efficient HRM practices in the parent countries, the apparent limitation of legitimacy makes the expectations of local adoption of home country HRM practices shaky (Ayentimi et al. 2018a; Chung, 2018). Generally, MNCs that have their headquarters in the US insist that their policies and practices be the 'best' and should be applied in all of their subsidiaries. In contrast, MNCs that have their headquarters elsewhere are unlikely to find an example of excellent practice in their parent companies and are, therefore, unable to insist that managers in the US apply it (Ayentimi et al. 2018a).

In a detailed case study of South Korean MNCs international HRM approach, Chunget et al. (2014) found that Korean MNCs standardised some aspects of their managerial practices within their subsidiaries, building and applying models closer to ‘global standards’ or ‘global best practices’ rather than transferring existing parent practices. Korean MNCs believed that if the label of ‘made in Korea’ was imprinted in their global HRM practices, subsidiary employees may not accept these practices (Chung et al. 2014). They believed that US companies had established global concepts in their home practices, and subsidiaries may adopt these employment practices as advanced practices without serious resistance. They did not have to create something different to achieve globalisation (Chung et al. 2014). Even well-known Korean MNCs are considered to be companies from non-dominant economies, regardless of the international view. They think their headquarters employment practices will not be accepted by their workers in subsidiaries if they are seen to be ‘made in Korea’. Arguably, this disadvantage of origin might be apparent among MNCs from other newly industrialised or emerging economies. Azungah et al. (2020) assumed that developed countries like the US built a more distinctive approach that conceded the multiple institutional pressures experienced by these companies in diverse ways from their competitors. However, their results were based on data collected mainly from the headquarters of each MNC. Therefore, they only investigated the headquarters’ interpretation of the company strategic IHRM coordination. An ideal alternative could be understood differently by investigating subsidiary players, and thus, actual implementation at the subsidiary level could diverge significantly from that envisioned and projected by the headquarters (Chung et al. 2014).

2.9.4 The Dominance Effect at the Sectorial Level

The dominance effect is particularly apparent at a sectoral level. Here the practices of a reliable or leading MNC are recognised as a role model within a given sector. For example, (Royle, 2004, 2006, as cited in Geary et al. 2017) found evidence of such dominance within the fast-food service (McDonald’s) sector in Germany, Spain and Italy. Local employment regulations were applied to the McDonalds fast-food chain in the host countries due to the company’s dominant position in implementing company-based employment systems and practices that replaced those in the subsidiaries (Rowlands, 2010, as cited in Geary et al. 2017). McDonald’s undercut significant features of its host countries’ industrial relations systems and practices by imposing its ‘one best way’. Consequently, its foreign practices were soon copied by local fast food retailers. Thus, McDonald’s was identified as a vector for transferring HRM policies, systems and practices within its sector (Geary et al. 2017). In such a situation, 'best practice' assumes a specific sectoral structure in such a way that not only emasculated countries' industrial relations systems but also causes cross-national convergence of employment practices within its sector (Geary et al. 2017). Accordingly, headquarters management recognised 'best practice' in their subsidiaries and transferred it back to be implemented within their parent companies and then transferred it forwards to their other foreign subsidiaries known as 'forward diffusion' (Adams et al. 2017; Chung et al. 2020; Xing et al. 2016).

This view supports the 'resource-based' view of HRM practice where MNCs extract global competitive advantage by obtaining unique resources from their subsidiaries. The source of 'best practice' may then be multiple and adaptable and may stem from any number of unique features of host business systems (Chung et al. 2020; Hughes et al. 2017; Novitskaya & Brewster, 2016). The resulting convergence of a specific combination of 'best practices' is formed by management choices. These are, in turn, shaped by the economic environment of the company. There is proof that such a movement is a strategic preference among MNCs from emerging countries. However, MNCs want to standardise their HRM practices across their subsidiaries, resulting in HRM practices converging internationally (Chung et al. 2020; Wei & Nguyen, 2017).

An alternative viewpoint, which refers to the contingency perspective, underlines various elements that might restrict such practice. Among these influences are local institutional constraints that can limit MNCs' management practices. Moreover, their effects are unpredictable and contingent on shape of, nature of and power relations within MNCs (Bailey et al. 2018; Latukha et al. 2020). Thus, where employment practices are localised by adjusting them to suit the local setting, that is, to align them with the local norms and traditions, there is the possibility that HRM practices will diverge across MNCs (Sanderson & Mujtaba, 2017; Xing et al. 2016; Zhou et al. 2020; Zhu & Jack, 2017).

The pressure between home and host country institutional influences is extensively recognised to have a significant impact on MNCs whose home country practices diverge significantly from the traditions and practices of the host economy, which is referred to as 'institutional distance' (Festing & Tekieli, 2021; Tarique et al. 2015; Wei & Nguyen, 2017). MNCs' headquarters may solve these problems by giving local managers choices about how to create the host country's best subsidiary practices. However, MNCs from emerging markets that globalise into developed economies are expected to engage in reverse diffusion. Hence, MNCs must adjust their employment practices to the local environment (Festing & Tekieli, 2021; Nair et al. 2016). In this situation, the pursuit for local responsiveness in the host country is believed to prevail over the global integration of 'best practice' within MNCs (Almond et al. 2017; Festing & Tekieli, 2021; Wei & Nguyen, 2017).

The higher the institutional distance between the host countries and the headquarters, the less likely it is that a universal 'best practice' will be diffused effectively (Tian, 2016; Xing et al. 2016). Other constraints include the resources available to headquarters management to transfer and implement their policies and practices (Ayentimi et al. 2018a; Wei & Nguyen, 2017; Zhou et al. 2020). The desire to diffuse standardised practices, which vary according to the level of corporate or product integration; a subsidiaries' reliance on their headquarters and vice versa; the subsidiaries' strategic role and their impact on MNCs (as well as the subsidiaries' management knowledge of local markets); local institutional constraints and the performance and size of the subsidiaries (Bartram et al. 2019; Zhou et al. 2020; Zhu & Jack, 2017). Profoundly, then, while the contingency perspective recognises that the headquarters enjoy infinite resources and the power to impose its preferred policies, the transfer process is undefined and contingent; that is, it is not merely determined by the rational direction of company management but is somewhat shaped by the interchange of interests and the control and utilisation of power resources by a variety of players (Jiang & Yahiaoui, 2019; López-Sáez et al. 2021).

Han et al. (2018) pointed to the importance of considering the relative performance of the host and home environment. Such a view suggested that strong economic performance in one country created pressure on the diffusion of HRM practices to other countries. Mainly, those MNCs from economies higher up the hierarchy may be perceived to have superior HRM policies and practices that may enhance employment practice in the host countries. Likewise, where the subsidiary is located in a host country that is higher up the hierarchy of nation-states, there is a high tendency that headquarters will adopt local best practices that offer the possibility for reverse diffusion of practices to the parent company (Chatterjee et al. 2021; Chung et al. 2020). However, the interplay between the drivers of localisation and standardisation in EMNCs is still under-researched (Adams et al. 2017; Carrim & Senne, 2016; Wood & Bischoff, 2020). HRM practices have been the focus of various American theories, which are the most popular in international business schools. In addition, the role of the business avenues and management gurus, such as outlets like Harvard Business, promoting the latest management trends and approaches, has enabled American HRM practice implementation (Cooke et al. 2013, as cited in Wood & Bischoff, 2020). For example, when reviewing the transfer of international ‘best practice’ in a Brazilian MNC, Geary et al. (2017) found that Brazilian MNCs tended to transfer Western practices rather than to diffuse conventional local practices. They believe that the demand for legitimacy and the strong desire to appear as global companies drove the acceptance of legitimised international ‘best practices’ (Geary et al. 2017). The HRM practices adopted by Brazilian MNCs were mainly of US origin. Brazilian MNCs relied significantly on the services and expertise of US-based consultancy companies in forming and implementing their policies (Geary, 2016; Geary et al. 2017). These practices were introduced to Brazilian subsidiaries with no adjustment, to the degree that headquarters management ignored any local questioning of their policy values or their implementation approach (Geary et al. 2017). Their research also stressed that Brazilian MNCs were prepared to challenge their subsidiary institutional framework, mainly shaped by economic dependence and power relations (Geary et al. 2017). The company they investigated (BrazilCo) was a massive and dominant participant in its sector. Many of its operations were located in marginal areas, in districts of relative disadvantage and high unemployment. The company had a substantial influence over local development agencies, communities and local workforces, who relied on its investment. Fear of the possibility that the company may move administrative functions or production from one subsidiary to another or source raw materials in cheaper places weakened the influence of local players (Geary et al. 2017). Such related conditions account for the lack of localisation of employment policies and practices. The example mentioned above demonstrates how Brazilian MNCs transferred universal ‘best practices’ from a dominant economy (the US) and reinforced HRM practices across their foreign subsidiaries (Geary et al. 2017).

Their findings also highlighted the fact that the globalisation of production and the related integration of supply chains was determined to embrace subsidiaries and their workforces into uniformities rather than those set by national institutions and societies. Such rationalities assisted the diffusion of global ‘best practice’ from a dominant business system in the US through a dominant sectoral company to economically dependent areas and subsidiaries (Geary et al. 2017). Additionally, their findings demonstrated how a complicated process (the transfer of a specific HRM model informed by global ‘best practice’) was achieved across particular levels of influence, including local, sectoral, national and international. However, their study suffers from only using a single MNC from an emerging economy in a specific industry at a particular time (Geary et al. 2017). The scope to which other MNCs from other hierarchical market economies may implement an aggressive or assertive style of US-derived ‘best practice’ would depend on the individual MNC in the marketplace and the host country (Geary et al. 2017).

IHRM literature often suggests that a company’s HRM policies and practices should be coherent with its corporate strategy and consistent in all of its operations (Sageder & Feldbauer-Durstmüller, 2018; Zhou et al. 2020). Nonetheless, it is unclear whether that is rational or possible (Isfianadewi & Anggraita, 2020; Sageder & Feldbauer-Durstmüller, 2018). While the country of origin and dominance effects may lead US MNCs to standardise their HRM practices in a way that may over-rule local institutions; there is the possibility that institutional pressures toward differentiation could be evident in MNCs (Maharjan & Sekiguchi, 2016b; Rowlands & Iles, 2017). Although institutions in host countries have not converged entirely, and this differentiation could lead to pressure for MNCs to obtain legitimacy by adjusting to national rules, overruling these rules, especially those with a regulatory reputation, involves some cost, either in terms of motivational difficulties among the workforce or by breaking the law (Xing et al. 2016). Likewise, MNCs’ employment practices are established based on the socio-cultural setting of their countries, and there is the possibility that the countries from which the practices are transferred might have distinctive socio-cultural backgrounds with entirely different social norms (Hack-polay et al. 2020).

IHRM scholars have advocated the threat of employing transferred HRM practices without understanding their effectiveness (Andersen & Andersson, 2017; Maharjan & Sekiguchi, 2016b; Patel et al. 2018; Pereira & Scott, 2015). A proper benchmarking or imitation should be linked to compatible social values and comparable cultural backgrounds. Companies tend to grasp the most effective and appropriate system for their sustainability in the long run (Horwitz, 2016). Therefore, MNCs need to search for the practices most compatible with their socio-cultural background and the universal global standards. Cultural closeness is crucial when transferring managerial procedures from parent to host countries. Therefore, replicating HRM practices from a similar cultural background might result in a more productive workforce (Furusawa et al. 2016; Hack-polay et al. 2020; Horwitz, 2017). For example, Maharjan and Sekiguchi (2016b) found evidence of a similar cultural setting of US-style and Japanese-style HRM practices in Indian companies. They found Japan to be more culturally close to India than the US, Japanese managerial practices were likely to be more compatible than US managerial practices in such developing economies. Hence, Japan was the country to benchmark rather than the US. The replication of employment practices from a comparable cultural setting might result in more efficient employees (Maharjan & Sekiguchi, 2016b).

The study further discovered that Japan and India were hierarchical and collectivist societies with team-based working standards, while the US is an individualist society. Japanese companies employ fresh graduates and develop them with continuous training and development (Jacoby, 2018). Such managerial practices are appropriate in the Indian context, where thousands of young graduates are available yearly (Maharjan & Sekiguchi, 2016b). Moreover, skill mismatch and skill shortage are significant problems in the Indian labour market (Patel & Bhanugopan, 2017; Pereira & Scott, 2015), which a Japanese management attitude could tackle. Hence, hiring a new labour force, developing them with adequate training within the company and retaining them with engaging practices and empowerment appears viable for Indian companies (Maharjan & Sekiguchi, 2016b). The majority of these requirements were closer to the Japanese HRM practices than the US HRM practices.

Additionally, it is essential to develop effective labour-management relations. In such a socio-cultural setting, it might be challenging to sustain or improvise healthy ties with the ‘hire and fire’ Western approach. Companies are more connected to the employees rather than to contributions to financial performance (Jacoby, 2018). Thus, there is a need to have practices that are compatible with local socio-cultural features and yet match global standards (Maharjan & Sekiguchi, 2016b). US employment practices and Japanese employment practices are known as the ‘best practices’, and their global successes has proven their efficiency (Jacoby, 2018; Maharjan & Sekiguchi, 2016b). Maharjan and Seikiguchi (2016b) conceptualised that implementing Japanese HRM practices, rather than US HRM practices, might lead to successful HRM for the local Indian corporations because of the cultural closeness of India to Japan. However, the hypothesis they derived requires further empirical enquiry as they collected their data solely from Indian MNCs. To obtain more generalised conceptions, practitioners and researchers would need to look at the effectiveness of HRM practices in other emerging economies.

2.9.4.1 Advantages of Implementing the 'Best Practice Approach' in MNCs

Companies using the 'best practice' approach can achieve numerous benefits. These can include choosing to apply standard employment practices that have the potential to yield high returns in performance in such a way that effective practices realised in one location could be transferred globally without the cost of reinventing new techniques for each subsidiary, thereby reducing organisational complexity (Chung et al. 2020; Geary et al. 2017; Nair et al. 2016). This would create a distinctive corporate culture, which, in turn, would reduce both time and effort in testing a variety of practices as well as assisting with the global integration of company operations and the transfer or provision of standardised products and services, thereby enhancing managerial control (Meyer, 2018; Rowlands & Iles, 2017). Moreover, global alignment of systems would support an internal labour market, enable expatriation and ease the transfer of employment practices within MNCs. In addition, conventional methods and procedures may be more easily monitored and controlled from the parent company (Festing & Tekieli, 2021; Harzing et al. 2016). Moreover, there would be fair and equal conduct for all employees, irrespective of their subsidiary location. In most companies, and most cases, MNCs perceived their headquarters practices to be the 'best practice'. In this way, the dominance effect reinforces the country of origin effect in US MNCs (Farndale & Sanders, 2017; Festing & Tekieli, 2021; Geary et al. 2017).

2.9.4.2 Disadvantages of Implementing the 'Best Practice Approach'

Despite the obvious benefits of implementing the 'best practice' approach in HRM, there are also weaknesses. For example, company policies and practices may not be considered legitimate or even legal. In addition, how companies manage issues of age discrimination, gender and ethics differ worldwide (Hughes et al. 2017). In addition, some nations have legislation that compels companies to discriminate in favour of particular ethnic groups (for example, equality legislation in the US supports positive discrimination), however, that is illegal in the European Union. Therefore, there is some expectation of companies to adapt to local circumstances (Geary et al. 2017). Given this, it appears improbable that the forces towards global 'best practice' are so strong that the integration of HRM practices is no longer apparent in MNCs.

MNCs need to align their organisational structure, systems and technology with their HRM systems and practices to enable all of the company elements to complement and reinforce one another (Furusawa et al. 2016; Geary & Nyiawung, 2021). The 'best practice' approach might not apply to all companies, as each company is unique with a different structure, market, history, economic force, culture and leadership. MNCs have to develop good coordination and communication process to successfully standardise their policies and practices (Ayentimi et al. 2018a). Integration denotes strategic choices relating to cohesion and coordination of activities across nations where MNCs operate (Andersen & Andersson, 2017; Chung et al. 2020; Rowlands & Iles, 2017). MNCs need to develop intensive knowledge networking that demonstrates objectives, strategies, ideas, results and regular information flow. MNCs need to create an integrative organisational culture that responds to different trends by creating a shared vision. Consequently, HRM aims and goals need to be developed, reviewed and distinguished via global collaboration (Azungah, 2017; Connell, 2016; Cooke, 2018).

2.9.5 International Integration

Jiang and Yahiaoui (2019) observed that many different factors determined the trade-off between integration and adaptation, such as legal and regulatory constraints; industry; technology; parent country culture; cultural distance; workforce composition; type of subsidiary establishment; and the dependence of the host country on the MNC. Horwitz (2016) studied emerging Indian MNCs and revealed that Indian MNCs undertook push factors (to overcome local ambiguities and restrictions for growth) and pull factors (to utilise global opportunities). This is an example of collaboration through joint ventures and partnerships rather than by setting up fully-owned subsidiaries to accelerate expansion and reduce risks. By accessing resources to resolve company-specific weaknesses and focusing on overcoming impediments to the diffusion of HRM practices by reputable MNCs. International integration enables MNCs to accumulate organisational learning through the constant use of leverage and linkage processes (Horwitz, 2016). Among the companies he studied was the Aditya Birla Group (ABG), a metal powerhouse for aluminium and copper. This MNC first found opportunities then chose the right geographical areas and explored the possible opportunities. For instance, when the company recognised opportunities in a geographical area that offered low-priced gas, it selected an acrylic fibre or aluminium smelter plant in that region because they were an energy-intensive businesses. Likewise, it chose Australia for its copper mines.

Conversely, retail, financial and telecom businesses tend to be India centric as India offers remarkable growth opportunities. Hence there is no justification to globalise them (Horwitz, 2016).

ABG internationalisation was the result of the decrease of growth opportunities in India. In the case of pulp or mines units, ABG created an acquisition path to expand its copper mines in Australia, chemical business in Columbia, process outsourcing business in Canada (Minacs) and aluminium business in North America (Novelis). These acquirements offered access to big clients (Horwitz, 2016). This was a form of backwards integration that allowed them to own the raw materials they required. Novelis was a vehicle for forward integration as the company came closer to the customer by becoming a market leader, and acquiring high-end technology. The economies of cost, availability of technology and the abundance of customers drove ABG globalisation (Horwitz, 2016). The initial strategic focus of the ABG group was manufacturing and large-scale production. However, this later changed to aiming at niche opportunities. Subsequently, the group moved away from operational dynamics to market dynamics. ABG's global activities and orientation advanced from individual personality dependence to process and systems dependence, which is the best leverage approach. The company attained experience and competency by being adaptable, scalable, sustainable and flexible (Horwitz, 2016). The company leveraged its expertise with mergers and acquisitions regarding its HRM practices. ABG adjusted its HRM policies and practices to satisfy local requirements. The company did not force its parent company employment practices on its subsidiaries. Rather, the company mixed and matched its employment practices to suit the regional settings, not by distorting the local culture but by improving their efficiency and culture (Horwitz, 2016).

Horwitz (2016) further explored Tata Motors. Tata Motors currently has a dominant market share in trucks in India and neighbouring nations, such as South Africa. Its product profile has conventionally matched emerging markets, which are instantly advancing with the latest world-class products, such as prestige cars and pick-up trucks (Horwitz, 2016). Tata Motors has a joint venture with Marco Polo in Brazil for bus body construction and distributes Fiat cars in India. The company has successfully leveraged its dominant presence in the local market to expand abroad. Tata Motors attained a remarkable range of vehicles from Nano (the world's cheapest car) to prestige global brands, with the procurement of Land Rover and Jaguar. It also recently obtained the truck business from Daewoo (Horwitz, 2016).

Tata Motors has realised the benefits of synergy with its acquisition of Land Rover, Jaguar, and Daewoo. Employees worked on their general product improvement to develop a truck platform. With Jaguar and Land Rover, the company created its recent car Aviva using Jaguar and Land Rover technologies. The company's core centre has shifted from India to the UK (Horwitz, 2016). The possession of Jaguar and Land Rover undoubtedly enhanced the brand image of Tata Motors in the premium segment of the international auto market. It also enabled the company to apply its newly learned technical skills to its products collection (Horwitz, 2016).

MNCs are supposed to be simultaneously integrated and differentiated. MNCs need to have well-developed coordination and communication processes that will enable them to recognise where IHRM standardisation is achievable and where local responsiveness is necessary (Liu, Chen, Cooke, Liu, et al. 2019; Nair et al. 2016). Knowledge networking reflects the rising relative power and size of local subsidiaries in many companies and denotes the foreign subsidiary role in IHRM for the whole company. Intensive knowledge networking can be obtained by covering objectives, strategies, ideas, results and information flow (Harzing et al. 2016). Nevertheless, Latukha et al. (2020) argued that MNCs should generate an integrative organisational culture, which counteracts divergence tendencies by creating a shared vision. Subsequently, HRM policies and practices need to be formed, reviewed and distinguished through international cooperation. MNCs need to integrate HRM systems and practices to avoid repetition, increase economies of scale and create cohesion. Global integration should be characterised by dispersed correlative professionals who work from specialised and differentiated centres of excellence while using relatively integrated 'best practices'. MNCs should be characterised by high knowledge networking and high standardisation (Zhou et al. 2020).

2.10 Summary

The literature review revealed that MNCs often move their operations to other nations specifically because they intend to take advantage of the differences available to them, such as lower standard legislation on health and safety, lower standards of living, the absence of environmental concerns and restrictions on trade unions all of which result in lower labour costs and, consequently, cheaper production rates (Chung, 2018; Farndale et al. 2017;

Rowlands & Iles, 2017). The combination of the pressure towards differentiation, standardisation and dominance has resulted in many forms of hybridisation of HRM practices within MNC’s subsidiaries (Ferraro & Briody, 2017; Furusawa et al. 2016; Zhou et al. 2020). Different companies may have varied opinions of the balance between local responsiveness and global integration. Local adaptation may be caused by national business systems characteristics or by factors that inhibit the integration of parent, regional or global practices. For instance, legal regulations may challenge the integration of international principles with local policies and procedures. Although standardisation may be realised in one employment practice, another may be defined by localisation; or the balance may differ within the hierarchy of each company (Chung, 2018; Ferraro & Briody, 2017).

Employment practices in MNCs are challenged by four effects: the country of origin effect, the localisation effect, the dominance effect and the international integration (Furusawa et al. 2016; Meyer, 2018). The literature review emphasised the relative importance of these four effects on MNCs’ HRM. If one holds to the non-convergence notion, employment practices can only be effective if adapted to the respective cultural and institutional environment in which they run. Consequently, MNCs need to adopt the practices of their subsidiaries to the contingencies of the relevant host country (localisation effect) (Almond et al. 2017; Bartram et al. 2019). However, if more acceptances are ascribed to the convergence concept, MNCs need to standardise their practices throughout the company. Standardisation can occur around parent country practices (country of origin effect) or around the management model, which represents perceived ‘best practices’ (dominance effect) (Almond et al. 2017; Chung et al. 2020). When MNCs employ ‘best practices’ of the dominant HRM model, they require global convergence of management practices. If, conversely, MNCs use their parent company employment practices in their subsidiaries, the convergence of managerial procedures would take place within MNCs (Andersen & Andersson, 2017; Patel et al. 2018).

This study will focus on HRM practices of EMNCs. This area of HRM is perfect for investigating the four effects since HRM practices are particularly hard to transfer within MNCs. Therefore, the results of this study should provide a reliable indication of the validity of the convergence or standardisation concept. In addition, this study will address this gap in the current knowledge base by investigating South African MNCs’ HRM systems and practices in their subsidiaries in Nigeria. Against this setting, this research addresses the following questions: ‘What HRM systems and procedures exist in MNCs?’ and ‘Do they apply global best practices, or do they adopt host country human resource practices or systems?’

Chapter 3: The Context of Human Resource Management in Nigeria

3.1 Introduction

Nigeria is a developing country situated in West Africa. Nigeria has a land area of about 923 768 sq. km (356,669 sq. miles). The country lies on the West African coast (The World Bank, 2021a) . Nigeria, a central regional player in West Africa, accounts for approximately half of West Africa's population, with about 201 million people. Nigeria is the most densely populated country in Africa, which makes it the largest market in Africa. Nigeria has one of the most significant youth populations in the world (Abideen, 2020). Nigeria's population and HR base make it one of the most appealing countries for foreign investment in Africa. The country is among the ten most populated countries worldwide. Nigeria is a very young country with nearly two-thirds of its population under the age of 25, as a result of a short life expectancy of 54 years (men) and 56 years (women), which provides an abundant HR at a low cost (The World Bank, 2019). Nigeria is proliferating and, consequently, its population (which is currently the world's 7th largest) is expected to become the world 3rd largest before 2050, after India and China, with a population of around 401 million, going by the current 2.6% population growth rate (wordometre, 2021).

Nigeria has the highest gross domestic product in Africa (Abideen, 2020). The country also has ample natural mineral resources, with a profusion of natural resources. Nigeria is Africa's biggest oil exporter, and has the largest natural gas reserves on the continent (The World Bank, 2021a). Nigeria contains 36 states, and it has its administrative capital in Abuja. Nigeria has over 250 ethnic groups and languages, and its formal language is English (Moland, 2015). With e-commerce, for example, analysts have calculated over 122 million Internet users in Nigeria and 33.13% Broadband dissemination in the country (Nigerian Communications Commission, 2020). During the 1990s, albeit with political bewilderments, the uncertain economic climate and unreliable power and telecommunications, Nigeria attracted more foreign direct investment in the continent. However, the return to democratic rule in May 1999 following a prolonged period of military rule, applicable federal Government policy of liberalisation and privatisation is likely to upsurge foreign investments. More than 1,400 public corporations are to be privatised (Budhwar & Debrah, 2013). Figure 3.1 (below) is the map of Nigeria showing the 36 states, including the capital city - Abuja.

Figure 3.1 Administrative Map of Nigeria

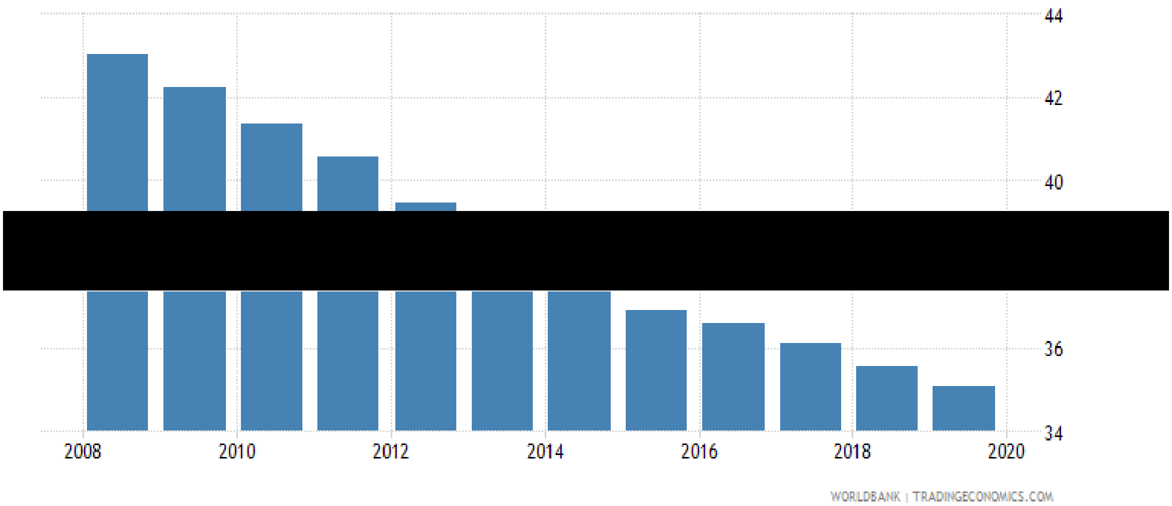
Source: (United Nations, 2019)

As foreign companies increase their participation in Nigeria, they must build capabilities and utilise local competencies. Therefore, knowledge of HRM and, perhaps more importantly, understanding the factors that impact workplace practices in Nigeria will become increasingly critical. HRM practices cannot be divorced from customs, local values, and the general external cultural environment (Ogunsegha, 2013). MNCs have to consider local values, traditions, and the cultural climate in designing and implementing their employment practices to their foreign subsidiaries (Adams et al. 2017; Attah-Boakye et al. 2020). These humans, social, and environmental factors are as essential as the financial and marketing considerations upon which decisions of employment practices need to be addressed (Edwards, Sanchez-Mangas, et al. 2016; Latukha et al. 2020). As mentioned above, workplace policies and procedures are carried out within an economic, political, social and legal environment and there is a need for considerable cultural and historical understanding of the local conditions to understand the processes, philosophies and problems of national models of HRM (Hofstede, 1994). This chapter reviews, within a socio-economic background, some factors that influence HR policies and practices in Nigeria and highlights the new trends in human employment practices in Nigeria. Discussion of the Nigerian economy will follow.

3.2 The Nigerian Economy

The Nigerian economy has endured significant structural changes since independence in 1960. Crude oil became an export commodity in Nigeria in 1958, following the discovery of the first producible well in 1956. Earlier exports were mainly cotton, cocoa beans, groundnuts, rubber and palm oil. Palm oil was the prominent export from 1946-1958, followed by cocoa beans, whereas groundnut oil ranked third (Englama et al. 2010). When Nigeria got political independence in October 1960, agricultural production was the mainstay of the Nigerian economy. Agriculture was the sector with the highest contribution to GDP, contributing about 70% of the GDP and employing about 70% of the employed population and account for about 90% of foreign Government revenue (Ogundipe & Ogundipe, 2013). Figure 3.2 (below) illustrates the number of individuals employed in Nigeria in the Agricultural sector from 2008 to 2020.

Figure 3.2 Nigeria-Employment in Agriculture (% Of Total Employment)



Source: (Trading Economics, 2021b)

The tremendous importance of oil production in the last three decades has resulted in the deterioration of agriculture production. Whereas I n 1962-63 agriculture alone contributed 61.8% to GDP, this was reduced to 38% in 1972-73 (Budhwar & Debrah, 2013). Throughout the period 1990 to 1994, the average input of agriculture to GDP was 30.2%. Thus, the input of agriculture to GDP has been deteriorating. However, the number of persons employed in the sector has continued to rise. Agriculture continues to be the primary employer of labour in

Nigeria. In 1984, 56.6% of employed individuals were agricultural workers. From 1993 to 1994, the number had increased to 60.4% (Budhwar & Debrah, 2013). Since 1994, the number of people employed in the agricultural sector continues to decline. Between 1995 to 1999 the number of people employed in agriculture dropped down to 59% and between 2000 to 2004 the number of individuals engaged in the sector slightly decreased to 57%. From 2005 to 2009 the number of persons working in agriculture dropped further to 46.7%. From 2010 to 2014, the number of people employed in agriculture slightly decreased to 37. 2%. From 2015 to 2017, the number of employed by agriculture is 36.4%. Presently, Agricultural growth remains below potential due to continued insurgency in the Northeast and ongoing conflicts with farmer-herdsmen (Trading Economics, 2021b).

The detection of crude oil in Nigeria weakened the performance of agriculture, and that of the manufacturing sector remained less impressive (Alley et al. 2014). In the early 1960s, manufacturing activities comprised partial agricultural commodities, textiles, breweries, cement, rubber processing, plastic products, and brick making. The economy gradually became dependent on crude oil as productivity declined in other sectors (Englama et al. 2010). From the time when the oil in commercial quantity was discovered, Nigeria has been a mono-product economy. The value of Nigeria's total export revenue in 2010 was US$70.579 million, whereas revenue from petroleum exports of the total export income was US$61.804 million representing about 87.6% (Ogundipe et al. 2014). The oil GDP growth is steady while manufacturing production is projected to slow down in 2019, resulting from a feeble power sector enactment. In 2020, Nigeria experienced its deepest recession in two decades. However, growth restarted in 2021 as pandemic restrictions were eased, oil prices improved, and the Government implemented policies to counter the economic shock. Nevertheless, Nigeria was highly vulnerable to the global economic disruption caused by COVID-19, mainly due to the decline in oil prices. Oil accounts for over 80% of exports, half of the Government revenues and a third of banking sector credit, and half of the Government revenues (The World Bank, 2021a).

Food and drink production is predicted to grow. Construction continues to perform confidently, reinforced by import restrictions, continuing megaprojects and excellent public investment in the first half of 2019. However, growth is too small to lift the bottommost half of the population out of poverty. Moreover, the inadequacy of the agriculture sector weakens the Nigerian economy . Despite progress in some industries, the rate of employment remains inadequate and frail to contain the fast-growing labour force, which results in a high rate of unemployment (32.5% in 2021), the unemployment rate is expected to rise in 2022 (Statista, 2021c).

The percentage of production workers dropped from 13.4% in 1984 to 8.1% in 1993-94. Manufacturing was at the beginning level in the early 1960s, adding only 3% to GDP in 1960-61. Its contribution grew to 1982 at 11.2% but has since been declining, which might be due to the Nigerian inclination during the oil boom to import almost everything from abroad. The de-industrialisation of Nigeria that started in the 1980s was apparent at the end of the decade and beyond (Budhwar & Debrah, 2013). The early post-independence period till the mid-1970s realised a fast progression of industrialised facility and productivity, the contributions created by the manufacturing sector to GDP grew from 4.8% in 1960, manufacturing contribution to GDP improved to 7.2% in 1970 and 7.4% in 1975. In 1980 it dropped to 5.4%, then rose to a record high of 10.7% in 1985. In 1990, the contribution of manufacturing to GDP was 8.1% but declined to 7.9% in 1992; by 1995, the share of manufacturing in GDP fell to 6.7% and dropped further to 6.3% in 1997. During 2001 the contribution of manufacturing to GDP declined to 3.4% from 6.2% in 2000 (Bennett Kenechukwu et al. 2015).

In 2003, the manufacturing sector was responsible for 4% of the GDP (Tamuno & Edoumiekumo, 2012). However, it increased to 4.16% in 2011, which is less than the figure obtained in 1960 (Ogbu, 2012). Nevertheless, the manufacturing sector’s share in the Nigerian GDP remains minuscule. Compare that to the robust manufacturing sectors in other emerging countries, where structural change has already happened and where millions of people have been lifted out of poverty as a result of the effective contribution of the manufacturing sector to their countries’ corresponding GDP: manufacturing contributes 20% of GDP in Brazil, 34% in China, 30% in Malaysia, 35% in Thailand and 28% in Indonesia (Ogbu, 2012).

The 1970s was the oil boom era. Since then, the Nigerian economy has been dominated by the mining and quarrying sector (mainly oil). The industry rose from an insignificant contribution to GDP in the 1960s to 12.9% in 1994. Nigeria has been a mono-product economy. The total dependence on oil export revenue has emphasised the Nigerian economy susceptibility to rapid oil price movements (Budhwar & Debrah, 2013). The contribution of the oil sector to export earnings has increased tremendously since the 1960s. The sector's contribution to the 1960s was trivial. In terms of its contribution to total revenue, incomes from oil created 26.3% of the Nigerian GDP in 1970, oil contribution to the Nigerian GDP rose to 82.1% in 1974 and 83.0% in 2008, mainly because of a rise in crude oil prices at the international market (Englama et al. 2010). The massive surge in oil revenue was due the Middle East war of 1973. It produced unusual, unexpected, and surprising wealth for Nigeria. The Nigerian economy increasingly became dependent on crude oil as output declined in other sectors (Anfofum et al. 2018). The contribution of oil to the Nigerian GDP rose to 85.6% of export earnings in 1974, to 93.5 in 1984 and 97.2% in 1992. Nonetheless, the Nigerian economy has experienced stunted growth since 1960: While nominal GDP grew from 5.6 billion Naira in 1970 to 897.5 billion in 1994, real per capita GDP between 1980 and 1993 was below the 1977 value (Budhwar & Debrah, 2013).

The total dependence on oil export revenue has stressed the level of Nigerian economy openness to sudden oil price movements. In addition, factors such as periods of favourable oil price shock prompted by conflict in oil-producing countries of the world, high demand for the product by the consuming and trading positions enrich Nigeria's good terms of trade, demonstrated by Nigerian experiences of enormous current account surplus and exchange rate appreciation. However, when crude oil prices are low, caused by seasonality factors, low demand, and excess supply, Nigeria experiences unfavourable trade terms proven by the budget deficit and slow economic growth (Englama et al. 2010). For instance, the drop in income from oil exports during the global financial crisis in 2009. Oil export revenue declined from US$74.033 million in 2008 to US$43.623 million in 2009, and the naira devalued to N148.902 in 2009 from N118.546 in 2008 (Ogundipe et al. 2014).

As elsewhere in Sub-Saharan Africa, Nigeria has a large public sector. The origin of Government dominance of the economy can be traced to the immediate post-colonial era. As a result of the low domestic capital base, the Government set up many parastatals to carry out projects that the private sector would have otherwise executed. A practice intensified during the oil boom of the 1970s in post-war (the Nigerian civil war) reconstruction and rehabilitation (Budhwar & Debrah, 2013). They have resulted in the beginning of Government dominance of the economy. Given that the Government is a significant player in the Nigerian economy, its policies and actions substantially impact the private sector. For example, wage increases in the public sector are usually followed by agitation for wage and salary reviews in the private sector (Budhwar & Debrah, 2013).

The transformations of the East and Southeast Asian economies revealed that diversification into manufacturing and industrial production, assisted by what Arthur Lewis calls the ‘intelligent Governments’, are critical to a nation’s economic development. Nevertheless, Nigeria has no effective industrial policy that encourages manufacturing (Bennett Kenechukwu et al. 2015). Industrialisation is critical in the process of economic development. However, implementation in Nigeria has been unremarkable. Two main strategies were employed to rectify this problem. The first one is the import replacement strategy, while the second one is the export advancement strategy. The second strategy, employed since the adoption of the SAP in Nigeria in mid-1986, underlines the promotion of value-added non-oil exports, mainly manufacturers, did not achieve a significant result (Bennett Kenechukwu et al. 2015).

Foreign Direct Investment (FDI) provides developing countries (including Nigeria) with the much desirable capital for investment. It also enhances job creation, managerial skills, and technology transfer, improving economic growth and development. Nigerian leaders have been trying to attract FDI via various reforms (Wafure & Nurudeen, 2010). The reforms included the new industrial policy of 1989, the deregulation of the economy, the establishment of the Nigeria Investment Promotion Commission (NIPC) in the early 1990s, and the agreement of Bilateral Investment Treaties (BITs) in the late 1990s. In addition, the Independent Corrupt Practices Commission (ICPC) and the Economic and Financial Crime Commission (EFCC) were established to stimulate the FDI. However, the economy is still considered to have deteriorating productivity, unemployment, the balance of payments disequilibrium, high inflation rates, and a volatile exchange rate regime (Ekpo, 1997).

Nevertheless, a pattern of unchecked Government spending, wretched mismanagement and corruption in the 1970s and early 1980s and the crisis in the global oil market of 1981, coupled with ad hoc and unreliable macroeconomic policies, collapsed the Nigerian economy into a recession. By 1986, notwithstanding the various stabilisation and austerity actions, the economy had entered a recessionary phase. The existing stop-gap measures, such as reduced tariffs and tax exemptions to attract FDI, could not restore the economy (Ekpo, 1997). Nigeria’s economy eventually ran out of steam (Budhwar & Debrah, 2013). As a result, the Government embarked upon an IMF/World Bank Structural Adjustment Programme (SAP) to tackle severe economic discrepancies. Before the structural adjustment period of 1986, particularly during the oil boom period, the Nigerian Government hypothetically encouraged FDI. However, practically, there were a series of policies and decrees that acted as deterrents to FDI. For example, the Indigenisation Decree of 1972 reserved exclusively certain ventures for Nigerians, controlled interest rate and fixed exchange rate systems (Ekpo, 1997). It also restricted trade policy during the period.

Consequently, it delivered the wrong signals to potential investors (Budhwar & Debrah, 2013). However, the Nigerian Government's money from oil enabled Nigeria to actively participate with domestic entrepreneurs and foreign partners in establishing, ownership and controlling industries (Ekpo, 1997). The adjustment program of 1986, which liberalised the economy, was supposed to encourage FDI. The establishment of the New Industrial Policy in 1989 with a series of incentives and packages directed at attracting foreign investors is still in place. SAP was a significant programme to address the problems with the Nigerian economy when oil became the principal source of Government revenue. It was devised to streamline the economy, develop non-oil exports, achieve self-sufficiency in food, reduce the import content of locally manufactured goods and give a more substantial role to the private sector (Sulaiman et al. 2014). However, even in the IMF/World Bank, the structural adjustment programmes were without a doubt a failure. These resulted from a single factor: The military Government's failure, or rather unwillingness, to control public spending. The prolonged depression of the Nigerian economy exerts unfavourable pressures on employment and thus on HRM in Nigeria. One outcome of the economic regression is the substantial reduction in the number of job opportunities. There is no reliable statistical evidence about the level of employment and underemployment in Nigeria. According to the Human Development Report on Nigeria, published by the United Nations Development Programme (1996, 1997), the figure may be up to 50% (Budhwar & Debrah, 2013).

Between 2000 and 2014 an oil price instability continued to influence Nigeria's growth performance. Nigeria's GDP increased at an average rate of 7% yearly. The oil price downfall, combined with adverse production shocks in 2014-2016, decreased the GDP growth rate to 2.7% in 2015. In 2016, during its first economic decline in 25 years, the economy diminished by 1.6%. Since 2015, economic growth remains subdued. Growth averaged 1.9% in 2018 and stayed stable at 2.2% in the first half of 2019. However diminished by 1.8% in 2020 due to the impact of Covid-19 on the Nigerian economy (The World Bank, 2021b).

Over 80% of Nigeria's export value was produced by oils, mineral fuels and distillation products' sector in 2019, accounting for approximately 47 billion U.S. dollars. On the production side, growth in 2019 was mainly driven by services, predominantly telecoms (Statista, 2021b). Nigeria's oil sector contributes to about 9% of the country's GDP. However, due to the lower demand interrelated to the COVID-19 pandemic, oil production in Nigeria dropped. Between October and December 2020, the oil industry contributed to 5.9% of the total real GDP, a decline of around 3% compared to the previous quarter. Ultimately, in the first months of 2021, the oil sector's contribution to the country's GDP grew and reached 9.25% (Statista, 2021a). Discussion of the structure of industry and commerce in Nigeria will follow.

3.2.1 Commercial Structure in Nigeria

Economists have long been concerned about the factors that cause different nations to grow at different rates and realise different levels of wealth. One such factor is commerce. Nigeria is an open economy with global transactions forming a significant share of its collective output (Yohanna, 2013). Like many other developing economies, Nigeria considers commerce as the primary mechanism of its development strategies. Equally, commerce can expand markets, create jobs, increase incomes, circulate knowledge, and enhance competition (Elias et al. 2018). Foreign trade has been known to be a mechanism and driver of economic growth (Li & Tanna, 2019). Thus, international trade supports economic growth and development. Trade liberalisation presents a country the opportunity to trade in broader markets, and hence the risks accompanying trading in smaller markets are considerably reduced. In addition, opening the economy to international commerce allows domestic entrepreneurs to learn new techniques to increase total factor productivity, produce quality inputs faster at a lower cost, human capital build-up, and employ general national technological capacity (Appiah et al. 2019).

Foreign trade has been an area of concern to economists and decision-makers as well as policy-makers. It enables economies to sell their locally-produced goods globally. Moreover, the role of foreign commerce in economic growth is considerable, and economists have emphasised the importance of foreign trade in a nation's development as it is regarded as an engine of growth

(Bayar et al. 2020). Over the past two decades, economies have become significantly interconnected through globalisation. Foreign trade has been recognised as the oldest and most critical part of a country's external economic dealings. It plays an essential role in the expansion of a modern global economy. It produces a positive impact on the growth and development of countries. Foreign trade has improved considerably over the years and has significantly contributed to expanding the world economy (Dinh et al. 2019; Young et al. 2017). The effect of foreign trade on a country's economy is not restricted to measurable gains but also structural transformation in the economy and international capital flow. Foreign trade improves the efficient production of goods and services by allocating resources to economies that have a relative advantage in their production.

Even though trade between countries may produce growth, it is uncertain whether its aggregate yields are distributed relatively among trading partners. There are winners and losers in a commercial relationship, however, commercial partners will benefit at various levels. The level to which a country benefits is determined by multiple factors, such as the market features of the country's exportable goods, the commercial relationship between the two trading partners and the transnational exchange rate among traded goods (Elias et al. 2018). Global trade has elevated large parts of the world out of poverty; it has brought fortune to many economies and has created billions of jobs and better health care and education. Global trade is also a win-win for highly developed and emerging economies. It supports their service industries sector, provides low inflation and presents consumers access to cheap products.

Nonetheless, the flows of global trade patterns show that Nigeria is missing out - even though it has substantial natural resources, a young and willing workforce, and a desperate need for prosperity (Forum, 2020). Moreover, Africa, including Nigeria, is missing out on the benefits of international trade due to corruption. It is, thus, maintained that improving governance, ensuring the security of contracts and tackling corruption are necessary for boosting business in Nigeria (Forum, 2020).

Nigeria has one of the lowest income tax rates globally, ranging from 7 to 24%. Thus, there is a growing consumer base of Nigerians who have high disposable income. Nevertheless, corruption, governance problems and lack of security of contracts hinder its ability to attract MNCs. To get more foreign direct investment (FDI), African countries, including Nigeria, need to tackle corruption and improve governance (Trading Economics, 2018).

3.2.2 Industrial Structure in Nigeria

The Nigerian economy relies on the oil sector. Failure to diversify foreign exchange and the revenue base in the economy steered the country to the current recession, which started in the second quarter of 2016 (Nwafor, 2019) . In recent years, the Nigerian Government has focused on developing industrial and agricultural sectors to promote sustainable growth, which arises from the view that an enhanced industrial sector is a prerequisite for economic growth. But in Nigeria, the lack of disposable income has delayed the prospect of realising this goal. However, it is suggested that the financial sector can support economic growth through its efficient allotment of resources from the surplus sector to the industrial sector (Hill & Perez-Reyna, 2017; Li & Tanna, 2019; Yohanna, 2013). Allen et al. (2013) suggest that the industrial sector is the principal determinant of industrialisation and the growth of any economy. Industrial output is the primary means of economic growth in most developing countries. To move the country towards the path to industrialisation, the Nigerian Government adopted the structural adjustment programmes (SAPs) in 1986, assisted by the International Monetary Fund (IMF) and World Bank (Budhwar & Debrah, 2013; Nweze & Edame, 2016).

Despite adopting the SAP and other policies such as promoting Small and Medium-sized Enterprises (SMEs) and import substitution reforms, the Nigerian industrial sector is significantly less developed than other emerging and developed economies. As a result, Nigeria’s commercial and industrial sectors’ contribution in generating employment opportunities is negligible (Campbell & Asaleye, 2016). The industrial sector plays a leading role in an economy by reducing poverty and providing quality jobs. This is, however, not the case in Nigeria as the country still suffers from high unemployment, high poverty and low income (Asaleye et al. 2019; Popoola et al. 2019).

Nigeria’s industrial sector’s share in the GDP remains diminutive. The industrial output share of GDP has not surpassed 5% in the last decade. Despite the nations’ abundant natural resources and surplus labour, the substandard performance of the Nigerian industrial sector has been a source of worry for policy-makers in Nigeria (Central Bank of Nigeria, 2021). Though endowed with natural resources, Nigeria is still held-back by the low standard of living, widespread poverty, and rising unemployment combined with her over-reliance on the oil sector. Furthermore, the severe neglect of other sectors (such as mining, agriculture and the industrial sector), in addition to the existing challenge of slow technological growth, has resulted in a lack of economic opportunities, including employment for its people (Budhwar & Debrah, 2013; Yusha'u et al. 2013). The problems plaguing the development of the Nigerian industrial sector include a poor business environment characterised by bureaucratic bottlenecks; a poor macroeconomic environment; a weak legal setting that causes property and safety rights problems. At another level, technology and skill usage in Nigeria are at low levels compared to emerging and developed economies, thus impacting negatively on the efficiency of corporations that have little or no investment for skills training and research and development (R&D) (Folarin, 2019; Popoola et al. 2019). Furthermore, there is a lack of investment in human capital development and lack of access to financial credit coupled with the related problems of poor management and planning, which create employment-related problems (Akinwale, 2011; Yesufu, 1982).

Additionally, there are the problems of feeble global competitive indices, inadequate and insufficient infrastructure, poor implementation of manufacturing exports incentives, shortage of foreign investment flow into the industrial sector, and excessive dependency on the oil sector for income. Therefore, for the Nigerian Industrial sector to function successfully as a strategic driver of economic growth, the problems mentioned earlier have to be confronted (Asaleye et al. 2017; Folarin, 2014). Currently, the Nigerian Industrial sector is poorly operating. The manufacturing sector contribution to GDP is the very low single-digit of 4% (Oburota & Ifere, 2017) and capacity utilisation on average was 51%. These statistics reveal that the industrial subsector is not the driver of growth within the Nigerian economy (Trading Economics, 2021a).

Aiyedogbon and Anyanwu (2016) studies of Nigeria on macroeconomic determinants of industrial development found that the Nigerian Government had set out several automated programmes to boost industrial output. However, all efforts have failed to produce the needed positive outcome. Other researchers, such as Nwafor (2019) and Young et al. (2017) have maintained that Nigeria's over-reliance on oil has been a curse rather than a blessing. There is the problem of blatant mishandling of the income from the oil sector, which should have been channelled to the expansion of other sectors of the economy, like mining, agriculture and industry (Li & Tanna, 2019). The complete abandonment of the non-oil sectors of the economy, such as the industrial sector, has caused an unfavourable effect on the country's industrial development. Moreover, rampant corruption and excessive bureaucracy have elevated the problems faced by the Nigerian industrial sector (Asaleye et al. 2018). Against this background, the commercial/industrial environment is not vibrant and does not provide opportunities for employment in Nigeria. Discussion of the role of HRM in Nigerian Organisations will be next.

3.3 The role of HRM in Nigerian Organisations

The development and growth of HRM in Nigeria, as elsewhere in Sub-Saharan Africa, have experienced substantial changes. In the traditional Nigerian societies, the administration and the armies of the kings, the unions, secret organisations and other influential public institutions had their approaches and procedures for selecting, inducting and training workers to undertake different occupations to ensure good governance of the community (Hack-polay et al. 2020). However, the introduction of colonialism in Nigeria and increased monetisation of the traditional economies saw the importation of foreign organisations based on bureaucratic principles. As local staff were needed to work as messengers, clerks, interpreters and labourers for the colonial administration and the emerging trading companies, the personnel function was one of the first areas to be addressed by British colonialists (Akinnusi, 1991).

The history of the human resource function can be traced back to the history of colonialism and the advancement of capitalism in Nigeria in the 19th century (Sekwat, 2001). Before the colonial rule, various societies and ethnic groups that makeup today's Nigeria existed in clans and empires (Bayo, 2012). HRM as a concept was introduced to Nigeria in 1940 during the colonial era, with commercialisation and industrialisation, which later became wage employment. Since then, there has been a remarkable growth of HR in Nigeria, which has been characterised by lack of professionalism and specialisation (Bayo, 2012). In Nigeria, as in other West African colonies, the British adopted the so-called indirect rule system where traditional rulers were made part of the colonial administration; Nigerian chiefs initially recruited manual labour for the colonial administration. As a characteristic of colonial rule, the indigenous workers lacked the academic qualifications and experience to influence the expatriate staff's decisions (Bayo, 2012).

The British colonial power, through invasion, forcefully united different kingdoms and ethnic communities under the Lagos colony and established direct rule in 1861. Civil service function was created in 1862 with a particular purpose: the subsistence of capitalism in colonial Nigeria and the solidity of the colonial capitalist state structure. Consequently, the British Government established different hierarchical positions of Governor, Offices of Private Secretary to the Governor, Auditor for Public Accounts, Chief Magistrate, Senior Military Officers, Colonial Secretary, Collector of Customs and Chief Clerk. These public administrations were established as the essential element, sine qua non and livewire, to strengthen the pre-colonial state structure in Nigeria (Bayo, 2012). Later, the Niger Coast province was merged with the Lagos colony and became the Southern province in 1900. With this, Southern Nigeria was brought under the same Civil service function, with its headquarter in Lagos. In the Northern territories, however, the colonial power initiated the system of indirect rule where the traditional rulers served as the link between the colonial staff and the people. Under this agreement, the emirs retained their caliphate positions and titles. Thus, the emirs became the executors of British policy in their particular domain. However, they were responsible to British region officers, who had ultimate authority (Bayo, 2012). With the indirect rule, caliphate representatives were converted into salaried district heads. They became, in effect, agents of the British authorities, responsible for tax collection and peacekeeping in their respective domains, deprived of any formal power to initiate development projects to improve socio-economic growth (Tibenderana, 1988).

The colonial official (Governor-General) had full authority, having the power to fire any erring emir. The primary function of the overall colonial workforce was to maintain law and order and tax collection in Nigeria (Ogundiya, 2007). Because of the lack of skilled personnel within the evolving bureaucracies, the colonial power realised the need to develop the indigenous human resources to efficiently assist the colonial rule. As a result, Western education was introduced, with more schools for the natives to train them to become local administrators, doctors, railway workers, clerks, teachers and so on (Bayo, 2012). The advancement of capitalism, which was obtained as a result of the industrial revolution in Western Europe, enforced national restrictions to its economic growth and later resorted to imperialism to pursue new colonies for trade and investment, mineral resources and cheap sources of raw material to sustain its ever-growing industries, as a way of supporting it economical and political control at home and abroad (Sekwat, 2001). By 1954, the upsurge of decolonisation and independence undertaking that came in the aftermath of the second world war had a considerable impact on the colonial power who were ready to leave the legacy of colonial administrations and thus established the Federal Public Service Commission with independent ability to select, promote, sack, and discipline personnel. Post-independence, the Nigerian workforce was indigenised and saw a shortage of local skilled staff that could occupy most of the departed foreign staff's offices (Ogundiya, 2001, 2007).

The post-colonial Nigerian Governments' inborn administrative structures were geared heavily to the needs of the former British colonial powers whose main interest were the extraction of natural resources than with human and economic development (Asaleye et al. 2019). Thus, the Nigerian Government had the task of establishing a Government that would encourage accountability, participation, transparency, predictability, efficiency and effectiveness, as well as change the focus of the workforce from that of the colonial legacy of tax collection to the role of social service delivery, nation-building and infrastructural development (Okotoni, 2004). The scope of personnel functions in Nigeria was expanded further in 1974 when the Government embarked on indigenising the private sector. The post-colonial Nigerian governing elite embraced the colonial bureaucratic legacy. It extended on the package of imitative post-colonial reform, which was established on inherited colonial legacy of tyranny, authoritarianism, unapproachability, superiority, distrust, centralisation, secrecy, formalism, hierarchical rigidity and urban bias (Anazodo et al. 2012).

HRM in Nigeria can be considered to be still in its infancy. HRM practices in Nigeria lack comprehensive indigenous HRM models, so most of the practices and philosophies evidence in workplaces in Nigeria are all adopted from other countries (Boso et al. 2019; Hack-polay et al. 2020; Ovadje & Ankomah, 2013). Workplace practices in Nigerian are a convergence of western-inspired approaches with evidence of institutional and cultural elements. There is a blend of transferred and local HRM practices (Fajana et al. 2011). Nonetheless, most organisations are described by a lack of funding for HRM research and development. Nigeria's democracy has enriched the practice of employment practices by controlling the quota of expatriates it permits. Nigeria's economy allows the importation of new technologies to improve workplace practices, but training is still a bit slow; hence, expatriates' employment to handle specific roles is encouraged (Fajana et al. 2011). Nigerian organisations apply management techniques and skills aimed at running a cost-effective system. Several other factors have affected Nigeria's HRM practices: first, shortage of local HRs to perform all vital tasks. Second, the complexity of today's business environment due to globalisation, deregulation and technology advancements has surpassed Nigerian organisation's level (Fajana et al. 2011).

Nigerian business environment is characterised by a large number of small and micro-enterprises, the majority of which operate in the informal sector. Less than 200 corporations are quoted on the Lagos Stock Exchange. Given the size of most businesses in Nigeria,
it is not surprising that HRM is still in its infancy. In most Nigerian businesses, personnel management is an administrative function concerned with recruitment, compensation, and record keeping. In micro and small businesses, the owner-manager is responsible for the personnel functions (Budhwar & Debrah, 2013). Usually, there are no policies or practices to follow. As the company grows, they may assign this task to a personal assistant. Relatively few companies (typically medium to large corporations and multinational companies) have a formal Personnel or HR department. In these firms, the Personnel Manager typically reports to the Head of Finance and Administration. In very few cases, they are a representative of the top management. Many companies have not fully incorporated their HR policies (Budhwar & Debrah, 2013).

While HRM is a strategic function in some sectors, such as oil, consulting and banking, it is in the banking industry that it is most noticeable. The banking industry has undergone dramatic changes in the past fifteen years. In 1998, for example, the Nigerian Government cancelled the licences of twenty-six of the forty-eight 'distressed' banks (Budhwar & Debrah, 2013). There are two major concerns regarding personnel in the banking industry: downscaling and high turnover. The number of bank branches and institutions has decreased, with functional units down to 2,200 from nearly 2,500 in 1997 (Hawkins, 2000). Downscaling and turnover, especially among middle managers, is very high in the banking industry. Several banks have turnover rates as high as 80% among this group of staff. Because of the need to attract and retain talented people, the HRM function has become critical to the existence of the banks. In many new banks, though, even where the HR Manager reports directly to the Managing Director, they are generally not a member of the top management (Budhwar & Debrah, 2013).

At the beginning of the reforms in 2004, the policy aimed to develop the banks and position them to play vital roles in promoting developments in other sectors of the economy and encouraging growths in their operational efficiency. Consequently, banks were merged through mergers and acquisitions, raising the capital base from N2 billion to a minimum of N25 billion (Sanusi, 2013), which compressed the number of banks from eighty nine to twenty five in 2005 and later to twenty four (Sanusi, 2013). Beyond the need to recapitalise the banks, the restructurings focused on ensuring minimal dependence on the public sector for funds but somewhat relying on the private sector. The implementation of rule-based and risk-focused regulatory structure; embracing of zero-tolerance in the regulatory framework in infractions, data/information and reporting/interpretation; review and updating of relevant laws for successful corporate; strict application of corporate governance principles in banking; efficient process for the understanding of returns by banks and other financial institutions through e-FASS; ensuring greater transparency and accountability in the implementation of banking laws and regulation (Sanusi, 2013).

With the worst of the banking crisis over, Nigeria's banking industry is now greatly improved from its position in the past ten to fifteen years. Some constructive results of the reforms include: First, banks by their size could collect funding of large label projects, especially in oil and gas and infrastructure sectors, through the new frame in the increased single obligor limits. Second, the larger size of banks also increased customer confidence. Consequently, the number of bank branches rose from 3,247 in 2003 to over 5,837 in 2010. Employment in the sector has increased from 50,586 in 2005 to 71,876 in 2010. Also, the capital market obtained a lift as some banks recorded successes in their initial public offers (Sanusi, 2013). The consolidation application has also influenced the payment system.

Regarding supervision, the comparative ease of overseeing twenty four banks as against eighty nine deserves mention (Sanusi, 2013). Despite the history and politicisation of the Nigerian workforce from the post-independent era to the current time, the workforce still serves as the essential link between the Government and the people. They help manage state programmes and economic and social management policies to design and implement Government policies, collect and deliver data for policy-makers, warrant stability of services and public relations services (Bayo, 2012). Discussion of some HRM functions will be next.

3.4 Human Resource Functions in Nigeria

Primarily MNCs have to consider local values, customs, and the cultural environment in designing and implementing their employment practices to their foreign subsidiaries (Adams et al. 2017; James & Baruti, 2021). These human, social, and environmental factors are as essential as the financial and marketing considerations through which decisions of employment practices need to be addressed (Edwards, Sanchez-Mangas, et al. 2016; Kynighou, 2020; Wilton, 2016). Following the discussion of the typical Nigerian economic, social, legal and cultural context, the following section examines the Nigerian HRM practices. There is a shortage of local and all-inclusive HRM models in Nigeria. Thus, the majority of policies and practices in Nigerian workplaces are primarily adopted from other countries. Managerial practices in Nigeria are a convergence with western-inspired styles, with the evidence of cultural and institutional influences. It is a hybrid of parent and host countries' employment practices (Fajana et al. 2011). Most Nigerian corporations are described by the lack of funding for HRM research and development. However, Nigeria's democracy has boosted HRM practices by regulating the quota of expatriates it permits (Ogunsegha, 2013).

Nonetheless, there is a lack of an internal workforce to complete all necessary tasks. Thus, expatriates are employed to handle such technologies. Most organisations in Nigeria currently offer continued training and development to enhance their employees' skills and competencies to compete in the global workplace (Ogunyomi & Bruning, 2016). Many scholars believed that employees are the most critical asset of any successful organisation, the effective management of HR is undoubtedly central to any sound business strategy (Adeleye, 2011; Cooke, 2018; Dickmann et al. 2016).

3.4.1 Recruitment and Selection

When reviewing the recruitment and selection practices in Nigerian organisations, a distinction must be made between practices in small and medium-sized organisations on the one hand and the large organisations comprising MNCs on the other. Small and medium-sized companies rely on relatives and friends (of the owners and the employees) to fill vacancies. Large corporations use consulting companies and media advertising to recruit staff (Owenvbiugie & Ekhaise, 2020). The growing unemployment condition has led to a rise in unsolicited job applications in large companies. The challenge they face is the money and time spent screening many applications regarding an advertisement in the media. Companies respond to the dropping educational standards by fine-tuning or even overhauling their recruitment and selection processes. Many businesses now carry out various aptitude and psychometric tests during the selection process because even a first-class degree holder may not have comprehensive education (Budhwar & Debrah, 2013).

3.4.2 Compensation Practices

Salaries and other fringe benefits in Nigerian organisations are the result of collective bargaining between unions and employers or employees' associations. In some private companies, basic salaries are generally higher than the public sector corporation. Wage scales in Nigeria are based on a job analysis and evaluation to ensure that managers treat employees with fairness based on merit or performance (Ogunyomi & Bruning, 2016). Corporations' salary variations may result from annual merit reviews, special adjustment promotions, or general regulations in the Nigerian public sector. General rules are made when the Government declares a general wage increase in public and private sectors (Ogunyomi & Bruning, 2016).

Given that salaries are abysmal in Nigerian corporations, a pay rise occurs only after complex negotiation and sometimes powerful strikes. Hence, incentives, 'fringe benefits', and other related reward packages are perhaps even more essential than salaries. 'Fringe benefits' such as generous car loans, free cars, transport allowance or free fuel, free or heavily subsidised housing, furnishing allowance, travel expenses and other benefits can enhance overall employer outlay on personnel cost (Ogunyomi & Bruning, 2016). When one considers the pervading culture of corruption, waste and bureaucratic system. Nigerian norms and values have also had a substantial impact on pay and benefits policies. In traditional society, the community (extended family or clan) was intently connected (Fajana et al. 2011). Employment in traditional culture was managed along family lines; skills were passed from parent to their offspring. Therefore, there was no paid employment. Society had a simple welfare system, making it possible for individuals to contribute according to their capabilities. Many of these traditional values persist in the modern work setting. The organisation is a social context rather than a means for gain. Nigerians are more likely to work hard in an organisation that treats them as family members. Nigerian employees feel isolated in a formal, rule-driven, and impersonal work setting (Budhwar & Debrah, 2013).

3.4.3 Performance Appraisal Practice

In Nigerian organisations, performance appraisal is a negotiation process and serves as a guide to shape employees to perform optimally. Employees can self-evaluate based on engagements and projects they were involved in during the appraisal period (Budhwar & Debrah, 2013). A performance assessment system should be a fair process involving technical knowledge, skills assessments, and how well an individual can offer quality service delivery (Bailey et al. 2018). However, the appraiser's lack of expertise and knowledge has made some of the parameters and tools for assessing employees' performance incoherent. Such an appraisal system and procedure might not evaluate staff correctly. The need to build the proper performance evaluator system has compelled companies in Nigeria to engage expatriate services to train managers to assess employees and recommend promotion where necessary (Fajana et al. 2011).

3.4.4 Talent Management

Training usually generates enthusiasm for creating new ideas and is mutually beneficial to employers and workers. Supervisors, Managers and HR departments ensure that workforces are successfully trained (Boso et al. 2019; Rees & French, 2016). Several Nigerian organisations provide workers with education and grants for job-related training; other corporations modify their wage structures to incorporate education and training subsidy allowances in employees' wages. However, such training is designed to be job-related and not of mutual benefit to employers and employees. Moreover, this type of training can prevent employees from acquiring other skills linked to the job description. Nonetheless, most Nigerian companies are aware of the importance of training their staff. Accordingly, they design the proper training to meet identified needs, which generate the right team with the appropriate qualifications and skills to compete in diverse fields (Budhwar & Debrah, 2013). The review of education and workforce will follow.

3.5 Education and Human Capital Development

A historical investigation of educational policy in Nigeria uncovers past trends and their effects on national development and guides policy-makers. In studying the origin of the current educational pattern in Nigeria, certain features of the academic history are noteworthy. Nigeria's educational policy has undergone three momentous phases before amalgamation, pre-independence and post-independence (Daniel-Kalio, 2018). Education is a vital feature of human capital development. HR availability is the role of the educational system. The period 1960 to 1985 can be characterised as the golden age of education in Nigeria. The Government established more educational institutions, thus raising admission to education. The Government also increased the quality of education (Ovadje & Ankomah, 2013).

Until the late 1980s, the standard of education in Nigeria was high at all stages (primary, secondary and tertiary). As a result, both MNCs and prominent local companies recruited talented graduate students at university campuses. In addition, companies devised their management programmes to provide trainees with explicit practical knowledge of the corporation to embark them on rewarding and promising careers in management (Ovadje & Ankomah, 2013). However, persistent underfunding of education since the mid-1980s, coupled with the declining conditions of physical facilities and the ensuing brain drain (particularly among academics), gave rise to falling educational standards. Moreover, continuous strikes by both lecturers and students continue to interrupt academic programmes of educational institutions with a negative effect on quality (Adebakin et al. 2015; Ovadje & Ankomah, 2013). The outcome is that while the workforce is readily obtainable (students still graduate universities in huge numbers), businesses find it difficult to recruit individuals with the competencies and skills to contribute significantly to the growth and success of the company (Turner, 2000).

There is a growing decline in the quality of Nigerian degrees. As a result, some corporations have to redesign induction programmes and management training. Many businesses increased the length of the induction programmes from three to twelve or eighteen months. Upon completion of the programme, only successful people are given employment in the corporation. Training costs have increased since trainees are fully paid while training (Turner, 2000). Education was considered fundamental in the qualitative improvement as well as the quantitative procurement of Nigeria’s workforces. Consequently, Nigerian education policy was to play an essential role in delivering educated professional and skilled HR to move from a colonial economy to an independent developing economy. Thus, from 1960 to the 1970s, in response to this economic and social demand for education, primary school admission multiplied five-fold, secondary admission multiplied by more than twenty two times, and tertiary education increased eighty four times, indicating the Government’s need to meet instantaneous HR shortages (Geo-JaJa, 1994).

Since the introduction of SAPs in 1986, there have been increasing gaps between the education syllabuses offered in Nigerian schools and actual HRs requirements. Consequently, shortages go along with oversupplies in specific key HR categories (Geo-JaJa, 1994). While gross enrolment figures are enormous, education output is still insufficient compared to national skill requirements. Swift enrolment growth, poor infrastructures and facilities, and declining resources have significantly and negatively affected Nigeria’s education quality and HR development (Geo-JaJa & Mangum, 2003). The system has increased in terms of the amounts of institutions established, new programs, and students enrolled at higher education institutions. For instance, between 1962/63 to 1992/93, institutions increased from four to thirty one. By 1992/93, the enrolment numbers were 58 times more than in 1962/63, enrolment figures have risen from 3,646 to 216,200, and the graduate produce grew from 425 to 46,975 in the same period (Moja, 2000).

Demand for more substantial admission to higher education continues to rise. Nigerian higher education institutions operate at a greater capacity than initially established; still, the need for entry increases. High unemployment rates of graduates, especially in their specific fields of training, remains a setback. Nonetheless, this has not aided in reducing the number of those seeking admission into higher institutions (Daniel-Kalio, 2018; Moja, 2000). The need for higher education is somewhat centred on the fact that those with higher education qualifications have more chance of obtaining a job in a robust market than those without a higher education qualification. Such oversupplies make the system uneconomical because training does not match the needs of the economy. The present education system in Nigeria requires complete restructuring and overhauling. This restructuring is necessary to improve the performance of education in the country (Adebakin et al. 2015; Geo-JaJa & Azaiki, 2010). Nigeria started the 21st century inefficiently prepared to compete or cope in the global economy, where growth depends much on scientific and technical know-how (Adebakin et al. 2015; Daniel-Kalio, 2018; Odia & Omofonmwan, 2007). A review of the impact of labour laws on HRM policies and practices in Nigeria will follow.

3.6 The Impact of Labour Laws on HRM Policies and Practices in Nigeria

Before the coming of the European colonists, the traditional African society was primarily agricultural; there was a high demand for a large labour force. Nonetheless, the family members provided such labour (Ubeku, 1983). In addition, the rich and influential utilised the services of slaves either bought or taken as prisoners of war during inter-tribal wars. The need for such a labour force might be the reason for the polygamous nature of the Africans. In the families, the wives and numerous children formed the workforce, creating cultural and social acceptance for child labour. The collective labour force offered support for the poor and less influential (Ubeku, 1983). One institution that influences workplace policies and practices in Nigeria is the trade union. The European colonialists and merchants' coming in the late 19th century marked the modern form of employment. During that time, Nigeria saw the growth of trading companies and the development of trading posts later changed into commercial centres. The formation of the colonial Government structures and facilities like the Railways produced further perceptible employment relations, for instance, the master/servant frame (Adefolaju, 2012).

While primarily regarded as a medium for resolving fundamental issues, trade unions have been questioned on several grounds (George et al. 2012). Trade unions in Nigeria are challenged with mismanagement, poor leadership, inadequate funds, internal disputes, dormancy and insensitivity to members interests. These first set of workforces of trading corporations and Government departments were, for all intents and purposes, undeniably naïve and submissive; they were willing to serve their masters. Although they initially felt privileged to be employed, public campaigning for better terms and conditions of service grew with time and the concentration of staff in some workplaces. Trade Unions, which also marked the beginning of industrial relations in Nigeria, was formed in 1912 (Erugo, 2004).

The Nigeria Civil Service Union, formed in 1912, was the first Trade Union in Nigeria. This was followed by creating the Railway Workers Union and the Nigeria Union of Teachers in 1931(Yesufu, 1982). To provide a legal structure for the growing Trade Unions, the colonial Government ratified the Trade Unions Act in 1938. In 1940, the Railway Workers Union was the first union to be registered under the Act. Trade unions are groups in which workers unite and collectively negotiate with employers on behalf of the workforces. They emerged from the efforts of employees to see an improvement in working conditions through collective action (Erugo, 2004; Ishola, 2013). They aim to improve the terms and conditions of employment such as pay, benefits, social and political status or working conditions through collective bargaining. Trade unions are the combat associations of the working class mainly built to enhance and defend the interests of workers against their employers (George et al. 2012). Between 1938 and 1976, the number of trade unions expanded to more than 900. Nonetheless, 54% of the trade unions had a membership of less than 200 each. These unions were weak, small and, in many cases, ineffective (Yesufu, 1982).

The Trade Unions Act 1973 specifies that at least fifty members were required to create a trade union. Those whose staff have decided to unionise should understand that union is the bargaining agent of the workers. Therefore, businesses with less than fifty employees need not have a union. However, many small establishments, including drinking, hotels, catering, and garages, have no house unions (Ubeku, 1983). Owners or managers regulate the labour relations in these businesses on a non-systematised, casual basis. Nevertheless, these small corporations do not have unions, which does not imply that the employees suffer in total silence without reparation. Workers in these companies do exercise their entitlements. They may embark on strike action. Some may even quit their employments or, in some cases, just walk off the jobs if they feel that they are not happy with the conditions of the employment (Ubeku, 1983).

Central labour organisation was formed in 1978 when the Government established the Nigerian Labour Congress (NLC). The existing trade unions were house unions, and they were updated along industrial lines and were linked to the NLC. The formation of a central labour organisation reinforced the bargaining power of the trade unions and generated new challenges for employers (Ovadje & Ankomah, 2013). The Nigeria Labour Congress (NLC) is the leading trade union association for the twenty nine industrial unions in Nigeria and thus offers a common platform for its members. It is a sign of unity and strength of the Nigerians’ trade union activity. It was formally established as the only national coalition of trade unions in Nigeria in 1978. Before then, four labour centres existed. These were the Labour Unity Front (LUF), Nigeria Trade Union Congress (NTUC), Nigeria Workers Council (NWC) and United Labour Congress (ULC). The establishment of the NLC brought unity among its affiliates. The unions, totalling over 1,000, were also reorganised into 42 industrial blocks (Philip & Adeshola, 2013).

The Nigeria Labour Congress has to organise, unionise and guide all categories of Nigerian workers. They also protect and advance Nigerian employees' economic, political, social and cultural rights, freeing and uniting Nigerian workforces from all forms of abuse and discrimination. Moreover, they fight gender inequality in the workplace. They also reinforce and strengthen the relations and networks between Nigerian workers with other workers outside Nigeria. Finally, they lead the fight for the revolution of Nigeria into a fair, compassionate and democratic society (Philip & Adeshola, 2013). According to the Trade Unions (Amendment) Act of 1978, an employer with more than fifty staff members and whose employees have decided to unionise must recognise the union as the employees' bargaining agent (Ovadje & Ankomah, 2013).

Since independence in 1960, Nigeria has ratified thirty International Labour Organisation (ILO) conventions. Some of these have been included in local labour laws; Nigerian Labour Laws provide the legal framework of HRM in Nigeria (Mbah & Ikemefuna, 2011). The Labour Act, which came into effect in August 1971, is particularly interesting because it incorporated some ILO conventions into Nigerian law and practice, especially those regarding underground work for women, a minimum working age and protection of wages. Although the National Minimum Wage Act prescribed a minimum wage net of all deductions for workers, wages and salaries matter for negotiation between the parties (Ovadje & Ankomah, 2013). It is important to note that the Labour Act does not cover administrative, executive, technical, and professional positions. All of them have to negotiate individually with their employers or belong to a union. The union negotiates terms with the employers on their behalf. Such negotiated terms are binding on both parties (Mbah & Ikemefuna, 2011).

Laws relating to employee welfare are the Factories Act, Workmen's Compensation Act, Employees' Housing Schemes, National Social Insurance Trust Fund, National Housing Fund Decree and the Industrial Training Fund Decree (No. 47). Whereas the Labour Act is limited in its application, the Workmen's Compensation Act applies to all employees in the public and private sectors. The Employees Housing Scheme (Special Provisions) Act makes it mandatory for any employer with at least 500 employees to maintain a housing scheme (Ishola, 2013). This type of practice is not unusual in Sub-Saharan Africa. Since independence, Government and employer housing schemes have been the main route to providing adequate housing for employees, although with little success. Although since independence in 1960, Nigeria has ratified 30 International Labour Organisation (ILO) conventions. Admittedly, some of these have been incorporated into local labour laws. As a result, the legal framework of HRM in Nigeria is provided almost exclusively by Nigerian Labour Laws (George et al. 2012).

3.6.1 Implications for Labour Laws in Nigeria

Nigeria, upon independence, adopted some English universal laws that manage the practice of workplace practices in the country. Other bylaws can be found in statutes ratified at different times for Nigeria either by the colonial parliament, the civilian National Assembly, the pre-military legislature, the military mandates, the post-Military, or the civilian National Assembly (Akinwale, 2011). ILO labour standards are part of such constitutional laws that are made for Nigeria. ILO Conventions generate labour standards that influenced the Nigerian Labour Law. These effects are most significant in the following aspects: The social welfare services that deal specifically with labour issues, including industrial relations, industrial dispute, trade unions, safety and welfare of labour, industrial arbitrations and setting a national minimum wage. All these are created first as labour standards before converting to the law enforced (Anyim et al. 2013; Awe & Obanla, 2016).

The ILO expects members that have endorsed its conventions to be bound by them (Mbah & Ikemefuna, 2011). However, countries fall within two broad categories: dualist and monist legal regimes (Awe & Obanla, 2016). In monism countries, ILO conventions, which are international treaties, are mandatory without civil legislation. On the other hand, for countries whose legal system is dualist such as Nigeria, a treaty must first be domesticated and accepted into law by the National Parliament before it can have the force of law. Hence, an ILO convention that has not been passed into law in Nigeria are not legally binding (Mbah & Ikemefuna, 2011).

The provision of pensions is another area that has influenced HRM in Nigeria. Pension denotes a form of official requirement in any employment association. It is a legal and economic obligation whereby employers are required to realise their contractual bond with employees. It is a form of employers' care towards employees (Inyokwe, 2013). Pension plans are generally established by a legal document known as a trust deed with the declaration that the funds would be dispensed under the rules indicated in the document. Employers provide pension benefits to attract, retain and compensate staff. Employees rely on retirement benefits as a form of financial security in their less productive years (Idowu & Olanike, 2010). The National Social Insurance Trust Fund Decree No. 73 of 1993 initiated a Trust Fund into which employers and workers contribute. The Fund pays contributors' retirement grants, invalidity benefits, and other benefits (Ovadje & Ankomah, 2013). A private pension scheme does not exempt an employer from making the agreed contributions to the Fund. In practice, many employees in Nigeria have not obtained the benefits even though they have made contributions. Therefore, employers have private pension schemes for their workers in addition to contributions to the Trust Fund (Ovadje & Ankomah, 2013).

The pension industry in Nigeria has been restructured over the years with the prevalence of crisis. Employers and employees do not generally understand the necessity for planning sufficiently before their retirement and retirement of their staff, respectively, because the concept of pension is foreign to them (Idowu & Olanike, 2010). Hence, most private sectors had no pension plans for their employees, and therefore, the workers who retired from such private-sector corporations had no retirement benefits. Even where the scheme is available, it was poorly planned (Ayegba et al. 2013). The consistent poor attitude to pension schemes was predominant in the public sector where Governments consider pension schemes as philanthropic and public civil servants in pension management conducted them unlawfully. Hence, the prevalence of crises like vast scale misappropriation of pension funds and accumulation of substantial pension liabilities in the pension dealing was apparent before ratifying the Pension Amendment Act 2004 (Adebayo & Dada, 2012).

The first pension law in Nigeria was the Pension Decree of 1951. It was later changed into the Pension Act 1958. This change was the first endeavour by the colonial administration to ensure the full pension rights of the colonial administrators. However, the colonial Governor-general grant some limited rights to Nigerian workers in the civil service (Bassey et al. 2008). It was followed by the National Provident Fund (NPF) scheme founded in 1961 through an Act of parliament in 1961. The NPF was reformed to Nigeria Social Insurance Trust Fund (NSITF) in 1993 by decree No.73 of 1993. (NSITF) was the first legislation ratified to regulate pension problems in private companies (Bassey et al. 2008; Idowu & Olanike, 2010; Uche & Uche, 2003). However, there were several Government regulations and circulars dispensed to alter their provisions and application. For instance, required retirement at the age of sixty years or thirty five years of service. The acceptable duration for gratuity was lowered from ten years to five years and pension from fifteen years to ten years (Barrow & Akerele, 2008).

The Government commissioned a pay-as-you-go (PAYG) pension scheme. The pension handling in the public sector was primarily a Defined Benefit (DB) pension scheme, which was neither funded nor contributory in Nigeria (Chidozie & Campus, 2012). The PAYG pension scheme was optional in the private sector but was mandatory in the public sector. The scheme was characterised by a colossal accumulation of pension debt which made the scheme untenable due to a lack of timely and adequate budgetary provisions and rises in salaries and pensions (Chidozie & Campus, 2012). There were also demographic shifts resulting from rising life expectancies, and pensioners living longer, which added to the pension disbursement. Moreover, the management of the scheme was very inefficient, unrealistic, cumbersome and less than transparent (Ijeoma & Nwufo, 2015).

The HRM function of training and development is also controlled to some degree by law. The Industrial Training Fund (Amendment) Decree, No. 47 of 1990, formed the Industrial Training Fund and made it compulsory for employers in Nigeria (with twenty-five or more employees) and the Federal Government to contribute to the Fund. The Fund was founded to disseminate the procurement of skills in industry and commerce to develop local HRs to meet the requirements of the Nigerian economy. Employers are to give 1% of their annual payroll. Employers that contribute to the Fund received up to 60% of the expenses on the training of their local staff (Ayegba et al. 2013) The final set of laws that impact employment practices is related to trade unions and dispute resolution. The Trade Disputes (Essential Services) Decree of 1976 revised the 1968 decree by replacing the ban on strikes in areas categorised by the Ministry of Employment as essential services. It gave the Minister broad obligations in resolving labour disputes comprising the control to prevent any disagreement and advise on the necessary steps appropriate for its immediate settlement (Ovadje & Ankomah, 2013). Even when payment was obtained via a collective bargaining process, a copy of the settlement reached must be deposited with the Minister who might impose any part of the agreement. So the Government, through commissions and decrees, continued to restructure the labour unions, fix the wages of public servants, improve industrial unions, encourage employers' associations and senior staff associations (Eme et al. 2014).

3.7 Culture and Human Resource Management in Nigeria

Conceivably the most compelling factor that influences workplace practices in Nigeria is culture. Hofstede (1984, 2009; 2005) highlighted the need for historical and cultural understandings of local environments to understand the practises and philosophies in different countries. HRM cannot be divorced from people's beliefs, values, and norms (Hofstede, 1984). As Nigeria becomes progressively more open to foreign investment in an era of economic globalisation, the re-emergence of interest in Nigerian cultural values and how they affect businesses has become even more critical (Fajana et al. 2011). Culture is perceived as beliefs, customs, norms and values that guide the conduct of the people in a society and are passed on from one generation to the next. Culture has some influence on businesses (Hofstede et al. 2005; Kim, 2017). Several writers have also shown that culture influences business undertakings, predominantly the management of HR. Employees are humans who grew in an environment that affects their ideas and activities (Hofstede et al. 2005; Minkov et al. 2017; Ogunsegha, 2013). Cultural forces represent another significant concern affecting global HRM practices. National culture has a considerable impact on employment practices. National culture is imprinted into the skeletal context of a society, workplace policies and practices in any given country are cultural artefacts which are a reflection of culture's norms and values in which all corporations are ingrained (Al-Sarayrah et al. 2016; Dimba & Obonyo, 2015; Hallikainen & Laukkanen, 2018; Kim, 2017).

Hofstede identified six cultural dimensions around which countries have been grouped, with people in each cluster displaying identical conducts. The six sub-dimensions of Hofstede that form national culture are collectivism/individualism, power distance, uncertainty avoidance, and masculinity/feminity, long-term/short-term orientation and restrained/indulgence. He explained how these dimensions influence businesses (Hofstede, 2009; Hofstede et al. 2005). Culture in Nigeria is collectivist, high power distance, masculinity, high uncertainty avoidance, short-term orientation and high level in indulgence. Culture has a significant influence on Nigerian workplace practice (Adegboye, 2013).

3.7.1 Collectivism/Individualism

Collectivism-individualism refers to whether a person functions primarily as an individual or part of a group. It is the tendency of people to seek the interests of their immediate families rather than the interests of the group/society. That is, how people value themselves in relation to their organisations/groups (Lee et al. 2019). People with high collectivistic values tend to value organisational and group welfares more than their interests. In contrast, people with high individualistic values tend to care about their self-accomplishment and career progress in the organisation (Hofstede, 1984, 2009). According to Hofstede's (2009) study, Nigeria is a highly collectivistic culture, whereas SA is individualistic (Hofstede, 2009). As a result of collectivist culture. Nigerian managers find it challenging to apply the western concept of performance management, emphasising setting specific goals and objectives, peer and subordinate evaluations, or giving face-to-face feedback. These practices are at variance with some traditional Nigerian values (Ogunyomi & Bruning, 2016). In Nigerian culture, one cannot be critical of a person in their presence. Accordingly, giving critical or negative feedback or any face-to-face appraisal is challenging for many managers. It may be considered an endeavour to ruin an employee's career. Thus, there is minimal judgement between excellent and poor performance. The appraisal result is unreliable because of the lack of objectivity, making pay-for-performance very difficult to implement in Nigerian companies (Budhwar & Debrah, 2013).

Nigerian workers are happy to work in teams/groups and look after their in-group members at work. This relationship creates a pleasant working environment between management and employees in the workplace (Adegboye, 2013; Mbah & Kuye, 2019). Nigerian culture encourages support for family members (both immediate and extended), groups and community, which contrasts the individualist culture in most MNCs that operate in Nigeria, including SA. Thus, these MNCs will need to put the conventional ways of doing things into consideration when identifying HRM practices to implement in the Nigerian context. Nigerians perceived organisation as a social context rather than a means for gain. Nigerians are more likely to work hard within an organisation that treats them as family members. Nigerian employees feel isolated in a formal, rule-driven, and impersonal work setting (Budhwar & Debrah, 2013). The Nigerian collectivist culture contrasts with South African culture, individualism, where people are mainly concerned about themselves and their immediate family members. Employees are hired for the job in an individualist society based on merit who qualify for the job. Management is the management of individuals (Hack-polay et al. 2020).

Most public sector companies in Nigeria are highly unionised. Unionisation is a feature of collectivist societies. Unionisation is a collectivist action, and the group's welfare (rather than the individuals') are cherished and protected. Rather than acting individually, an effort is made to warrant workers' rights based on the decisions of a trade union. In 2005, the Nigerian Government promoted compulsory union membership at the workplace, which has resulted in about 60% unionisation rate. However, it is not a common practice in private sectors; employers and their staff conduct a meeting at general forums to discuss issues, identify problems and present strategies for a better working relationship (Fajana et al. 2011). Although significant decisions that are related to wages and conditions of employment are made in meeting with the unions at the industry level, powerful unions have forced the management of some companies to go beyond the agreement, which is not surprising, given the high rate of poverty and the tremendous social inequalities in the country. For example, several trade unions are making it increasingly challenging for employers to retrench workers. Many companies have to pay laying-off benefits much higher than prearranged contracts to encourage workers to leave to sustain harmonious relations with the unions (Fajana et al. 2011).

There are vast differences in the influence of unions in old, chronically poor performing and over-staffed companies in Nigeria, on the one hand, and those recently restructured organisations on the other. Some employers, especially in the following companies, have made unions irrelevant in their corporations. The companies mentioned above are characterised by lean, devoted, and highly motivated employees; they offer their staff desirable compensation and benefits packages. They also develop and maintain good relationships with them. Subsequently, workforces in many of these corporations have willingly renounced union membership and have enjoyed a friendly industrial environment and retained flexibility (Budhwar & Debrah, 2013).

South African MNCs have to be cautious in developing their employment practices to suit the local Nigerian workers. SA being an individualist society, which contrasted Nigerian collectivist culture, competitiveness and aspirations are encouraged in such communities. The needs of individuals, the attainment of their goals and their successes are put before those of the group. In such a case, it is believed that individuals in an individualistic culture tend to bargain with the employer on an individual basis to defend their welfares as they believe that collective bargaining might damage their self-interests (Hofstede, 2009).

3.7.2 Power Distance

Power distance refers to the power inequality between leaders and subordinates. This covers the extent of acceptance by a society of the unequal existence of power in institutions. It implies the extent of reluctance or willingness of employees to express their displeasure or disagreement with their superiors including supervisors and managers. Power distance is also an expression of employees' attitudes towards hierarchy and the level of respect for authority in the society (Hallikainen & Laukkanen, 2018). In high power distance organisations, organisational hierarchy is apparent and there is a boundary between managers and subordinates. In comparison, an even organisational structure is present in low power distance organisations (Mbah & Kuye, 2019). Power Distance also indicates how the less powerful members of societies and organisations believe and admit that power is distributed unequally (Hallikainen & Laukkanen, 2018). It advocates that the leaders and followers accept a society's degree of disparity. According to Hofstede's (2009) study, Nigeria was a high power distance culture. In contrast, SA was a medium power distance culture.

Nigeria has a high score of power distance than SA due to a high power distance culture. In Nigeria, authority and power at the organisational level are significantly shaped by cultural values, which may be particularly evident concerning the cultural respect for the elderly (Adegboye, 2013). Respect for age is a typical cultural value in Nigeria. Through early socialisation, people are taught to respect older people (Bamgboje-Ayodele & Ellis, 2015). For example, in most Nigerian cultures, an elder sister or brother is not addressed by name; younger children address elder siblings with respectful and culturally appropriate titles. Old age is regularly associated with wisdom. Older people are perceived as more experienced and hence knowledgeable. When older people make decisions, a younger individual is expected to oblige without challenge (Budhwar & Debrah, 2013). Studies have revealed that Nigerian employees are comfortable with a top-down hierarchy that requires them to take orders from superiors (Adegboye, 2013).

Nigerians are unique in how they greet one another. The younger employee has to initiate the 'greeting customs'. Simply saying 'good morning' and hurrying to your desk may be taken as evidence of an uncaring manner. One has to ask how well the person is doing, also, enquiries about their spouse(s), children, and other family members are made, each of whom may be indicated by name (Budhwar & Debrah, 2013). The greeting customs may take minutes and when repeated for several staff members, as it should, the cost in time may be plentiful-a young employer who fails to follow this ritual at work risks being considered as arrogant, proud and self-conceited, and may be labelled as not likely to be a good team member. In some civil service sectors, a unit or department assumes the family and ethnic character of the serving head. In other places, the local language of the manager becomes the universal language of the office (Budhwar & Debrah, 2013).

Generally, Nigerian workers prefer to have an older person as a leader. If more qualified and highly motivated younger individuals are appointed as leaders, they face high pressure and decision-making problems. The respect for age also applies to organisational positions where people at the higher positions are regarded as elders. Nigerian workers expect the authority to be assigned to the worker based on education, experience and age (Adegboye, 2013). Likewise, this contrast the low power distance culture prevalent in the country of origin that is SA. Thus, these MNCs in Nigeria will need to consider these factors when they create their management structure.

3.7.3 Uncertainty Avoidance

This refers to the tolerance of uncertainty by a society; it is the extent to which members of any culture feel secure or insecure in situations that are not structured. Unstructured conditions are new and rather unpredicted events that are divergent from the routine. In high uncertainty avoidance cultures, the society put in place codes, beliefs, laws, safety policies and regulations that would reduce such situations. In low uncertainty avoidance culture, there are fewer written regulations and rituals (Hallikainen & Laukkanen, 2018). Hofstede's (2009) study demonstrated that Nigeria tends to have a high uncertainty avoidance value, whereas SA has a low uncertainty avoidance value. The Nigerian Culture being high in uncertainty avoidance, which is the degree to which people want structured programmes (Hofstede, 1984), makes Nigerians contented with stability, following the usual routine and expecting to be given clear measures on how things are to be done. Subsequently, workforces in this context are primarily risk-averse and more equipped to keep routine (Maduka, 2015; Mbah & Kuye, 2019). For example, there is a tendency to recruit people who belong to one’s family, village, or ethnic group to avoid the insecurity of hiring a person that they know little about, including their potential in the organisation. Nepotism has been the misery of organisations in many parts of the world. The preferential individual hired in favour of the manager is advanced favourably and can be promoted to strategically preferred positions in the company (Budhwar & Debrah, 2013).

While favouritism and ethnicity-favouring hiring may be unprofessional and even unfair, they also have benefits. The acquaintances sometimes have a substantial commitment to their sponsor and are often wholly loyal. They see the achievement of the patron as their accomplishment and indeed as the success of their group. So, they may work harder than that required by the formal system. However, managers find it challenging to sustain the principles of meritocracy and objectivity in decisions regarding promotion, discipline and performance management (Fajana et al. 2011). The Nigerian uncertainty avoidance culture also contrasted with the low uncertainty avoidance culture in the country of origin, SA. SA has a common preference for avoiding uncertainty. In these societies, practices count more than evading uncertainty. Schedules are supple, and innovation is not seen as intimidating (Hofstede, 1984). Hence, MNCs will need to consider the local culture and environment when planning jobs for their employees.

3.7.4 Masculinity / Femininity

This refers to a society’s orientation based on traditional male and female values. This cultural dimension explains the accepted gender responsibilities in leadership expectations in a society. In masculine societies, traditional masculine values of assertiveness, materialism and lack of concern for others prevail. Conversely, in feminine societies concern for others, relationship building and quality of life concerns predominate (Deresky, 2017). A country with a higher score on masculinity means that individuals prefer men to have control and expect men to be successful leaders in organisations (Hofstede, 2009). According to Hofstede (2009), both SA and Nigeria have been a high masculinity culture. In high masculinity societies/organisations, fewer women can get better-paying and higher-level jobs. Conversely, in low masculinity groups/organisations, women can get equal organisational status (Adegboye, 2013).

Both Nigeria and South Africa are able-dominated, masculine societies. In masculine cultures, gender equality is sharply differentiated, and male values of confidence, boldness, achievement, ambition and competitiveness predominate (Hofstede, 2009). Though there is an official policy on equal opportunities in obtaining employment and career progression in Nigeria, the culture assigns an inferior status to women, and the workplace reality is different for most women. There is a general lack of acceptance in the society of women dominating top management positions. Male employees find it difficult to accept women as their leaders. Women work harder to prove their competence. Decisions made by female managers are resisted by male subordinates regardless of the merits of such action plans (Budhwar & Debrah, 2013).

3.7.5 Long-Term/Short-Term Orientation

Long-term versus short-term orientation explains the time orientation within a culture. This dimension describes how every society has to connect with its past while dealing with the present and future challenges, and communities prioritise these two crucial goals differently. Societies scoring low in this dimension are described as short-term oriented societies, emphasising virtues related to the past and present, whereas long-term oriented cultures focus on the future (Hofstede et al. 2005). Societies with a low score on this dimension, for example, prefer to maintain time-honoured traditions and customs while viewing societal change with suspicion. Whereas societies that score high, on this dimension, take a more pragmatic approach: they support thrift and efforts in modern education to prepare for the future.

In general, long-term oriented cultures need a deeper level of trust in business dealings. Individuals in long-term oriented societies naturally require affinity of the exchange partner before undertaking business with them. Business relations in long-term oriented cultures are typically built on long-lasting grounds, and thus mutual trust is fundamental (Hofstede & Minkov, 2010). Hence, MNCs must consider the local culture and environment when planning jobs for their employees.Both Nigeria and South Africa are short-term oriented societies, this implies that Nigerian and South Africans are more normative than pragmatic. South African and Nigerian People have a vital concern with establishing the absolute truth; they are normative in their thinking. They display great respect for traditions and customs, a relatively small tendency to save for the future, and a focus on realising quick results (Hofstede & Minkov, 2010).

3.7.6 Indulgence

Indulgence stands for a society that allows relatively free satisfaction of basic and natural human requirements related to having fun and enjoying life. Restraint stands for a community that controls the satisfaction of needs and regulates it using strict social norms based on the way people are raised (Hofstede, 2011). Relatively strong control is called 'Restraint', and relatively weak control is called 'Indulgence'. Cultures can, therefore, be described as Restrained or Indulgent (Mbah & Kuye, 2019). Both Nigeria and SA scored high on this dimension. Nigeria scored eighty four, whereas SA scored sixty three; it is clear that both Nigeria and South Africa have a culture of indulgence. People in societies classified by a high score in indulgence generally exhibit a willingness to realise their desires and impulses concerning enjoying life and having fun. They have a positive attitude and tend towards optimism. Moreover, they place a higher degree of importance on leisure time, act as they please and spend money as they wish (Weil, 2017).

3.8 Trends in the Development of HRM in Nigeria

Traditionally, the role of the HRM in Nigerian organisations has been centred primarily on recruitment and selection, compensation, performance appraisal, training and development and labour relations. However, some issues and problems have generated a new beginning for the HR consultants and specialists. Present HR practice has led to superior output and improved quality of products in Nigeria. Thus, the development has encouraged HR consultants in taking active functions on matters impacting on productivity progress (Maduka, 2015). The HR specialists are now paying attention to issues that relate to job commitment and satisfaction in their quest to support Quality of Work Life. Modern managers have understood the dangers of potential personal and organisational job pressure and have taken an interest in ways to ease the problem (Nwabueze et al. 2013).

Social and Labour Legislations from the 1970s onwards have permitted workers more rights in terms of security of employment and rights which were perceived as mere hopes in the past. However, these rights and privileges, such as various fringe benefits, retirement benefits, pension, Gratuity Schemes, medical care for employees and family and National Housing Fund have added extra burden and costs which the employers have to bear in hiring, retaining and disposing of employees (Maduka, 2015).

The new Nigerian HR managers subcontract more of these services, for instance, benefits management, to outside vendors. They use technology like intranet-based websites to empower employees to self-administer benefit plans (Nwabueze et al. 2013). Companies' contracting services supposed to relieve HR specialists of administrative functions and enable them to understand their businesses better, define their mission, and develop clear HR strategies to add significantly to the organisation's strategy (Nwabueze et al. 2013).

Nigerian women are not well represented in the workforce. The impacts of unequal power relations and discrimination against women have not restricted women from participating in nursing, teaching, or clerical jobs. Despite the cultural provocations, more women are now in executive positions. If this movement continues, female managers will no longer be a novelty and it would be more comfortable for their male counterparts to accept their authority (Woldie & Adersua, 2004). However, women face some restraints in the labour market, including their varying concentration in vulnerable forms of work; vertical and horizontal work-related discrimination. While most women work in the informal sectors of the economy, more women work in the private sector. This is partly because of the rise in awareness of the importance of girls' education.

The female to male ratio of university students in Nigeria rose to 1:4 in the mid-1980s (Aja-Okorie, 2013). Adeyemi and Akpotu (2004) reported that whilst 60% of Nigerian women were uneducated in 1980, it grew to 63% in 1995. They also narrated that 42.9% of Nigerians were illiterate by 1995, out of which 52.7% were female, and 32.7% were male. This troubling state of illiteracy among Nigerian women is associated with student enrolment imbalance at all levels against the female group. Nigerians have been open to Western culture through education and other forms of communication, particularly in the Information Technology (IT) industry. The organisational culture of the IT corporations in Nigeria is dissimilar from the culture of most Nigerian companies. They are owned and run by enthusiastic young capitalists (Adeyemi & Akpotu, 2004). Their organisational structures are uniform. There is more admiration for knowledge rather than position or age. In most businesses, the setting is informal, and everyone is addressed by their first name. There is intense competition. As a result of the shortage of talent in the industry and the subsequent high labour turnover, managers rely on HR professionals (essentially consultants) to plan desirable rewards and participatory schemes to draw and maintain employees (Adeyemi & Akpotu, 2004).

3.9 Summary

Some crucial issues arise from this review of HRM in Nigeria. First, the socio-cultural norms have great influence on some workplace practices. The socio-cultural diversity of Nigeria has influenced the workplace practices. There is often a high level of involvement by management in their workforces' personal lives. A broader perspective is demanded when considering issues that are often simplistic, transparent, and systematic in a Euro-American context. As noted by Sparrow et al. (2016), activities such as recruiting, promoting, rewarding and dismissal are often determined by the culture-specific practices. Modern practices such as peer and/or subordinate appraisals do not fit within the Nigerian culture where critical face-to-face comments may be misinterpreted as personal attacks (Budhwar & Debrah, 2013). Additionally, broader external factors might challenge the state of the economy, political and other pressures which may lead to unpleasant but mostly acceptable business practice. As in many societies, in Nigeria some basic assumptions and values influence how employees react to various work circumstances, how they behave both in and outside of the workplace (Fajana et al. 2011). The Nigerian Government and the management should attempt to make rational HR policies that are suitable to the overall business strategy.

Lastly, most corporations in Nigeria are highly unionised, particularly public sector organisations, where employees unite to protect and promote their interests. However, there has not been a high employees' participation in union activities (George et al. 2012). Despite their significance and benefits, HRM practices are mainly present in developed countries where they originated whereas, in developing countries, they are still in their beginning stages of development. Concepts of HRM are entirely new and possibly absent in some developing world regions (Ayentimi et al. 2017; Wood & Bischoff, 2020). Employment practices in Nigeria have not been completely established. Hence, there is a severe need to employ HR consultants, professionals, consultants and researchers to support and develop a new directional focus to ensure an effective and efficient HR practice in Nigeria (Fajana et al. 2011).

Chapter 4: Research Methodology

4.1 Introduction

This chapter discusses and justifies the appropriateness and rationale of the study's methodology. The philosophy and research paradigms are outlined, providing comparisons with the selected one, justification is provided for selecting an interpretive research paradigm, a case study methodology and the rationale for this. The criteria for the multiple case selection; and the process of data collection whilst ascertaining the connections with the working propositions and the main themes; followed by the data analysis. In addition, the chapter discusses the validity and reliability of qualitative research and how these two requirements were met in the current study. Finally, the chapter concludes with a summary of the discussion.

4.2 Research Design

A research design is a process of constructing a plan or a structure for a research project. It specifies procedures, instructions, and directions to answer the research questions (Chivanga & Monyai, 2021; Harding, 2018). A research design is a process that connects the research the researcher to make a conclusion drawn from the data (Flick, 2018). The research design relies on the selected research paradigm. When using interpretive case studies for empirical research, researchers' decisions will depend on: the role of previous theory, the selection and number of cases, the methods to be used for data collection, the unit(s) of analysis and the technique(s) by which the researcher investigates the collected data (Flick, 2018; Quinlan et al. 2019). The following sections present the conceptual discussions of the various research approaches and apply these approaches to this thesis.

4.3 Research Approaches

Research approaches are plans and techniques for research that span from general assumptions to comprehensive data collection methods, evaluation, and interpretation. This plan involves several decisions around the approaches employed to study a topic (Silverman, 2016). Informing this decision is the philosophical supposition the researcher brings to the study; this includes inquiry procedures (called research designs) and particular research techniques of data collection, analysis, and interpretation. The selection of a research approach depends on the nature of the research problem or issue being addressed. It also depends on the researcher's skills and the audiences for the study (Creswell, 2014; Creswell & Creswell, 2017). For example, Lester et al. (2020) note that quantitative data regularly embrace random sampling in such a way, each individual has an even probability of being selected, and the sample can be generalised to the broader population.

Creswell and Poth (2017) have identified three research approaches: qualitative, quantitative, and mixed-method. The difference between quantitative and qualitative research approaches depends on data collection and presentation techniques. Generally, words or narration are the principal style for qualitative and predominantly numerical data for quantitative research. A more exact way of understanding the difference between approaches lies in the underlying philosophical postulations that enlighten their social science research. According to Taguchi (2018), the qualitative approach has a more interpretative focus, and quantitative is inclined to more positivist and objectivist conceptions of social reality.

The qualitative approach encourages the development of theories by exploring the complexity of a phenomenon in greater detail to achieve interpretative understanding, whilst quantitative methods support the testing of hypotheses (Quinlan et al. 2019). The mixed-method (triangulation) approach combines qualitative and quantitative research techniques in addressing the social phenomenon. The basic notion of the triangulation method is the incorporation of both qualitative and quantitative research approaches in addressing a social aspect, and it aims to generate a more comprehensive understanding of the research problem (Taguchi, 2018).

4.4 Research Philosophy

Research philosophy is a belief concerning how data pertaining a particular phenomenon should be gathered, explored and used (Quinlan et al. 2019). Epistemology is one of the primary branches of research philosophy. It is concerned with the theory of knowledge, particularly concerning approaches and how to capture the experience of social reality (Harding, 2018). An understanding of what epistemology is and how it affects and influences the research process is fundamental to research inquiries. There are two overarching research philosophies in the Western tradition, namely positivism and interpretivism. Interpretivism primarily focuses on subjective realities, while positivism emphasises objective fact (Flick, 2018; Greene, 2020). This section considers these two approaches and justifies the adoption of interpretivism for this research.

4.4.1 Positivists Research

Positivists assess the success of their research in part by evaluating how closely the results of other research match their studies. By understanding that no data collection instrument is perfect, positivists aim to develop standardised mechanisms because they believe accuracy yields an ideal outcome (Prasad, 2017; Taguchi, 2018). They seek to emulate 'hard' sciences that have established quantitative measuring methods such as biology, chemistry or physical facts in replicable techniques. Furthermore, positivists justify research concerning its validity by assessing how their research tools measure the core concept they are supposed to measure. Positivists assume a single, objective reality that can be observed and measured without bias using a standardised instrument (Taguchi, 2018). The goal for positivists is acquiring a universal truth, a rule or an explanation perpetually valid as long as inquiries satisfy specified conditions. Positivist researchers emphasise the importance of an objective scientific method (Quinlan et al. 2019). They envisage their functions as collecting facts, then study the relationship of one set of circumstances. They examine quantitative data by using statistically valid techniques and thus generate measurable and generalisable conclusions. This approach emphasises the significance of studying organisational and social reality scientifically, utilising the research processes used in the natural sciences wherever possible. Positivist research generally attempts to validate theory to supplement the analytical understanding of the phenomenon (Flick, 2018; Quinlan et al. 2019). Positivist approaches such as survey research and laboratory experiments are concerned with hypothesis or theory testing. They use empirical methods to research theory and test theoretical assumptions by analysing the observed data (Taguchi, 2018).

4.4.2 Interpretive Research

Interpretive researchers, by contrast, are more concerned with understanding and accessing the insights of individuals about the world since they visualise social phenomena as the product of human interactions (Lester et al. 2020). Interpretive believe there is a reality but claim that it cannot be measured directly but only perceived by people, each of whom views it through the lens of their prior expectations, experience and knowledge. Researchers rely more on observations, words and meaning than facts and numbers (Thorne, 2016). The interpretive approach addresses methodological questions and the complexity of human reasoning and communication by examining the behaviour and beliefs of individual players, which it perceives as not directly dependent on objective facts and data (Quinlan et al. 2019). Such research is concerned with the less quantifiable interpretation of individuals' feelings and reasoning (Assarroudi et al. 2018).

There are long-standing epistemological debates around research methodology. Several researchers find the positivist approach impractical but others are concerned about the subjective nature of the interpretive process (Prasad, 2017; Quinlan et al. 2019). Interpretive research methodologies have a great number of benefits. First, interpretive research is well-suited for discovering covert reasons behind challenging or multifaceted social processes, for example, inter-office politics or inter-firm relationships where quantitative evidence may be biased, incorrect, or hard to acquire. Second, they are usually beneficial for theory building (Flick, 2018). Third, they are also appropriate for reviewing unique, context-specific, or distinctive events or practices. Fourth, an interpretive study can also help discover new research questions and problems for further investigation (Flick, 2018).

At the same time, interpretive research also has some drawbacks. First, this kind of analysis tends to be more time and resource-demanding than positivist research, in both collecting and analysing data. Collecting too little data can lead to incorrect or untimely assumptions, whereas the researcher may not efficiently process comprehensive data (Silverman, 2016, 2020). Second, interpretive research requires attentive researchers capable of observing and interpreting complex social phenomena from the perspectives of the individuals and integrating the unique experiences of these participants without polluting findings with their personal biases or prejudices (Creswell & Poth, 2017). Third, all informants or data sources may not be uniformly reliable, unbiased, or well-informed about the phenomenon of interest or may have unidentified political programmes, leading to false or deceitful impressions. Fourth, low confidence between informants and researchers may obstruct authentic self-representation by participants, and such trust-building takes time (Creswell & Poth, 2017; Natow, 2020). The following section justifies using an interpretive research model.

A review of the literature on MNCs' HRM systems and practices in their subsidiaries reveals that despite the extensive research on the HRM policies and procedures of MNCs from developed countries, only a handful of such studies empirically examined HRM practices in emerging market MNCs (Adams et al. 2017; Horwitz, 2017). The scarcity of research on this topic in this region leaves a significant research gap in understanding emerging countries' HRM practices and systems at home and in host countries (Adams et al. 2017). Qualitative research produces general understandings of rich, appropriate, and generally unstructured, non-numeric data by engaging in discussions with the research participants in a natural setting (Creswell, 2009). The qualitative approach is appropriate in investigating, discovering and improving organisational problems, and it is widely used in similar studies on MNCs' HR systems and practices (Adams et al. 2017; Gibbs, 2018; Silverman, 2016). For example, building on previous interpretative research on MNCs' HRM systems and methods in their subsidiaries, Adams et al adopted an interpretative approach in their study of South African MNCs in Ghana (Adams et al. 2017).

This thesis will explore how South African MNCs manage their workforces in their subsidiaries and investigate the similarities and differences of their systems and practices at the headquarters in SA and the subsidiaries in Nigeria. Within a qualitative configuration and an interpretive stance, this thesis aims to identify South African MNCs' employment practices in their subsidiaries in Nigeria. The review of MNCs' HRM practices in emerging market subsidiaries in chapter two revealed that MNCs either standardised, localised, globalised or hybridised their employment practices. The literature review also highlighted the factors that affect the transfer of the HRM practices, including host country effects, home country effects, dominance effects and international integration. Moreover, the dearth of research in developing nations means that finding such HRM practices is complex. With this in mind, the nature of the study presented in this thesis is exploratory, building on existing knowledge and theories. It seeks to generate an understanding of how EMNCs manage HR functions in their subsidiaries in Nigeria. As has been earlier stated, qualitative research does not necessarily seek generalisable results.

This thesis aims to answer the research questions on South African MNCs' subsidiaries in Nigeria. It must be noted that SA is the only BRICS member country in Africa (Adams et al. 2017). Such a study is challenging because the African environment is not homogenous, as outlined in chapter two. Countries differ in their political, cultural, social, institutional, economic and regulatory systems. This thesis employed qualitative research based on the notion that 'reality' is an individual's social experience (Richards & Hemphill, 2018; Silverman, 2016).

Busetto et al. (2020) contended that the difference between qualitative and quantitative methodologies to research is that the former uses words to describe data while the latter uses numbers. In addition, the individuals who are the informants in this research will ascribe meaning to events, activities, and processes primarily involved in understanding EMNCs' HRM practices in their subsidiaries (Flick, 2017). Therefore, qualitative research will be able to satisfy the objectives of this thesis.

One of the main features of qualitative research is that it is generally appropriate for small samples, but findings are not usually quantifiable and measurable. The significant advantage is that it provides a complete analysis and description of a research subject without restricting the scope of the research and the nature of participant's responses (Silverman, 2020). An interpretivist approach is used in this research because it is widely used in researching HRM practices and is also suitable for small samples that yield qualitative data. It produces generalised conclusions and theories based only on a small number of interpretations (Silverman, 2016).

4.5 Methodologies

Methodologies are associated with both positivist and interpretive studies. For example, Flick (2018) linked case studies and ethnography to interpretive studies. Likewise, Taguchi (2018) associated longitudinal methodologies and cross sectional surveys with positivist philosophy. However, some researchers undertaking interpretive studies may also use techniques associated with the positivist perspective and vice versa.

4.5.1 Sampling

Sampling is choosing participants to participate in a research study to provide data that is considered pertinent to the research problem. However, it is impossible to gather data from all members of the target population of a research study in most cases. Therefore, the concept of sampling as related to qualitative research requires that only a subgroup of the population known and referred to as a sample is selected for a given research enquiry (Berndt, 2020).

4.5.2 Sample Selection and Technique

Selecting a study sample is essential in any research project because it is rarely ethical, efficient or practical to study whole populations. The purpose of all assessable sampling methods is to draw a representative sample from the population, which will allow the generalisation of the outcomes (Taguchi, 2018). The selection of a representative sample depends upon the aim of the research.

The most common method is to use a probability or a random sample. In a random sample, the population is defined, and all participants have an equal chance of selection. Stratified random sampling and area sampling are variations of random sampling, allowing further study subcategories (Creswell, 2014).

A convenience sample is the simplest technique because the researcher selects the most accessible subjects. Thus, it is less challenging in terms of effort, time and costs. However, there is the possibility of collecting poor quality data, which yields poor research results and because research is established on a weak foundation its thus difficult to convince others to accept the outcomes of the research (Silverman, 2016, 2020).

Another sampling method is known as a purposive sample. It appears to be the most widely employed sampling technique, particularly in the framework of qualitative research. Fundamentally, it is a way of sampling in which the researcher select the participants who have knowledge or experience of the matter/s that are being addressed in the research (Busetto et al. 2020).

Snowball sampling is regarded as one of the categories of purposive sampling, whereby the researcher discovers relevant individuals that might be included in the study (Silverman, 2020; Yin, 2017).

Theoretical sampling is a sampling approach where the researcher develops explanatory theories alongside the data obtained from evolving information. Subsequently, a new sample will be selected for the study to test the configured theory (Taguchi, 2018). It is the principal means employed in most theoretical studies, but it may also be used for studies requiring interpretation. Thus, the sample size chosen for study under this approach is theory-driven to some degree and mainly includes an element of repetitive sampling, first to develop a theory and then, second to test the theory's validity by utilising a different sample (Harding, 2018).

4.5.3 Sample Size

The sample size used in qualitative research approaches is often less than that used in quantitative research techniques. Qualitative research approaches are often concerned with collecting an in-depth understanding of a phenomenon. Researchers conducting the qualitative study focus on meaning (and heterogeneities in meaning) and the *why* and *how* of a particular matter, practise, setting, subculture, set or scene of social relations (Harding, 2018).

A large sample can be used, especially if the researcher intends to generate adequate data to answer their research questions in a positivist study (Palinkas et al. 2015). However, in Prasad's

(2017) view, the sample size in qualitative research will range from one to twenty. This range will allow the researcher to study the social problem more strongly in greater detail. However, the informants should have the relevant knowledge and experience which the researcher needs. In his view, the informants should be communicative; capable of reflection; prepared to participate in the study and have time for the interview (Silverman, 2016). Participants were selected through various methods in this research, including direct approach, snowballing approach, and networking. These techniques are considered helpful in weak and underdeveloped institutional environments like Nigeria (Ayentimi et al. 2018b).

4.5.4 Sampling of Respondents

Purposive sampling was used to build the sample for this research. Participants were selected based on their skills, knowledge and relationship regarding the research matter (Harding, 2018). In this study, the sample members selected had a special relationship with the phenomenon under study, relevant and sufficient work experience in HRM, and proven research background and basic understanding of data regarding South African MNCs' HRM practices in the host country (Nigeria). In addition, participants were selected based on their positions, seniority, and relevant knowledge in HRM within the organisation. A total of twenty six participants from three different South African MNCs' subsidiaries in Nigeria were chosen to provide this study with a broader range of responses.

Given that anonymity and confidentiality are paramount in this study, the names of the participants were replaced by pseudonyms. The diversity of the participants in terms of their experiences enriched the research findings. These informants were identified through various approaches, including direct contact, networking and snowballing. The interviews covered a wide range of South African MNCs business interests in multiple sectors such as retail, telecommunications and banking.

4.6 The Case Study as a Research Approach

Although the case study technique receives criticism regarding its dearth of reliability as a research tool, social science researchers extensively employ it (Taguchi, 2018). Therefore, a case study approach can be considered a robust research method, particularly when needed for a comprehensive, in-depth investigation. A case study is recognised as an excellent means of collecting data in many social science studies. One reason case studies became used as a widespread research technique is that scholars were becoming concerned about the limitations of quantitative approaches in providing holistic and in-depth details of the social and behavioural issues in question (Flick, 2018). A researcher can go beyond the quantitative statistical results and realise the behavioural conditions through the player's perspective through case study methods. By including both qualitative and quantitative data, a case study assists in explaining both the process and outcome of a phenomenon through careful observation, re-establishment and analysis of the cases under study (Harding, 2018).

The main feature of case study research focuses on *how* and *why* questions, making it appropriate for exploratory and descriptive analyses (Hancock & Algozzine, 2016). A case study can focus on unfolding individual or group behaviour and practice in its natural setting. The case study method supports theory building and testing, which is most suitable in areas where existing conceptual and theoretical structures are lacking (Hancock & Algozzine, 2016). Researchers use insights from case-based theory to build a research hypothesis or proposition in further research. Case study research, therefore, plays an essential role in enriching knowledge (Flick, 2018). The choice of research method echoes a clear epistemological stance and not just the simple application of a data-gathering practice. Access is also a central concern; the researcher should know the case study location(s) well and work jointly with them (Yin, 2017). Selected cases need to be exciting and open to inquiry if they reveal and satisfy the answers to research question(s). Case study setting(s) may also be pre-selected for the researcher, with choices being influenced by crucial participants (Creswell & Poth, 2017).

Various research paradigms use qualitative and case study research. To adopt a case study methodology, the researcher must wisely choose the case to investigate more closely. According to Hancock and Algozzine (2016), researchers have to choose a case that includes the different issues that interest them. However, a selected case must be highly relevant to the problems and answer the research question(s). A researcher may decide to study more than one case: multiple case studies refer to the application of more than one case in a single study (Creswell & Poth, 2017). According to Yin (2017), each case must be carefully selected to produce similar results (literal replication) or to produce conflicting results (theoretical replication). Creswell and Poth (2017) argued that the researcher should judge the number of cases sufficient in a case study research based on the philosophy and the research questions(s). In this regard, Hancock and Algozzine (2016) contended that a researcher should be free to choose any method that will enable them to produce the information which they seek.

Given this, the case study methodology is more in line with interpretive philosophy, which is the philosophical perspective adopted by this study. Case study methodology offers the opportunity to carry out exploratory research in-depth and within a given background and to understand the employment practices transferred from the home country (Flick, 2018), in this case, SA, to their subsidiaries in Nigeria. Before selecting the case study methodology for this thesis, the ethnographical approach was considered another methodology that offers a social researcher the chance to observe people in their setting (Creswell & Poth, 2017; Lester et al. 2020). However, exploring how MNCs transfer their HRM practices are challenging to observe; it takes a lot of time and funds to follow the process. Again, it would have been challenging to gain access from the companies because of the confidentiality policies in the three case study companies. So an ethnographic approach was judged to be inappropriate for this study.

This thesis also considered a longitudinal approach before the selection of the case study approach. The longitudinal method allows a researcher to examine the dynamics of a social phenomenon by studying the same group of subjects over a long period during which the social event runs its course (Harding, 2018). This approach was also considered inapplicable for this study because the procedure would have required the researcher to be involved with the problem for several years to generate a positive result (Taguchi, 2018). This approach also requires considerable time and money as the case study companies are in Nigeria, far from the United Kingdom, where the researcher is studying for the PhD. Moreover, the duration of this study has a limited time to be concluded; therefore, there was not enough time for this research to adopt a longitudinal approach to data collection. The following section considers the use of multiple cases in this research.

4.6.1 Selecting the Case(s) Scheme

Yin (2017) contended that a case study could have either a single case or multiple cases. Thus, the researcher can conduct a single case study or a multiple case study to gain insight into the phenomenon. Yin (2017) suggested that when the researcher selects to do a multiple case study, they will investigate the data within each setting and across different environments contrasting the findings with others. According to Creswell (2014; 2017), another distinction between a single case study and a multiple case study is that the researcher investigates multiple cases to realise the similarities and differences between the cases in a multiple case study. Yin (2018) also argued that multiple cases would enable the researcher to ascertain whether the findings are valuable.

In multiple case studies, the researchers select several cases, which offers the advantage of assisting comparisons across several cases and replication. Choosing a 'typical' case may allow results to be generalised to theory (i.e. analytical generalisation) or analysis theory by replicating the outcomes in a second or even a third case (i.e. replication logic) (Creswell & Poth, 2017). Yin (2018) advocates two or three literal replications (i.e. predicting similar results) if the theory is straightforward and five or more if the theory is not straightforward.

In intrinsic case study is primarily chosen to learn about a distinct phenomenon. The researcher defines the distinctiveness of the scenario, which differentiates it from all others. In contrast, the instrumental case study uses a specific case study to obtain a full appreciation of a matter or phenomenon. Finally, the collective case study comprises studying multiple cases sequentially or simultaneously in an endeavour to produce an even greater understanding of a particular matter (Hancock & Algozzine, 2016).

4.7 Data Collection within the Case Study

According to Groenland and Dana (2020), researchers can collect data for a case study from primary data, secondary data or a combination of both known as triangulation or dual methodology. Researchers adopt the technique that best addresses the research aim and objectives. Though, many case studies use sources that include documentation, interviews, questionnaires and direct observations. Each method delivers various advantages (Hancock & Algozzine, 2016; Silverman, 2020). However, as mentioned earlier, direct observation is not appropriate for a study of this nature. Therefore, the sections below focus explicitly on interviews and documentation as a source of data collection in this study.

4.7.1.1 Data Collection Tools

The researcher used both primary and secondary data for the study. Evidence was collected from websites on documentation about the company and reports to enable the researcher to fully understand EMNCs' HRM practices in their subsidiaries in Nigeria. The secondary data for this study was obtained from specialist HRM journal articles that dealt with: the transfer of HRM practices, the factors that affect transfers such as 'home country effect', 'host country effect', 'dominance effect' and international integration. The researcher also made use of documentaries and company's reports. This method of gathering information was low-cost and easily accessible. During the interviews, some HR managers provided the researcher with internal documents, for instance, documents explaining the HR policies, corporate culture, values and other relevant documents to the study. In addition, more confidential documents were shown to the researcher, such as Standard Business Manuals or Code of Conduct policies. Furthermore, the researcher obtained secondary data from the case studies' companies' annual reports.

At another level, primary data was collected for the study. The researcher collected data through semi-structured interviews and focus group interviews with the South African MNCs' subsidiaries operating in Nigeria. This group comprised of experienced officers working in South African MNCs' subsidiaries in Nigeria. The primary investigative tools in this study were semi-structured and focus group interviews and the researcher developed an interview guide to facilitate them. The interview guide assisted the researcher in staying focused on the topics and guided follow-up questions to prompt more detailed discussion about issues that were not very well-defined in the initial response, or needed further investigation. The researcher began the interview by outlining all the pertinent themes in line with the study's objectives after a general review of the literature on standardisation, globalisation, hybridisation and localisation of HRM practices in MNCs' subsidiaries.

4.7.1.2 Primary Data

Primary data is the data collected by the researcher, specifically for the research. It is original, and it entails data collection from the source, and such data are collected for the first time (Creswell & Clark, 2017; Silverman, 2020). Conversely, secondary data refers to readily available information recorded by other researchers and can be found in journal articles, reports, or other academic or non-academic documents (Busetto et al. 2020). Irrespective of the data collection technique, the research motive is to identify and fill a gap which previous researchers have failed to address, analyse trends in the research focus and develop a research model. Erroneous data collection would impact the outcome of the research and eventually would lead to invalid results. It is, therefore, essential for the researcher to adopt a suitable technique for the collection of data for the research. Primary data collection techniques can broadly be classified into quantitative and qualitative data. Qualitative primary data collection techniques for research include interviews, focus groups, human observation and case studies. The collection of data techniques for quantitative studies involves experiments, surveys with close-ended questions, computer simulation and mechanical observation (Lester et al. 2020).

4.7.1.3 Primary Sources of Data

One of the primary sources of case study evidence is the interview. The reason is that most case studies are primarily about human subjects. Human affairs can be more appropriately reported and interpreted through the perspective of a specific informant who can provide significant insights into the situation (Flick, 2018; King et al. 2018). Interviews are techniques of data collection where informants are asked questions to find out what they think, feel, and do. In other words, the researchers aim to explore ideas, experiences, views, opinions, feelings, perspectives and attitudes (King et al. 2018). This qualitative study is designed to gather rich data by engaging participants in extensive interviews. Therefore, the sample size was not particularly relevant because samples in qualitative research tend to be small to assist the depth of case-oriented study central to this analysis method.

Moreover, qualitative samples are purposive, chosen for their ability to provide high-quality data relevant to the phenomenon under investigation. What matters the most is the depth of the data gathered through such a process. During the interviews, respondents should be free to express their views, and the interview should be conducted smoothly and pleasantly (King et al. 2018).

There are different approaches to data collection in an interview. For example, interviews can be conducted through face-to-face contact, telephone conversation, video conference(s), or computer-assisted interviewing. The face-to-face interview is when the interviewer sits face to face with an informant(s), asking questions and making a note or record of the answers. King et al. (2018) demonstrated that it is easier to probe informants and establish a rapport in a face-to-face interview, even though a face-to-face interview is often expensive and stressful in terms of the money spent on travelling in some cases, and the stress of travelling around.

The telephone interview is another alternative for a verbal exchange of information (Gibbs, 2018). In addition, video conferencing are interviews conducted on the Internet through Skype or another video-conferencing platform. These different methods of interviewing informants offer various advantages. Telephone interviews are cheaper than face-to-face interviews and much quicker to administer. They also provide the best source of information when the researcher does not have direct access to those respondents in an interview (Gibbs, 2018; Olson, 2016). However, the interviewer may have an influence on the responses from participants during the interview. Therefore, the interviewer's effect may limit the information that is gathered. Another risk is that it is difficult to ascertain if the correct informant is at the other end answering the interview questions. The advantages that the telephone interview method of data collection offers suffers if the interview is conducted with a person with insufficient knowledge of the issues (Olson, 2016; Silverman, 2020).

Video conferencing provide many advantages that telephone interviews offer, with the additional benefit of the researcher and participant's ability to see each other on their screens. Video conferencing can help researchers determine if the person answering the interview questions is the correct informant and aid the interviewee in observing body language and facial expressions and respond accordingly (Olson, 2016). However, this approach is not accessible in many developing countries (including Nigeria) due to inadequate Internet facilities. Also, in a developing country like Nigeria, where Internet facilities and computer technology is limited, people may have insufficient experience and knowledge of the use of computers (Durodolu, 2018).

Researchers must record their interviews to enable the them to always refer to the records during data analysis and interpretations. There are three different methods of recording the interview process. They include the writing record, audio recording and video recording (Gibbs, 2018). The interviewer may decide to use any of these three methods. A written record of the interview process requires the researcher to take notes during the interview or note down all they can recall immediately after the discussion. However, noting down information while conducting a meeting has a challenge, as it may be very demanding to make a detailed note when conducting an interview. Audio recording is when the researcher uses an electronic device that records the voice to record the interview (Gibbs, 2018). This method of recording interviews is becoming very common in qualitative research. The researcher needs to seek the interviewees' consent as some may not want the interview process recorded. A researcher must learn to operate and make sure that it is recording during the interview process to avoid disappointment resulting from a failed audio recording device (King et al. 2018). This method of recording interview process has many advantages; first, it provides opportunities for the interviewer to concentrate on the interview process fully. Second, it gives the interviewer the ability to clarify issues raised by the participants during the discussion. It also offers the interviewer the opportunity to listen to the interview again to identify what went wrong during the interview (King et al. 2018).

4.7.1.4 Interviews

An interview aims to create an environment where the respondent can talk freely and offer the full range of responses that apply. Therefore, the interviewer will have to carry out several good practices (King et al. 2018). First, flick (2017) suggested that the researcher should formally introduce themself to the interviewee and tell them why they are conducting the research. Second, the interviewer should ensure no barriers (moral, emotional and mental) exist between the interviewer and the interviewees (King et al. 2018). Third, the researcher should allow the interview process to run a natural course; the interviewer should make the interview comfortable for the interviewee as much as he/she can. Finally, the interviewer should ask questions as well as make comments.

There are three types of interviews - structured, semi-structured and unstructured interviews. Structured interviews take a questionnaire format in which pre-set questions are asked with little or no room for changing the focus of the discussion or follow up questions. The nature of structured interviews allows for limited responses from participants and is easy and quick to administer. On the other hand, and as the name implies, unstructured interviews have no structure or preconceived ideas. These interviews take a long time and can be challenging to participate in and manage as there is generally no focus. A semi-structured interview is a combination of structured and unstructured interviews. It comprises essential questions that help to define the themes of the research that needs investigation. This interview allows the interviewer and interviewee to digress and probe into any idea of interest in more detail (Slayton, 2018). This practice enables the interviewer to find out more information that might not have been initially considered. This research used semi-structured interviews, as it is best suited for exploratory studies, such as the current study (DeJonckheere & Vaughn, 2019).

An interviewer should be able to use pre-planned questions to get unstructured answers from interviewees. Accordingly, the first step in developing an interview programme is to determine the nature of the research and the study's objectives (Flick, 2018). The next stage is creating a list of the unique themes aligned with the research's goals and questions. These themes could be from academic supervisors or the existing literature in the subject area (King et al. 2018). Finally, the researcher develops a set of questions under different categories. The organisation of items in an interview schedule impacts how the researcher analyses the data obtained from an interview. Thus, ordering questions in sequential or chronological order, starting with mild questions or demographic matters to more specific problems, is essential (King et al. 2018). Interview questions should usually be pre-tested before use. To practice interview schedule, researchers can send a draft copy of the plan to peers who are specialists in the field for review or submit a draft copy to their academic supervisors for analysis to identify questions with meaningless or inadequate wordings and disclose the researchers' biases and blind spots (Silverman, 2016, 2020). This research used semi-structured interviews and focus group interviews to be best suited for exploratory studies, such as the current study. According to King et al. (2018), in-depth interviews collect information in face-to-face settings by interacting with specific individuals in their environments. Therefore, this technique was essential in soliciting valuable evidence on the standardisation, globalisation localisation and hybridisation of HRM practices in South African MNCs' subsidiaries.

4.7.1.5 Semi-Structured Interviews

The researcher used a semi-structured interview to solicit data from the participants as it allowed participants to express themselves fully (Yin, 2017). Semi-structured interviews are based on an interview guide. A list of topics and questions about the study are usually covered. Markel (2017) further suggested that the interviewer covers each topic by asking one or more questions and by using a range of probes (like 'please describe') and decides when the discussion on the issue has satisfied the research objectives (Creswell & Creswell, 2017). The strength of the semi-structured interviews depends on the flexibility they allow the interviewer to adjust the details and order of how the topics should be covered (Flick, 2017). One limitation of interviews is the cost involved. Usually, they are costly in terms of transport as they compel the researcher to travel; and expensive in terms of time as the process can be longer than expected (Olson, 2016). Moreover, in a face-to-face interview, respondents tend to change their behaviour to give answers they believe the interviewer wants to know. As a result, they are likely to over-report socially desirable behaviour. Likewise, Interviewer bias tends to be high in face to face semi-structured interviews (Flick, 2017).

In the first meeting with the informants, the researcher assured them that the discussion was purely for research purposes and reminded them that they could withdraw from the group whenever they felt uncomfortable. The questions discussed during the interviews focused on matters relating to, firstly, the nature of South African MNCs' HRM systems and practices in the subsidiary local context (recruitment and selection, performance appraisal, reward system, talent management, employee relation/trade union or labour relations and code of conduct) at both the parent company and subsidiary levels; secondly, whether the HR systems and practices were transferred from parent company to the subsidiary level, and; thirdly, the nature of the HRM practices transferred to the subsidiary. Interviewees were free to give unrestricted information during the interviews, which enabled collecting detailed data on how EMNCs' subsidiaries in Nigeria manage their HR.

Notwithstanding the shortcomings identified in interviews earlier, the researcher preferred to use the interviews, as the interview is a two individual verbal conversation started by the interviewer to obtain research relevant data focused on content specified by the research objectives. The initial preparation allowed the researcher to envision the general format of the interview schedule. Next, the researcher developed sets of questions relevant to each of the classifications mentioned above. Questions were asked in an open-ended form, enabling the informants to provide comprehensive information concerning the issues created in the interview. Furthermore, the interview format allowed the researcher to ask follow-up questions that led to more comprehensive answers. Finally, the interview schedule was pre-tested. Before the pre-testing, a draft interview schedule was sent to the researcher's academic supervisor, who critically examined and approved it for data/evidence collection.

Before the one-to-one interview, the researcher gave copies of the interview schedule to the informants, which allowed them to reflect on the requested data and prepare themselves for the discussion of the subjects. During the interviews, the researcher started by presenting herself to the interviewee. The researcher ensured that there were no forms of barriers between the researcher and the informants. For instance, the researcher would not impede the interviewees when they were talking. Furthermore, the researcher ensured the participants were relaxed by discussing at a pace determined by the informants. The questions were openly presented to make sure that the participants understood them. The questions were focused on the transfer of the employment practices from their headquarters in SA. The interviewing process went on smoothly, with the informants doing most of the talking. The researcher often verified her understanding of their answers by briefing the descriptions advanced by contenders to assess the interpretation's acceptability and correct them where necessary. The researcher also relied on prompting questions. For example, 'please tell me' enquired further by asking the informants to provide more data about their employment practices.

Table 4.1 below provides the list of firms, their background information, and the informants interviewed at each firm. Semi-structured interviews were conducted with nine informants from three different South African MNCs' subsidiaries. Participants included supervisors such as; HR managers, HR directors, and administrative managers.

Table 4.1 Semi-structured Interview Respondents

	Number of informants interviewed.	Other secondary sources	Position of the informant at the time of the interview	Informants ID	Industry	Ownership	Year of entry into Nigeria	Mode of entry
Stanbic/ Standard Trust Bank	3	9	HR manager (1) Operations Manager (1) Administrative manager (1)	STB1 STB2 STB3	Telecommunication	Public	1989	Acquisition
MTN	3	10	Branch Manager (1) Administrative manager (1) Managing director (1)	MTN1 MTN2 MTN3	Retail	Public	2001	Acquisition
Shoprite	3	9	HR manager (1) Director of HR (1) Training manager (1)	SHP1 SHP2 SHP3	Retail	public	2005	Greenfield

(Source: Developed for this study)

4.7.1.6 Focus Group Interviews

This approach, like most qualitative techniques, is beneficial for exploring new topics and examining complicated issues. Some data was collected through focus group interviews with some South African MNCs subsidiaries in Nigeria. Focus groups interviews were well-suited to this study as participants had experience and knowledge of HRM issues in the subsidiaries. Sim and Waterfield (2019) define focus groups as a research method that gathers data through group interaction on a topic selected by the researcher. It is a sensibly focused discussion intended to obtain insights in a defined area of interest, in a permissive non-intimidating setting, from a prearranged and regulated number of people (Palinkas et al. 2015). Focus group interviewing is about being open, paying attention to what people are saying, and being non-judgmental (King et al. 2018). The benefits of this technique in this research include establishing an open forum for discussion and brainstorming that provides understandings of EMNCs' subsidiaries HRM practices. This method has numerous advantages. It is low cost and provides immediate results. Its flexible set-up allows the interviewer to discover unanticipated issues and encourages communication among participants (Creswell & Poth, 2017).

In a group setting, informants provide checks and balances, thus curtailing extreme or false views. The group communications during the focus group discussions are productive so that they: allow for a structured yet flexible discussion in situations where a large quantity of information can be obtained in a short period. It widens the range of responses and releases inhibitions that may otherwise discourage participation.

Focus groups, however, have some drawbacks too. The flexible format makes it prone to the researchers MNCs bias, which can challenge the validity and reliability of findings and discussions. It can be dominated or side-tracked by a few vocal individuals (Flick, 2017). Focus group discussions do not always work because they are inclined to organisational and personalities politics that hamper the process. A focus group helps gather both quantitative and quantitative data. Also, the focus group allowed descriptions of experiences and provided specific information on how participants give meaning to and organise their experiences. Each type of data can be incorporated to enlighten various aspects of the overall research questions. Adams et al. (2017) suggested that non-managerial staffs have different opinions and norms of workplace practices and tend to present differing views from their managers concerning the transferred HR systems and methods.

A focus group interview was conducted with seventeen participants from the three South African subsidiaries studied in this study .Each focus group was made up of five to seven members (as indicated in Table 4.2); they were asked to reflect on the HRM practices in their companies. The average focus group discussion took about two hours to conduct. Interviewees were free to give unrestricted/ non-confidential information during the interviews. This enabled detailed data collection on how South African MNCs manage their HR in their subsidiaries in Nigeria. The focus group interviews were intended to give valuable evidence on the localisation, diffusion, adaptation, and hybridisation of HRM practices in the South African MNCs' subsidiaries in Nigeria. In addition, the focus groups discussions enabled the participants to share their understanding with their colleagues.

Table 4. 2 Focus Group Interview Participants

MNCs	Number of informants interviewed	Position of the informant at the time of the interview	Informants ID
Stanbic/Standard Bank	6	HR generalist (1) Financial analyst (1) HR analyst (1) HR assistant manager (1) HR trainee (2)	STB4 STB5 STB6 STB7 STB8 STB9
MTN	5	HR generalist (2) HR assistant manager (1) HR analyst (1) Payroll Administrator (1)	MTN4 MTN5 MTN6 MTN7 MTN8
Shoprite	6	HR administrative assistant (1) HR trainee (2) HR analyst (1) Payroll Administrator (1) Deputy Director (1)	SHP4 SHP5 SHP6 SHP7 SHP8 SHP9

(Source: Developed for this study)

Through the focus groups, the researcher and participants could engage in a friendly chat to establish a connection within the group. This approach aided the researcher to improve communication within the group. In this case, the researcher created a conducive environment for the participants that promoted a meaningful sharing of experiences, ideas and perceptions. By conducting the focus groups interviews, the researcher understood participants' views about the research area of study. The process allowed the researcher to inquire profoundly and obtain data about different viewpoints, experiences, preferences, and feelings in the EMNCs HRM systems and practices in their subsidiaries in Nigeria. The issues raised during the discussions addressed all the research questions and objectives.

During the interviews, the participants described the HRM policies and practices existing in their respective subsidiaries. Interview transcripts served as the primary data for the analysis. The researcher started with the written notes from both the semi-structured and the focus group interviews. For example, this thesis compared semi-structured interviews findings with focus group interviews results. The data generated from the semi-structured interviews provide the researcher with information on the EMNCs' HRM policies and practices in their subsidiaries in Nigeria from the supervisor's point of view. The data obtained from the focus group discussion provided the researcher with some information that the supervisors could not express during the face-to-face interviews. The information provided by the supervisors and subordinates enabled the researcher to have a framework for data organisation, and it aided the researcher to have a clear understanding of what information to focus on at later stages.

Tables 4.1 and 4.2 illustrate that the participants have a range of experience in their position and certainly fulfil the criteria set for the choice of participants. The chosen participants were HR (professionals, managers and officers) in the selected EMNCs' subsidiaries who were best positioned to have a comprehensive knowledge of the HRM practices transferred from the EMNCs to their corresponding subsidiaries. Likewise, the status and positions reflect the pool of respondents that would offer reasons for standardising, localising, hybridising or adapting the transferred practices and have an all-round knowledge of factors influencing the transfer of HRM policies and procedures.

4.7.1.7 Secondary Data

Secondary data collection techniques include documentary analysis such as archival data, journal articles, web searches, newspapers, magazines, books and libraries. While many studies effectively utilise one method, combining methods, a procedure defined as triangulation can be a beneficial research option (Palinkas et al. 2015). Harding (2018) indicated that triangulation aims to validate one source and method with another to enhance the data quality. Kumar (2019) suggested that there are four different forms of triangulation, namely: triangulation by investigators (which involves the use of multiple independent investigators); data triangulation (whereby data is collected from diverse sources or at different times); methodological triangulation (which combines different methods); theoretical triangulation (which is the application of a theory from the other discipline).

Utilising secondary data for research is valuable to researchers who intend to answer some or all of the research questions by documentary analysis by other authors in journal articles or other documents. Utilising secondary data can result in time and cost savings. It also helps the researcher to gain new insights from previous studies carried out by other researchers (Dufour & Richard, 2019).

Nevertheless, researchers need to be careful when using secondary data as it has its limitations. For example, the information may lack precision or may not address the research questions in the study. In addition, some of the external data may be outdated and of questionable quality. Moreover, the data may not have been collected for the purpose proposed. In particular, the initial purpose for which the data was collected may be different and may not be the best for the research problem being studied (Dufour & Richard, 2019).

4.7.1.8 The Company Documents/Websites Analysis

There are no set criteria for studying company documents and other text materials. The analysis of documents/text involves several phases. These different stages of documents/text analysis, according to Silverman (2018), start at the point of collecting the data. First, the researcher has to ensure that the document is from the correct source. Second, the researcher must ensure that the evidence or document is proper for the research questions the researcher seeks to answer. Third, the researcher progresses further in the analysis by directly analysing the documents or text for accuracy and errors (Prasad, 2017). The researcher also used secondary data for this study, such as HRM journals which dealt with the transfer of human resource management and the factors that affect such transfer such as ‘home country effect’, ‘host country effect’, ‘dominance effect’ and ‘international integration. In addition, the researcher has used documentaries and the company’s reports. This method assisted the researcher in gathering information with low cost and easy access. During the interviews, some HR managers provided the researcher with internal documents, for instance, documents explaining the HR policies, corporate culture, values and other relevant documents to the study. In addition, more confidential documents were shown to the researcher, such as the standard business manuals or code of conduct. Furthermore, the researcher obtained secondary data from the case studies’ companies annual reports.

4.8 Data Analysis

During the interviews, the participants described the HRM policies and practices existing in their respective subsidiaries. Interview transcripts served as the primary data for the analysis. The researcher started with analysing the written notes from both the semi-structured and the focus group interviews. For example, this thesis compared semi-structured interviews findings with focus group interviews results. The data generated from the semi-structured interviews provide the researcher with information on the EMNCs’ HRM policies and practices in their subsidiaries in Nigeria from the supervisor’s point of view. In comparison, data obtained from the focus group discussion provided the researcher with some information that the supervisors could not express during the face-to-face interviews. The information provided by the supervisors and subordinates enabled the researcher to have a framework for data organisation, and it aided the researcher to have a clear understanding of what information to focus on at later stages.

4.8.1 Recording of the Evidence

To obtain precise interpretations of the interviews, the researcher takes notes of the interviews. Good notes capture the questions asked and present a high-level sketch of what occurred during the interviews, including participants’ answers and any significant moments in the discussion.

In-depth interviews remain an essential data source because they give valuable insights into the South African MNCs' employment systems and practices in their subsidiaries in Nigeria.

4.8.2 Transcribing

The researcher goes back to the notes and checks to highlight the main points and quotes during each interview course. The exact process was followed thoroughly to transcribe all the interviews for the three case study companies when the notes are still fresh. The '24-hour rule' was assumed as the guide for writing up the notes for the interview to ensure that every detail was captured while the data was still fresh in the interviewer's mind (Lochmiller, 2021). The written notes formed the foundation of the research analysis in this study. Each completed transcript was then thoroughly read through several times to assist the researcher in understanding the original context and meaning.

4.9 Interview Data Analysis

Qualitative data analysis is generally a process of systematically searching and organising the observation notes, interview transcripts and interpreting views and perceptions that the researcher collects to increase the understanding of the phenomenon. The process of analysing qualitative data involves coding or classifying the data. It comprises making sense of vast amounts of data by decreasing the volume of raw information and identifying significant patterns and drawing meaning from the data obtained during the interview(s) and building a reasonable succession of evidence from it.

In this research, a form of 'thematic analysis' was employed, an inductive approach of qualitative data analysis used for classifying, organising, coding, combining and linking key themes and repetitive issues in the data or empirical evidence. The procedure helps identify issues and events that emerge as standard headings and helps generate distinct coding schemes, leading to thematic level analysis, which supports the development of systematic and logical explanations of the phenomenon under study (Lochmiller, 2021). The coding analysis can be executed manually, mainly when the volume of data is manageable. The manual qualitative data analysis technique is often adopted to enable the researcher to interpret the data and present a creative way for enhancing the quality, validity and reliability of the qualitative data analysis. However, for bulky volumes of data, computer-assisted qualitative analysis software is accessible to ease managing the coding process and data. It also assists in organising data that would be difficult to explore in other ways (Lochmiller, 2021).

In this study, the coding and analysis of qualitative data were prepared manually based on the' thematic analysis' adopted. The data collected from the case companies enabled the researcher to investigate and evaluate the research question under the four main themes (globalisation, standardisation, hybridisation and localisation). First, the validity of a qualitative study is improved via practical data analysis (Gibbs, 2018). Second, interviews were kept safe with notes to ensure that data were well organised. Third, the pilot interviews, transcripts, and references were made accessible several times while analysing the data. Fourth, this study used two forms of analysis (within-case and cross-case analysis) (Lester et al. 2020). The within-case analysis enables the researcher to compare and search for patterns within a case (one subsidiary). This sheds light on the HR practices that are transferred to a separate subsidiary.

The process comprised a series of systematic coding and synthesis of responses on topics relating to this study. First, the raw data was read, re-read and revised to recognise initial emerging codes. Then, the known codes were built on events, issues, and results compared to identified participants, phases, and thoughts. Next, the specified codes led to a concise coding scheme applied to all raw data. The coding outline allowed themes and sub-themes of the phenomenon of concern to be built across the data. The themes and sub-themes covered during the research included standardisation, globalisation, hybridisation and localisation of the HRM practices. Finally, the themes and sub-themes were merged to form integrated themes that assisted the researcher in understanding EMNCs' subsidiaries HRM practices in their subsidiaries in Nigeria.

Data was collected separately from three different companies. This involved transcription of interviews, arrangement and sorting of data based on the company. The latter, cross-case analysis, enables the researcher to compare the data collected across the three different subsidiaries to determine differences or similarities between them. A general impression of the participants' ideas was gained by reading through the text. Data must be analysed systematically to yield better outcomes. It attempts to investigate if these subsidiaries are in any way utilising the same IHRM approach and if any of the HRM practices are standardised, globalised, hybridised or localised.

According to (Gibbs, 2018), a systematic approach must be assumed while analysing data to produce reliable results. Thus, a systematic qualitative transcript-based data analysis procedure was conducted, which involved the iterative stage process highlighted by (Gibbs, 2018). This process is similar to the staging process advocated by (Lester et al. 2020). In addition, this process provides a comprehensive definition and overall boundaries of primary constructs as it identifies and explores the relationships between them.

This method involved comparative (Yin, 2017) and inductive reasoning processes. Gibbs (2018) framework for qualitative data analysis was implemented. This framework involved three techniques that are linked, namely: (1) data reduction: this process involves contraction of the data gathered to a manageable size, for instance, by writing summaries and eliminating inconsequential information; (2) data display: this involves the first and second levels of coding. Data could be presented in different forms at this stage, which provides an opportunity to generalise some systematic patterns and interrelationships based on the data; (3) conclusion drawing and verification: study conclusions are developed at this stage of the analysis. Previous conclusions are established by referring to further data. For example, Lester et al. (2020) suggest that data reduction and display depend on coding and memo-writing.

These significant processes are imperative for the smooth implementation of the analysis. Therefore, the analysis method begins with coding, and it involves arranging raw data by grouping text and words representing a segment in the margins (Lester et al. 2020).

The researcher implemented three stages of coding, which are coding, pattern codes and memoing. First, a coding list was created based on the research questions and the conceptual framework of research work (Deterding & Waters, 2021), referred to as ‘inductive coding’. Then, while re-examining the data, codes were reviewed, and in the process; some codes appeared as new codes, some codes did not align to any category, while some codes were emphasised once the category had other codes (Deterding & Waters, 2021), which enables the researcher to draw a codebook of the data (appendix C).

Thus, in this research, the first coding stage was applied following a review and organisation of data into manageable size by stressing relevant viewpoints. This involved identifying meaningful sets of one word, incomplete or complete sentences and a paragraph. Though, the identified significant groups could be changed after the first analysis. The data review led to developing an organised list of codes with more meaning during the thematic coding. Meaningful units were cautiously grouped into specific sections according to the unique codes generated for their groups based on their similarities and differences. Moreover, the highlighted qualities of the first two meaning units created a different category; if it differed, a third category and code were created. This process was repeated to access the remaining connotation units (Saldaña, 2021).

The research questions were the basis for creating the categories. They reflected the vital parts of the participants' descriptions, which led to the enlargement of the categories as soon as a different meaningful unit compared to the existing ones were identified. Thus, unsystematic meaning units and complex ones that were not placed in any category were set apart. Still, they were examined during the groups' review to put them in a new classification based on the similarities of their qualities (Saldaña, 2021).

Furthermore, codes were allocated to the categories and were written on the margin beside the meaning units. Thus, the codes were longer, and the data analysis was more complicated than anticipated. The researcher looked through the data to certify that analysis reflects the information provided by the participants and avoid unexpected errors, which may follow at the end of the analysis. Furthermore, the researcher re-evaluated her views by clarifying and ratifying the basis for placing each meaning unit into specific groups. Finally, this valuation was done for all the categories (Saldaña, 2021).

Preliminary codes were created using memoing, which was essential for organising and recording the researcher's views and some of the researcher's ideas from the process, which are necessary for the conceptual stage of the analysis. In addition, memoing is crucial for recording and preserving ideas and thoughts that seem extraneous initially but may be needed later on (Deterding & Waters, 2021).

The author implemented a 'conceptually ordered display', which embraced using a conceptually gathered matrix for building display and drawing conclusions by reading across the rows and down the columns. The author created a display layout that: (1) displayed all responses of the key participants and document extract on a sheet; (2) gave room for comparing participants' responses; (3) was helpful for further data analysis; (4) simple for cross-case analysis, and; (5) specified the initial standardisation, this led to creating a sheet that contains all the participants' responses to the same codes from documents and interviews (Gibbs, 2018).

The next step involved entering data from the coded categories linked to the research questions and interviews, which was done using the cutting-and-pasting method (Deterding & Waters, 2021). For the researcher to prevent any loss of extra notes from the responses, which were relevant for drawing conclusions, there was a need to make an additional column in each matrix.

The next step involved completing by perusing the rows and down the matrix columns to compare and contrast between respondents using the contrast and comparison techniques, which resulted in drawing more conclusions from the variable matrices.

After analysing each case separately, cross-case analysis for the multiple cases was implemented, which was done by implementing a mixed strategy (Saldaña, 2021), which involved integrating case - and variable-oriented approaches. Finally, the researcher used the 'staking comparable cases' approach by generating the results in each case to compare them across the three cases adopted. Consequently, The researcher arranged the case level displays in a meta-matrix, which provided further systematic comparison; The researcher wrote up each of the four cases that utilised a standard set of themes. Reporting of the case studies was the last step taken in data analysis.

There are four approaches for writing the report (Lester et al. 2020): the classic single case study (this involves the use of a single narrative to describe and analyse the case; the multiple-case studies version of the traditional single case, with multiple descriptions covering each case; the multiple-case studies without separate chapters or sections allocated to the individual case; a multiple or single-case study, with a classic narrative. Consequently, the researcher implemented the multiple-case, containing multiple descriptions covering each case individually and detailing the cross-case analysis with the results (Gibbs, 2018).

4.10 Reliability

Reliability is a notion used for evaluating and testing quantitative studies, and the term is often used in all sorts of research. The idea of testing in qualitative research is viewed as a way of data elicitation. Thus, the most crucial test of any qualitative study is its quality. Reliability of the information and findings is vital for any research process since it deals with the consistency, replicability and dependability of the results obtained from the study. An excellent qualitative study can assist the researcher in realising a situation that would otherwise be complex or confusing (Creswell, 2014; Creswell & Poth, 2017). Rose and Johnson (2020) viewed reliability as the concept of a good quality study where reliability is used to gauge the quality of the study in quantitative research. The idea of reliability is generally recognised with quantitative research. King et al. (2018) suggest that while quantitative studies prefer to comply with reliability to describe a phenomenon, reliability aims to understand a phenomenon in qualitative research. Therefore, reliability is one of the two features which any qualitative investigator should be concerned about when designing a study, examining results and judging the quality of the study. Given that the reliability of a qualitative study is in question, it is essential to be mindful of several areas identified by Noble and Smith (Santos et al. 2020) where invalidity or bias may creep in.

Reliability was attained by being transparent in how the research stages and procedures were adhered to in the study. Furthermore, the detailed explanation of how the study was conducted has contributed to the validity of the findings of this study. Besides, the triangulation interviews and secondary data collected from various sources ensured the reliability and credibility of the data and the outcomes.

4.11 Validity

Triangulation can e defined as the combined use of multiple data collection methods to meet the aims of the investigation. The purpose of drawing upon different kinds of data is to respond to several possible threats to the validity of the analysis. Natow (2020) provide an additional viewpoint on the meaning of triangulation by making an essential point that it consists of qualitative and quantitative data, which can be considered a good thing as it can draw upon the strengths of each other. Triangulation endeavours to get an accurate answer on a setting or phenomena by merging different ways of viewing it (method triangulation) or diverse findings (data triangulation). Triangulation reduces the influence of investigator bias in the research (Groenland & Dana, 2020).

This study used data triangulation to improve the validity and reliability of its outcome by considering reliability and validity as the hallmark of all proper qualitative research (Rose & Johnson, 2020). The researcher overcame data collection limitations by assuring the informants that this interview was purely for research purposes. The researcher also reassured the participants that no victimisation would follow and requested the respondents to be as straightforward as possible. Moreover, this thesis uses data triangulation as an approach by studying several viewpoints of the same phenomena and analyse different data sources to overcome the drawback of the secondary data collection. Likewise, the researcher increased the validity of the data collection by creating a group comprising of experienced officers working in SA MNCs’ subsidiaries in Nigeria and who were familiar with each other to participate in the focus group interviews.

Moreover, this thesis used data triangulation as an approach by studying several viewpoints of the same phenomena, and by analysing different data sources to overcome the drawback of the secondary data collection. Triangulation of data collection techniques used in this study, include semi-structured interviews, focus group interviews, and document study to ensure the accuracy of the findings. As a result, triangulation reduced the influence of investigator bias in the research, as data triangulation produced reliable findings (Lemon & Hayes, 2020).

4.12 Ethical Considerations

The study is based on subsidiaries of EMNCs in Nigeria. Before the commencement of the fieldwork, this research adhered to all ethical requirements for conducting academic research. Relevant approvals and ethical consent were obtained from Swansea University for the investigation to be conducted in Nigeria. Research access to the South African MNCs’ subsidiaries was gained by connecting to the Nigerian Chamber of Commerce president. The President introduced the researcher to the HR Directors of South African MNCs in Nigeria to seek their participation in the research. Consequently, meetings were arranged with the HR Directors, and at those meetings, nature, aims, and the scope of the study was revealed to them. A letter of introduction from the supervisor at the School of Management, Swansea University, was also presented. Issues about the confidentiality of data and the voluntary nature of participants were agreed upon with the participating firms.

This study observed some excellent points, including reliability. Informants were not misled into participating in the research through unethical means, and the outcome of this study generated was acknowledged accordingly (Chivanga & Monyai, 2021; King et al. 2018). Informed consent practices of informants were endorsed. The researcher gets written approval from each of the informants before their involvement in the study. In this study, all participants signed a written acceptance concerning their participation in the research through a signed Agreement and Briefing Letter. The researcher also reassured the informants that they could withdraw from participating in the study at any time, as the participation is entirely voluntary. Furthermore, informants were informed about the study's objectives and that their responses will be confidential and used for academic purposes and only for particular research. Again, quasi names (identifiers) were used instead of real names to protect participants' privacy. Finally, the benefits of this research, especially towards the informants, were defined, and recognition for their participation was acknowledged.

4.13 Summary

This chapter attempted to give a blueprint that guides the various steps of this study. This chapter has summarised the methodology employed, namely a qualitative approach, with semi-structured interviews for collecting data. Moreover, justification was provided, stating why cases were chosen and the method considered in this research. The methodology approach satisfies the study's objectives to obtain sufficient data to complete the study. The following chapter presents the description of the case companies.

Chapter 5: Research Findings

5.1 Introduction

This thesis section focuses on the three EMNCs from different sectors operating in Nigeria that participated in the study. The findings of the case companies are reported by initially providing information about HRM system, followed by a brief description of the profiles of the parent companies and their Nigerian subsidiaries and a discussion of the HRM system at the headquarters. Following this is the discussion of the HRM practices applied in the Nigerian subsidiaries. The human resource practices analysed are recruitment and selection, performance appraisal, compensation package, training and development, employee relations/trade unions and code of conduct. Following this is a summary of EMNCs' HRM approaches in Nigeria. Finally, the conclusion ties up all the key points that emerged from the case study companies.

The analysis of the empirical fieldwork evidence collected yielded some interesting findings. Nevertheless, before presenting these findings to show whether the different individual HRM practices in the case study organisations are transferred from the headquarters, hybridised or adopted from the local context, it is necessary to describe the nature of the overall HRM systems in these subsidiaries. First, it is pertinent to examine and understand the definition of HRM system. HRM systems aim to increase job performance with a high-performance work system because human resources affect firm performance through job performance. HRM systems are linked to company strategies and job performance. Employees develop and implement corporate strategies. Thus, the performance of employees is fundamental in achieving the company's objectives (Shaw, 2021).

Crawshaw et al. (2020) define HRM systems as a structure with consistent HRM practices, whereby performance management, career management, and talent management apply HRM systems. Nayem et al. (2020) claim that the HRM system affects workplace practices in such a way that it influenced employee's level of competence, staff skills, commitment and engagement. Armstrong and Taylor (2020) define HRM system whereby its different parts are harmonised and equally supportive in a successful functioning HRM system. Together, they support the achievement of HRM goals. The HRM system operates within the outline provided by the HR architecture. It also involves managing the employee experience of working in a company. HRM systems are diverse but interconnected functions, activities, and practices directed at recruitment and selection, performance appraisal, training and development, reward system and retaining or disposing of an organisation's HR. Organisations' HRM systems are fundamental techniques in managing HR (Armstrong & Taylor, 2014, 2020).

The analysis of the fieldwork evidence revealed that all three subsidiaries studied have HRM departments. It is apparent from the data obtained that South African MNCs tend to have diverse HRM systems among themselves in SA. Each organisation designs its distinct HRM system with different titles, structures and methods. These systems are then transferred to the subsidiaries but allowing some degree of adjustments of some HRM practices within the established and transferred system to meet host contextual requirements, mainly institutional and cultural requirements.

Generally, the EMNCs headquarters role is to produce global policies and practices, formulate guidelines, construct information systems where all processes are explained. The control mechanisms vary from one multinational to another. The EMNCs headquarters regularly check to see whether these guidelines are correctly followed and whether the policies and practices are implemented. Nevertheless, allowing some degree of adaptations of some HRM practices to satisfy their host countries' environment. This indicates that policies are originated in the headquarter and are employed in the subsidiaries. These subsidiaries can then implement some HRM practices with or without modification to make them more operational.

5.2 Description of Cases

This section describes the cases of three South African MNCs operating in Nigeria, which are: Stanbic Bank, MTN and Shoprite; Stanbic Bank is a central South African bank and financial services group; MTN is a South African multinational mobile telecommunications company and Shoprite is a South Africa's largest food retailer.

5.2.1 Stanbic Bank

Standard Bank is a leading South African MNC operating in the financial sector, It was founded in 1862. It has over 1000 subsidiaries in 20 African countries, including Ghana, Algeria, Botswana, Swaziland, Lesotho, Mauritius, Mozambique and Nigeria, and they are present in 8 countries outside Africa such as China, United Arab Emirates, the USA and the United Kingdom, with nearly 50, 000 employees and 14 million active clients globally. The bank has 148 billion US dollars total assets, with a market capitalisation of 14 billion dollars (Standard Bank Group, 2020). Stanbic Bank is known as standard bank in some countries, such as the United Kingdom, USA and Angola. It is also known as Union Commercial Bank in Madagascar (Standard Bank Group, 2020).

The bank serves more giant corporations and investors, with listings on the NYSE and JSE Securities Exchange. Stanbic Bank has an outstanding track record in wealth management and long-standing organisational values in protecting and improving their customers' wealth. They offer offshore banking and instalment sale services, wealth management, lending, life insurance, and debit and credit card services. These products are delivered through various transaction channels such as the internet, ATMs, bank deposit and telephone banking. They also provide trading advice and financial risk assessment to their clients (Standard Bank Group, 2020).

5.2.1.1 Nigerian Subsidiary

Stanbic Bank is a member of the Standard Bank Group based in South Africa, and it is a part of a Pan African banking Group. As part of its global expansion, Stanbic Bank opened a subsidiary in Nigeria in 1989. Its internationalisation strategy relied on transferring processes and new financial products and delivering financial services (Stanbic IBTC Bank, 2020).

The bank has a world-class standard with a mission to be the best universal bank in the country by making the correct associations to generate and enhance value for stakeholders, clients and customers (Newenham-Kahindi, 2009).

Over the past decade, Nigeria's financial, banking and services industry has seen substantial improvements in providing superior financial products and packages and the quality of service delivery. Stanbic Bank Nigeria has been among the top player in the provision of these improved services. The bank has increased the number of its subsidiaries in almost every region in the country. It has 188 branches in 36 states of Nigeria in addition to its online banking services. The bank has 2,933 employees in Nigeria (Stanbic IBTC Bank, 2020). Stanbic Bank has won numerous awards in Nigeria, such as Most Innovative Commercial Bank, Best Investment Bank, the Best Private Bank and Best Foreign Exchange Provider in Nigeria at the Global Finance awards (Nlebem, 2020).

Stanbic Bank has two central business units: Corporate and Investment Banking (CIB) and Personal and Business Banking (PBB). The CIB team focuses on the demands of corporate clients. The unit covers a wide range of services and banking innovations, including investment banking, brokerage service and assets management, trade financing, project financing, treasury and foreign exchange services, loan structuring for corporate institutions, and custodial services. The Personal and Business Banking unit, alternatively, provides retail services and takes care of the needs of the transactional and financial service of individuals, small and medium scale companies and other businesses. The department offers a wide range of products and services designed to meet the specific needs of customers (Standard Bank Group, 2020).

5.2.2 Human Resource Management System at the Headquarter

The parent company implements a standardised approach towards the management of Stanbic Bank. Accordingly, they attempt to apply best practices across their Group. These best practices comprise performance appraisal, training and development, code of conduct and employee relations. Nonetheless, some practices (compensation package and recruitment and selection and employee relations) are adapted to suit each country specifications; however, the basic policies remain the same as that of the headquarter.

5.2.3 MTN Company

The parent company is a leading South African telecommunication MNC. MTN was created at the same time as South Africa gained its independence in 1994 (Sutherland, 2015). MTN is the leading mobile telecommunication operator at the forefront of technological and digital changes, with a market capitalisation of over 13 billion US dollars at the end of 2019 and 19, 288 Employees globally. MTN has over 233 million subscribers in some 24 countries in Africa, Europe, and the Middle East (MTN Group, 2021). MTN is listed on the Johannesburg Stock Exchange (JSE), and its share is one of the most extensive primary listings on the stock exchange (MTN Group, 2021). MTN brand is among the most recognised and valued brands in Africa. MTN has grown swiftly by investing in cutting-edge communication infrastructure and by employing the right people with the appropriate skills (Alamutu et al. 2012).

MTN offers enterprise solutions to corporate and public sector customers by providing voice, digital and data services, and information and communication technology (ICT) services to countries with telecommunication, MTN offer licenses to more than 280 million customers globally (MTN Group, 2021). The ICT services include cloud computing, satellite connectivity, and video conferencing. The data services consist of: fixed and mobile data services, mobile messaging, and mobile money. The voice services include airtime top-ups; pre/post-paid airtime; teleconferencing, international roaming; and usual voice services (Sutherland, 2015).

5.2.3.1 The Nigerian Subsidiary

MTN entered the Nigerian market in 2001 by acquiring two national licences, GSM 900 MHZ and GSM 1,800 MHz, for a fee of 285 million US dollars (Sajuyigbe, 2017). MTN is the leading mobile phone operator in Nigeria. The Nigerian subsidiary is significant to the parent company as it is the most significant subsidiary in the Group. It currently provides services in the 36 states of the country, including rural areas. It has reached 62 million subscribers accounting for more than 25% of the MTN Group subscriber base internationally. Moreover, MTN Nigeria accounts for about one-third of MTN's revenues. The Nigerian subsidiary had the highest subscribers and income compared to other subsidiaries and the headquarter (MTN Group, 2021). This achievement corresponds with the report presented by the World Bank which revealed that Nigeria is among the ten countries that improved the most in their ease of doing business (The World Bank, 2020). MTN has spent billions of dollars in telecommunication infrastructure and equipment, delivering base stations and other amenities. It has also produced jobs for hundreds of thousands of Nigerians. In the part of products and services, MTN provides several services like MTN' family and friends' and MTN 'happy hour'. In addition, it provides services like airtime services, international roaming, internet browsing and enterprise solutions, mobile internet, quick link, data bundle, MTN blackberry services and MTN video calling (Abdullahj et al. 2015).

Many communities and villages in Nigeria are being linked to the world of telecommunications for the first time through MTN's network. MTN Nigeria aims to be a facilitator for Nigeria's economic development and growth, assisting in unlocking Nigeria's strong developmental potential through the establishment of first-class communications, innovative and sustainable corporate social responsibility initiatives (Daniel, 2006). MTN Nigeria has been a significant contributor to the growth of the Nigerian telecommunications network since 2001, with N864 billion in capital outlay invested in the country from 2001 to 2006. Furthermore, through its capital investment programme, MTN has pledged US$1.600 billion over the next three years to improve and expand its network and set-ups in the country (MTN, 2019).

5.2.3.2 Human Resource Management System at the Headquarter

The headquarter tends to undertake a more centralised approach towards the management of workforces internationally. This centralisation is mirrored in the adoption of common standardised HRM policies in their subsidiaries, particularly concerning performance appraisal, training and development and code of conduct practices that follow the parent company's requirement to a large extent. Nevertheless, the parent company also understands the need to adapt some of its practices like recruitment and selection, compensation package and employee relation to be responsive to various local factors such as local market conditions and legislation. At the same time, the parent company stresses the need for subsidiaries to implement corporate policies.

5.2.4 Shoprite Company

Shoprite Holdings Limited is a South African retail Group founded in 1979, listed on the JSE Limited, with secondary listings on both the Namibian and Zambian Stock Exchanges. The company's primary focus is on food retail and smaller retail set-ups concentrating on complementary retail and services, franchise offerings and furniture. In the food retail sector, its brands encompass Shoprite Supermarkets. The Group's main store format focused on the middle-class consumer. It is the main format used for its expansion outside South Africa, where it has a different positioning as an aspirational brand for the middle class. The Group's primary business is food retailing to consumers of all income levels, intending to offer all the people in Africa food and household products in a first-class shopping atmosphere, at the best possible prices (Dakora et al. 2010).

The Group has a portfolio of store models with various offers that serve different income segments and retail markets, including the following entities: a smaller set-up, Usave centres on essential goods for lower-class consumers. The Checkers and Checkers Hyper is a supermarket set-up focused on the upper-income consumer. A Liquorshop offers alcoholic products to complement the supermarket offering, Transpharma - a wholesale distributor of pharmaceutical products, Computicket - a provider of ticketing services and Hungry Lion, a fast-food chain. These formats exemplify a much smaller share of revenues. Still, they are fundamental for cross-selling by growing shopping in the main supermarket formats, which runs from counters within Group stores and several free-standing channels. On the furniture segment, the Group's core store format is OK Furniture, aimed at middle-income consumers; OK Dreams and OK Power Express are smaller formats that focus on furniture offerings and electrical appliances. Finally, House & Home is used to serve higher-income customers (Wormald, 2013).

From the time Shoprite Group opened its first stores in 1979, it had a bold concept for the future, one that would push the company forward, with innovations and acquisitions development strategies, making it the prominent food retailer it is today. Consequently, according to Deloitte Global Powers, Shoprite emerged as the leading South African retailer in 2018. It is the only South African retailer among the top 100 retail outlets and is positioned 86th globally (Deloitte, 2020). It has 2, 913 stores in fifteen different African countries including Angola, Botswana, Congo, Ghana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, Nigeria, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe. Shoprite has a network of thirty three distribution centres across the continent. It had sales of over US$1.04 in 2020 (Shoprite Holdings, 2021). The Shoprite Group is South Africa's most significant private-sector employer and the biggest employer in Africa, employing over 140,000 employees (Shoprite Holdings, 2021).

The Group's operations have been most successful in most of these countries, and, in some cases, revenue has surpassed their expectations and projections. This performance has initiated several growths and expansion plans for most of the countries listed above. The Group has a strong presence in South Africa with a 31.9% market share of supermarket sales and a substantial price advantage over its competitors. In addition, it has a fast-growing presence in the rest of Sub-Saharan Africa, accounting for 19.6% of its supermarket share . The Group has appealed primarily to middle and lower-income customers, who continue to serve in tight economic conditions. However, higher-income customers are increasingly looking for more value. These customers seek a broader range of fresh produce and healthy food, such as their healthy level brands. Nonetheless, in 2019, Shoprite's supermarket customer base grew by 5.1%, reflecting approximately US$7.4 million market share gains in new and convenience sales (Shoprite, 2019).

The expansion into Africa was a brave decision that has significantly affected the Shoprite Group to date. The success of the Group might be due to its clear vision, strategy and appropriate mode of operation. The following points highlight some of the critical factors that contributed to Shoprite's success in Africa: suitability of the business style; most of Africa's populous cities are home to the middle and high-income earners. These consumers yearn for good quality of life, and Shoprite's provision of world-class shopping settings and a wide range of products at affordable prices meet their dreams of a better life (Malemela, 2017). Shoprite's mode of choice for its expansion programme has been mainly by opening up its stores in the countries where it operates. This strategy allows the company to have absolute control over all its local and foreign operations by managing them from its head office in Cape Town

(Malemela, 2017). The opening of shopping centres and malls has been a feature of the Shoprite business model. In essence, this goes beyond retailing activities as the bright shopping outlets and malls have become part of new urban development and modernity (Miller, 2006).

5.2.4.1 Nigerian Subsidiary

Since opening its first subsidiary in Lagos in 2005, Shoprite has launched an additional 25 stores across eight states in Nigeria, including Abuja, Kano and Lagos. Shoprite employs more than 2000 people, of which 99% are Nigerian citizens. Shoprite has built a relationship with over 300 leading Nigerian suppliers, farmers and small businesses, securing a wide variety of local brands (Malemela, 2017). The national expansion and growth strategy of Shoprite has been through mergers and acquisitions. However, it revised and stretched this strategy when expanding abroad. As a result, it succeeded in international expansion by opening its stores in overseas countries, including Nigeria. In addition, Shoprite has implemented a low price guarantee, ensuring these lower prices remain consistent across its subsidiaries pertinent to the Nigerian subsidiaries. The standard pricing strategy has aided the company to grow into Africa's largest food retailer. Using its massive bulk-buying power, enables Shoprite to offer its customers a first-class shopping experience on a range of food products, household goods and small appliances at its lowest possible prices (Malemela, 2017). Shoprite's reputation for low-cost, high-quality goods can also be leveraged in its growth strategy. Shoprite effort to lower operating costs and, consequently, price reductions for consumers are intended to be appealing to price-conscious consumers (Wormald, 2013).

5.2.4.2 Human Resource Management System at the Headquarter

The parent company operates a relatively flexible approach towards its subsidiary's HRM in which standardisation is maintained concerning some core HRM policies, with some adaptation in some other areas depending on the local needs of the host countries. The parent company identifies the distinctiveness of the Nigerian institutions and culture. So, they expect their subsidiaries to adapt the systems within specific guidelines. The guidelines serve as a framework for which the subsidiaries must follow in employing the headquarters HR policies. However, the subsidiaries are flexible in satisfying the host contextual requirements, largely institutional and cultural. Thus, the company maintains that its subsidiaries follow the parent company's standard policies, especially in these core areas: performance appraisal system, training and development and code of conduct. Nonetheless, some of the practices that may be adopted to meet host contextual requirements, mainly institutional and cultural requirements, include recruitment and selection, compensation packages and employee relations. Generally, the parent company uses a moderately centralised method towards management in the subsidiary, which are made to embrace certain practices transferred to the subsidiary.

5.3 Findings

This section compares the three cases to find general tendencies, similarities or differences among the case companies. The analysis is conducted based on the research questions identified in chapter one. This chapter also links the analysis of the cases with the literature of chapter two. In examining the HRM practices at the subsidiaries.

It is clear from the data analysis that HRM systems were transferred from the parent company SA in all the three subsidiaries studied. It emerged that the principal purpose EMNCs transfer their HRM systems and practices to their subsidiaries is to exercise a degree of control over their subsidiaries to ensure that their resources and efforts are directed towards achieving the common objectives that all the subsidiaries share. However, allowing certain flexibility in some HR functions, as Nigeria has a robust cultural heritage. These strategies were underscored by some managers and subordinates below:

For example, the Stanbic Bank operations manager noted that:

> *'Our HRM strategy is to drive the bank's organisational culture towards global best practices and to become more influential in the process of transferring knowledge across national boundaries'*. (Operations Manager, STB2)

Nevertheless, another manager commented that:

> *'The company has attempted to incorporate its organisational and management culture from its head office and follow local institutions in protecting the interests of local HR, such as the right to join trade unions'.* (Training Manager, SHP3)

These views were concurred by a focus group participant who pointed out that:

> *'Local employees with considerable work experience with the bank have been assigned to train new staffs that join the bank. Sometimes local trainers would be sent to the head office for training, and they would be expected to train other workers'.* (Deputy Director, STB9)

Moreover, another focus group member mentioned that:

> *'The strategies and practices are prepared at the head office, we are free to fully or partially apply these practices, but we have to keep them updated. The headquarter assign staff from the headquarter to the subsidiary, and also, some staff are sent to the headquarter for training. Creating new policies for their subsidiaries would be costly and time-consuming. It is not just about creating new policies; it is about the uncertainty of its' efficiency'.* (Payroll Administrator, MTN8)

The above statements by the supervisors and the focus group members supported the idea that EMNCs' HRM practices were tested. They have also been proven to be a suitable model of HRM practices for each MNCs studied. South African MNCs operating in Nigeria have a strong trace of their 'country-of-origin' within them. Another reason behind the trend of EMNCs transferring their HR systems from headquarters to their subsidiaries is the cost implications. Accordingly, creating new HR systems would be time-consuming and expensive, yet may still need adjustment to align it with the HR system at the parent companies.

Besides, it is apparent that the parent companies provide the subsidiaries with guidelines that are reflected in their written manual. However, the headquarters expect that subsidiaries adopt the systems within specific guidelines. The guidelines serve as a framework for which the subsidiaries must follow in employing the headquarters HR policies. The manual is accessible on the employees' portal and is used by all staff in all subsidiaries. Employees usually make reference for elucidation on any HRM policy and any issue involving staff and their wellbeing. The HRM functions include recruitment and selection, training and development, retention policy, performance appraisal, compensation package, employee relation, code of conduct, health and safety, disciplinary procedure and grievance. But they usually make room for minimal adjustments of practices to meet local conditions:

These views were expressed by some managers who asserted that:

> *'There are very well-defined guidelines presented by the headquarter. Some HR functions are standardised, such as training and development and performance assessment but, we can adapt some practices locally. Overall, our performance management system is standard everywhere. It informs rewards and compensation and talent management'.* (Managing Director, MTN3)

> *'HR policies and practices are prepared in the head office. We are free to adjust the execution techniques; however, we have to inform them of any changes made by the subsidiary. It is not about just employing the policies; It is about whether they obey the law. The law should take precedence over policies'.* (HR Manager, SHP1)

From the analysis of the fieldwork evidence it emerged that some of the main reasons for EMNCs transferring headquarters' HRM systems and practices to their subsidiaries are: to ensure that these same HR systems and practices have been tried and proven by the EMNCs to be efficient and successful; that they have the understanding and experience of running the system as well as guiding subsidiaries on how to implement it; that they tend to be more assured of the result they will obtain from applying their existing HRM system than trying to adopt or developed a whole new HRM system for the subsidiary. Some of the managers and directors averred this perspective. In Shoprite, for instance, sometimes the policies border on that of the headquarters, but some of their HR policies are also built of the local view.

On this, a manager maintained that:

> *'The head office devises the system. We have recruitment and selection, training and development, a reward and benefits system, and performance appraisal in this system. We have the same HR management strategy across the Group, but we adapt it to local condition'.* (Administrative Manager, MTN2)

Meanwhile, for all the three companies studied, their core policies (performance appraisal, training and development and code of conduct) are standardised as outlined in their companies documents to have high-quality staff that will ensure that the companies obtain some competitive advantages. Therefore, training and development are considered very important. HR departments are accountable for developing their employees because this would reflect on their performance and the level of service they offer to customers.

The statement of *the supervisor below help to illustrate these points*.

> *'They (Head office) provide us with guidelines. We have specific standards we have to follow. However, we are very adaptable in terms of choices. HR systems are produced by headquarter and employed moderately by subsidiaries with a certain margin of flexibility'.* (Managing Director, MTN3)

Focus group informant have emphasised the above viewpoint in the following terms.

> *'In terms of HRM systems, they are suggested by the headquarter but decided and modified in the subsidiary. Policies are given by headquarter and implemented by the subsidiary. Sometimes the local team proposes a strategy'.* (HR Trainee, STB9)

Another group member commented that:

> *'We have a corporate guideline and a standard structure where you can move freely but within the framework. We are not treated as mailboxes that only receive orders. We contribute to the formation of these strategies during annual conferences'.* (HR Analyst, SHP7)

5.3.1 Control and transmission mechanisms

The findings from the case study companies revealed that South African MNCs employed different approaches to coordinate and control their subsidiaries' practices. The main control mechanisms used to manage the subsidiaries are the centralisation-based, formalisation-based, information-based and People-based.

From the analysis of the interviews, it was apparent that the EMNCs' approach toward subsidiaries management is fairly centralised in all three case companies. The parent companies made certain decisions. For example, decisions regarding recruiting managerial staff, operation budget and salary increase were taken centrally. The headquarter instituted a reporting system that helps ensure that boundaries are set in the subsidiary; reports are submitted quarterly to head office. HR control strategies are supported by financial control in which strict limitations are specified in terms of the budget system of the subsidiaries and how they were required to manage their financial system. Therefore, the financial accounting and reporting system must be in line with the parent companies' policy. Also, the parent companies frequently send their representatives to their respective subsidiaries to audit the subsidiaries' accounts.

In line with this, Stanbic Bank financial analyst noted:

> *'The subsidiaries send quarterly reports to their respective parent companies to keep them up-to-date with information, which includes information in the areas of managerial pay, overall labour costs, number of workforce, workforce age/gender numbers of those recruited and resignations, disciplinary and grievances and incidents, number of training implemented and health and safety standard'.* (Financial Analyst, STB5)

Additionally, MTN HR analyst noted that:

> *'It is important for the financial accounting and reporting to be aligned with parent's companies requirements. Therefore, annually, 'the parent company works together with the subsidiary's financial analyst to ensure that the quarterly financial reports are sent in the right format using the established template provided by the parent company'.* (HR Analyst, MTN7)

Moreover, the Shoprite payroll administrator stated that

> *'The headquarter feel the need to be in charge of the financial system to a significant extent as this is important to them and also to ensure consistency with the other subsidiaries globally. The headquarter ensure that the subsidiaries are following a standard reporting system'.* (Payroll Administrator, SHP8)

Findings revealed that EMNCs use the corporate culture to control the subsidiaries' practices by applying a standard performance appraisal system and providing formal training to all their employees and by employing universal code of conduct practices to encourage the compliance of the subsidiary. In addition, formalisation-based mechanisms using regulation, written employee manuals and guidelines are applied by the headquarter to facilitate adherence, thus shaping the behaviour of the subsidiaries. The majority of the interviewees emphasised the standardisation of the code of conduct in their corresponding subsidiaries. They considered that the code was transferred without modification. Specific standards and guidelines should be followed, and employees get training on these guidelines. Moreover, there is a checklist that the employee should fill in to ensure that they are following the guidelines properly. The parent companies monitor the subsidiary's performance through indicators like growth rate, the penetration rate of new markets and sales revenues. Every year, EMNCs conduct unanimous surveys by functions, markets, and demographics to measure how well each subsidiary performs. The speech of the supervisor below helps to clarify these points.

The speech of the supervisor below helps to clarify these points:

> *'The HR policies are created based on the company's organisational culture; hence, the subsidiary has to apply some practices without adaptation. We have general guidelines which we can adapt to domestic law. We have to align our policies and operations with the local law and the local market. However, core policies could not be altered because they are the core of the business and altering the core values will result in inconsistency with the parent company's policies'.* (Managing Director, MTN3)

Along the same lines, Stanbic Bank operations manager highlighted that:

> *'The necessity to have the consistency of practices, confidentiality and ethical conduct in the banking industry, might explain why we have a universal code of conduct. We consider that ethical conduct and integrity are values accepted universally. However, we are friendlier here in applying the code. The code is being adapted in the implementation phase, while the text remains untouched'.* (Operations Manager, STB2)

Similarly, another interviewee asserted that:

> *'Our performance management system is standard. The headquarter provides us with a guideline on career management and a standard training plan, with a strong emphasis on a common corporate culture adopted across the company internationally. The head office makes sure we understand and implement the system successfully'.* (Operations Manager, STB2)

Shoprite HR trainee expressed a comparable interpretation in the following terms:

> *'We have a universal code of conduct. Employees have to read it, understand it and sign it. It is part of the induction package that every new staff receives, and parent company sets training programs to ensure that our employees understand and act upon the corporate culture'. (HR Trainee, SHP6)*

Another control mechanism used by the EMNCs to monitor the activities of the subsidiaries is Information system. Information systems are universally integrated. It is quite evident that there is an open communication channel between the subsidiaries and the parent companies in the three case companies. The parent companies utilised various communication mechanisms, encompassing conferences, meetings, telephone calls and emails and a central portal system to monitor the transfer and implementation of policies in the subsidiary.

On the implementation of HR practices, HR administrative assistant stated that:

> *'Regular meetings and conferences are used by headquarter to supervise the transfer and implementation of policies in the subsidiary. For instance, regular meetings are held at the subsidiary involving all directors from different departments. These meetings are carried out to collect information from different departments; also, it is an opportunity to diffuse policies within the departments. Furthermore, they are used as a benchmark with other subsidiaries'*. (HR Administrative Assistance, SHP4)

The above viewpoints were highlighted by Stanbic Bank manager who pointed out that:

> *'We provide our staff with different information such as pay bonuses, safety issues, work standards, and ethics. Communication is on an individual and departmental basis. Departmental heads communicate with appropriate leaders from the headquarter rather than through a trade union'*. (HR Manager, STB1)

MTN HR analyst also reported that:

> *'We have a straightforward and transparent means of communication. The company encourages communication at all levels, which assists in improving interaction. Staff members are encouraged to communicate with senior management directly. Employees communicate their views and thoughts with senior managers'*. (HR Analyst, MTN7)

Another manager expressed a similar view in the following terms:

> '*We have a centralised organisational structure which has been enabled by our tightly integrated organisational system across the Group. We use technology to formalise our communication system with the head office'*. (Branch Manager, MTN1)

Moreover, all three case companies used people-based mechanisms extensively to manage the activities of the subsidiaries. Expatriates are considered to be the significant network of control and transfer channels. Most of the expatriates are quite experienced and have good qualifications, predominantly from western universities. As a result, more expatriates are appointed to key positions, which serves as both centralisation and reflection of a high level of people-based or cultural control through communication between local and headquarter employees. Occasionally, the staff from headquarter pay routine visits to the subsidiary. Managers and technicians are transferred from time to time from the subsidiary to the headquarter. The regular visits assist them in learning new skills from specialised teams. Likewise, staff from the headquarter are also transferred to the subsidiaries to help train employees and allow them to oversee a project at a subsidiary.

Stanbic Bank HR manager explained this issue by affirming that:

> *'Occasionally, it is the company's practice to delegate staff from the headquarter to the subsidiary for some temporary assignment, such as training or temporarily supervising a project. Also, some workers are sent to the headquarter for training annually; when there is a significant restructuring'.* (HR Manager, STB1)

In line with this, Shoprite payroll administrator asserted that:

> *'The headquarter has a subtle method of sending representatives to the subsidiary to monitor its activities and offer consultation, though it does not seem apparent that we are controlled. The headquarter is in control of the financial system of all the Groups to a meaningful level to ensure uniformity with the other subsidiaries'.* (Payroll Administrator, SHP8)

Similarly, another informant revealed that:

> *'Some influential members of our staff are sent to SA to be trained on evolving HRM practices and on other parts of the business like leadership, communication skills, sales and business operations and many other business-related skills and most of the time they come back with the knowledge that is shared among the staff'.* (HR Administrative Assistant, SHP4)

5.3.2 Socio-Cultural Factors

There are various socio-cultural factors identified in this study that influence the transfer of HR practices in the Nigerian subsidiaries. Some of these cultural influences are behind some localisations made in the subsidiaries. This study confirms that some elements of culture influence the extent of the transfer of HRM practices. The critical cultural element identified in this study is corruption.

Corruption is widely spread in Nigerian society. Several challenges are facing Nigeria today, and these were expressed in the comments of the managers interviewed. One of the prominent ones is the issue of bribery and corruption. All the case companies suggest that South African MNCs' subsidiaries in Nigeria did not attempt to implement this section differently though the local context imposes an undeniable reality: corruption. Nevertheless, these subsidiaries used common sense to distinguish between bribery and a gift. It surfaced during the data analysis that there have been many corruption cases in Nigeria that are influenced by various factors such as lack of a reliable Government, compensation concerns and acceptance of corruption by society. The level of corruption in Nigeria is more than that in SA. According to the 2019 Corruption Perceptions Index reported by Transparency International, Nigeria is the 149th least corrupt nation out of 180 countries. In contrast, SA is ranked 69th out of 180 (Transparency International, 2021). Corruption is widely used and has evolved to other forms (donations, gifts and facilitation payments), which are socially acceptable. Unfortunately, this practice is also embedded in the Nigerian system, and this has become worrying for MNCs operating in Nigeria as sometimes businesses suffer as a result of non-compliance. This is also a source of concern for managers. It emerged during the interviews that all the three case companies have strict policies about the acceptance of money and gifts from or to any customer and how business is done:

The HR managers/directors clarified this issue by stating that:

> *'We have challenges in business as we are competing against the dominant culture. For example, people are quite impatient in Nigeria. They do not want to follow due process; people can cut corners to get things done. This can threaten the whole process of the business.'* (HR Manager, STB1*)*

> *'The organisational culture is of great value to the company and wouldn't want to damage the company's reputation or being classed as irresponsible owing to the employees' behaviour, so we, make sure that we pay them well above the stipulated minimum wage to keep them contented'.* (Director of HR, SHP2)

A similar view was stated by focus group members in the following terms:

> *'The company manuals serve as a tool to restrict this by detailing the headquarters' requirements' even though corruption is an endemic issue in Nigeria and influences the compensation and benefits, to make sure that employees are paid well above the minimum wage with added benefits and that the organisations brand image by keeping our workforce contended'. (*HR Analyst, SHP7)

> *'It is obvious that for the company to get approvals, they have to follow due process and measures. It is also your position in the society and who you know that assists to track the process and to fast track the process, sometimes you have to 'settle some 'senior Government officials' although this is strictly against our code.'* (Assistance Manager, MTN6)

The next question is to find out how unrestricted are the subsidiaries in applying and adapting these practices.

The data analysis revealed that these subsidiaries have a varying degree of freedom in adapting the employment practices. However, the degree of freedom remains limited for Stanbic bank and MTN subsidiaries, whereas, for Shoprite subsidiary, the HRM approach is more adaptive. This focus can be seen in the Stanbic Bank's and MTN's business strategy and its global management standards, directed from the headquarter in SA and integrated with Nigeria's business regulatory systems. The quotes of the supervisors below help to illustrate these points.

On this, the position of Stanbic Bank is:

> *'We cannot simply adjust the practices, but we can adapt the implementation. Our HR system is the same everywhere. There is an affiliation process to ensure that our HR system is tailored to satisfy the local environment'.* (Administrative Manager, STB3)

For Shoprite, it was revealed that:

> *'It is not about just employing the policies; It is about making sure that they meet the parent company's standard and satisfy the needs of local requirements simultaneously. There are very well-defined guidelines presented by the headquarter. Some HR functions are standardised, but we can adapt some locally. We have general guidelines which we can adapt to the domestic law'.* (Director of HR, SHP2)

A similar view was expressed concerning MTN in the following terms:

> *'HR policies and practices are prepared in the head office. Our HR system is the same everywhere. There is an alignment process to ensure that our HR system is tailored to satisfy the local environment. We have to align our system while complying with the local law and the local market. We are free to fully or partially apply them; however, we have to keep them updated'.* (Focus Group, MTN7)

The payroll administrator reiterated the above view:

> *'If we want good results, we must adjust the system. It is essential to understand the requirements of the local environment we operate. It is more than a co-operation. It is not that the global team sets the policy, and we implement it. In several cases, the local team suggests the strategy. In some cases, we employ diverse local strategies. Each subsidiary has its specific requirements that need to be tackled on a different basis'.*
> (HR Generalist, SHP5)

5.3.3 Approaches of South African MNCs’ HRM practices in their Nigerian subsidiaries

Table 5.1 below presents summary of South African MNCs’ HRM practices in their Nigerian subsidiaries. Stanbic Bank and MTN subsidiaries adopted a geocentric approach towards managing their staff. Their adoption of geocentric approaches to HRM could be attributed to the fact that these corporations have a long history of internationalising their operations in regions and countries other than Nigeria and have comparatively been in Nigeria for a more extended period. MTN began operations in Cameroon, Swaziland, Uganda and Rwanda, in 1998 before its operation in Nigeria. MTN opened its first subsidiary in Nigeria in 2001. In comparison, Stanbic bank opened its first subsidiary outside SA in Nigeria in 1991, Botswana in 1993 and Namibia and Zambia in 1999. Shoprite implements polycentric approach of HRM practices.

This study shows that there is flexibility for the subsidiaries to adapt some HRM management practices to suit the Nigerian environment, which includes recruitment and selection, compensation and benefits and employee relations/trade union practices. The case companies pursue the polycentric staffing approach by localising their recruitment and selection practices. They also localised their compensation and benefits and employee relation practices to satisfy the institutional requirement of the host country requirements.

Table 5.1 EMNCs and a summary of their HRM approaches in Nigeria

Case MNCs	HRM approaches	Nature of subsidiary HRM approaches/orientation
Stanbic/Standard Bank	Geocentric	HR department in Nigeria. Most HRM policies and practices are determined in Nigeria. The subsidiary now handles most of its business in Nigeria. Though, they have to meet their partners' strict criteria and rigid standards in South Africa and Europe. However, specific structures are localised to satisfy the local requirements.
MTN	Geocentric	A successful HR department in Nigeria with some degree of autonomy, but significant decisions require review and consent from the head office (SA). The same system across the Group with some modifications. Certain features are localised to satisfy local needs.
Shoprite	Polycentric	HR department in Nigeria but major HR decision made from SA. Subsidiary follows the policies and practices given from SA. Certain aspects are localised to meet local requirements.

(Source: Developed for this study)

The parent companies practise a global segmentation strategy and apply more control over performance appraisals, code of conduct practices and talent management (using more home methods and criteria in their respective subsidiaries). However, the case companies were able to localise the implementation practices of performance appraisal, training and development and the code of conduct practices to satisfy the host country requirements. The respective parent companies of Shoprite, Stanbic Bank and MTN involve them in critical strategic choices related to the subsidiaries. However, Stanbic Bank and MTN inputs, if accepted by their respective headquarters, can be employed across the Group.

When an MNE treats each subsidiary as a distinct national entity, it is adopting a polycentric approach. Polycentric MNCs highlight the strategic importance of embeddedness within host country settings. The recruitment of competent local staff is considered vital partly because they are knowledgeable about Government policies and local markets (Zhou et al. 2020). In a polycentric approach, local staff are recruited to manage local operations, and only a minimum number of home country expatriates are present at foreign subsidiaries. Here, the host country operation will typically be allowed more decision-making autonomy and staffed primarily by host country nationals (Liu & Meyer, 2020). The data analysis revealed that EMNCs recruit all their staff from Nigeria's host country except for some managerial and technical staff. They also allow their respective subsidiaries to have some autonomy in decision making regarding HRM.

Stanbic Bank currently conducts most of its business in Nigeria according to the Nigerian laws, though it has to meet the strict standards of its partners in SA and Europe. MTN has to follow the guidelines provided by the parent company, which serves as a general framework. However, the subsidiary is free to adopt some practices to satisfy the host environmental requirements, generally the institutional and cultural contexts. Both Stanbic Bank and MTN parent companies take advantage of their subsidiaries' management of the local environment by involving them in critical strategic decisions that relate to the subsidiaries. Both subsidiaries have adopted a 'geocentric Stanbic Bank strategy' and 'geocentric MTN strategy', which is global and host oriented, in managing their Groups. The resourcefulness and innovations by the subsidiaries are encouraged so that the local talents can be applied to grow the subsidiaries locally. Hence, if good enough for the home country or even other subsidiaries, the subsidiaries' innovations can be accepted and used by the entire Group. The geocentric approach tends to adopt and support the similarities across cultures globally. In short, this approach ensures adherence to global standards (Dickmann et al. 2016; Liu & Meyer, 2020).

Shoprite subsidiary adopts a polycentric approach towards managing their employees. Polycentric approach results in a high level of local responsiveness. Shoprite subsidiary has the flexibility to adapt specific aspects of the policies presents to them by the headquarter. Festing and Tekieli (Festing & Tekieli, 2021) suggested that MNCs must conform to the laws and rules of the host country. They must be responsive to the needs and culture of the host country (local responsiveness). Shoprite adapts its HR practices by diffusing the local culture of the host country. The Shoprite model focuses on the best practices and the standardised practices that ensure global integration. In this regard, Shoprite makes the best practice as a benchmark to follow. However, this approach may not be entirely followed by the subsidiary but allowing the deployment and diffusion of the local culture of the host country.

5.4 Subsidiary HRM Practices

The fieldwork analysis uncovered patterns in the diffusion and adaptation of several HRM practices in the subsidiaries. Some of the HRM practices explored during the fieldwork included recruitment and selection, performance management, reward system, training and development, employee relations/trade unions and code of conduct (Armstrong & Taylor, 2020; Bailey et al. 2018). Below is an examination of each of these HRM practices.

5.4.1 Recruitment and Selection

The first HRM practice explored is recruitment and selection. This aimed to identify the primary sources and techniques used to recruit candidates and how the suitable candidates were selected. The interview participants were asked to explain their recruitment and selection policies and practices fully. The aim of gathering data about how subsidiaries recruit and select their employees is to determine whether these subsidiaries follow a formal recruitment and selection practice transferred from the parent company or adapt the recruitment and selection practice to suit the Nigerian environment.

Table 5.2 EMNCs HRM recruitment selection practices at the subsidiary level

MNCs	**Description of process**	**Transferred, localised, hybridised or standardised**	**Type of adaptation**	**Representative quotations from the fieldwork**
Stanbic/Standard Bank	Online recruitment system, interview, psychometric test and interview.	Localised	Adaptation of the sources of recruitment.	*'The recruitment system is adjusted; however, the selection system is universal'*. (Operations Manager, STB2)
MTN	Online recruitment system, reasoning test, and interview.	Localised	Adaptation of sources of recruitment.	*'The recruitment system is modified, but the selection procedure is standard; it is the same across the Group'*. (Managing Director, MTN3)
Shoprite	Online recruitment system, interview and psychometric test	Localised	Adaptation of sources of recruitment.	*The recruitment practice is adapted, but the selection process is standard'*. (Deputy Director, SHP9)

(Source: Developed for this study)

The data analysis shows that the recruitment and selection practices of EMNCs' subsidiaries operating in Nigeria are transferred from their headquarters (Table 5.2). The transfer of HRM practices from the home country might result from Nigeria's underdevelopment of employment practices. HRM practices in Nigeria are regarded to be 'still in its infancy stage'. There is a lack of indigenous and comprehensive HRM models in Nigeria, so most principles and practices at the workplaces in Nigeria are all adopted from other countries (Fajana et al. 2011). Equally, the recruitment and selection process in domestic companies are not efficient and regulated. The issue of meritocracy is undoubtedly missing because of the constant intervention of influential people outside the company. Nigerian politicians tend to influence the recruitment process by ensuring that their candidates are favoured and selected, irrespective of their qualifications and personalities (Yaro, 2014).

Consequently, domestic companies end up hiring incompetent staff because they yield to these pressures. This type of recruitment practice is against the goals and objectives of any organisation. For any business to succeed, it must employ people with proven competencies (Armstrong & Taylor, 2020; Wilton, 2016). Both the managers/directors and the focus group participants agreed on the above statements and indicated that they do not give in to outside forces when recruiting their staff.

On this issue, MTN branch manager stated that:

> '*MTN emphasis recruiting highly competent candidates with the right skills to manage the difficulties that arise with competing in this sector. They select people with good experience in this sector. Likewise, they recruit individuals with the relevant qualifications in this industry'.* (Branch Manager, MTN1)

Similarly, the director of HR underscored this:

> *'Recruitment procedures in domestic companies are not regulated; the domestic companies do not employ their staff based on merits or skills; rather, they select their staff based on their connections with the political leaders. In our case, the head office provides us with structured and established guidelines for recruiting and selecting our staff. Thereby minimising the possibility of employing incompetent applicants that may not fully fit the specifications needed for a particular position'.* (Director of HR, SHP2)

Along the same lines, an operations manager explained that:

> *'All job vacancies are announced on the company's website and other specialised websites. Applicants are selected based on their qualifications, skills and experience. Positions advertised within the company are usually filled rapidly as managers have candidates ready to take up the positions. The applicants have to be assessed by the company to know whether they have the skills and competency needed for the role'.* (Operations Manager, STB2*)*

HR analyst stated that:

> *'We have similar recruitment practices across the Group because our practices align with Group standards with some country specifications if needed. The parent company ensures that the Group recruitment and selection standard is not compromised as the company does not want to compromise the quality of their workforce'.* (HR Analyst, MTN7)

The fieldwork analysis gives further evidence that EMNCs recruitment process is an online procedure, where all job vacancies are advertised on the companies' website and other specific websites like MyjobMag. Moreover, applicants are recruited through universities placement schemes offered to the best graduating students, particularly from private universities in Nigeria. When there is a vacancy, the line manager submits a job application form informing the HR department about the vacancy. Vacancies are filled based on the agreed staffing levels and yearly staffing plan; vacancies are internally filled first, which offers a prospect for career growth for staff. The HR department prepares the recruitment outline following the demand made by different heads of departments. Finally, the plan is presented to the headquarter for approval. The companies have an annual budget for hiring staff. Afterwards, applicants are shortlisted based on their qualifications, skills and experience without any form of discrimination. HR executive and line manager scrutinise outstanding applicants who have met the requirements; subsequently, the shortlisted applicants are interviewed and assessed through various methods.

According to Stanbic Bank HR manager:

> *'We have two portals for recruitment, the internal and the external portal. The internal portal is for our staff, whereas the external portal is accessible to everyone. Under the external portal, if an individual meets the criteria, then he/she will be invited for an interview. If it is internal, a text message or an email will be sent out. The HR department oversees the process'.* (HR Manager, STB1)

The director of HR also revealed that:

> *'We use various techniques to recruit our staff, including internal advertising through office intranet, job portals, the company's website, national newspapers, referrals and local recruitment agencies. Prospective employees are selected based on their qualifications, abilities to carry out the job, value to the company, and cultural fit.* (Director of HR, SHP2)

This was underscored by MTN managing director, who pointed out that:

> *'Promotion from within the company conveys to our staff that we value them and want to invest in them. They are already part of our team and know our corporate policy and culture. We boost their morale and give hope to other employees by allowing them to progress their careers or to move to the same level positions that interest them. We also create a culture of trust that improves staff engagement and retention'.* (Managing Director, MTN3)

Another director also revealed that:

> *'Vacancies are publicised on the company website, social media and newspapers. Similarly, Referrals and recruitment agencies are used to hire staff for the company's critical positions. All applicants submit their applications online to be processed. Vacancies are filled, in line with an official plan and the number of employees needed'.* (Director of HR, SHP2)

Members of the focus group stressed what the managers and directors said, their testimonies follow:

The deputy director reported that:

> *'There is an opportunity for career growth when vacant positions are filled internally. HR departments announce the position two weeks before advertising it externally on relevant platforms. Staff are given opportunities for career growth and development when vacant positions are advertised internally'.* (Deputy Director, SHP9)

According to Financial analyst:

> '*We recruit our workers through our company's website and other social media as well as through an outsourcing company. The use of an outsourcing company enables us to focus on growing the company, leaving the professional employer organisation to handle regular employee administration'.* (Financial Analyst, STB5)

According to the HR generalist:

> *'Recruitment needs to be integrated into the budget and must be approved by the management. HR department heads need to request approval on time when they need to fill vacant positions'.* (HR Generalist, STB4)

The HR generalist explained that:

> *'Heads of department are responsible for identifying the needs to fill in any position, especially for non-managerial positions, which is more cost demanding and less time-consuming. The final decision for hiring managerial staff lies with the parent company'.* (HR Analyst, MTN7)

Notwithstanding, it also became evident that South African MNCs' subsidiaries in Nigeria have two main staff classifications: managerial and non-managerial. Recruitment and selection of staff in these groups are different but is coherent in terms of the requirements set by the parent companies. The recruitment process for managerial positions varies from non-managerial roles. The subsidiaries have to follow the local law in recruiting their nonmanagerial workforce; that is, all staff must be Nigerian citizens and have served in the National Youth Service Corps (NYSC). The scheme is also known as the national service year, and the Nigerian Government set it up to involve Nigerian graduates in the country's development. All Nigerians must take part in the NYSC for one year unless the person is over thirty years or has served with any security agency (in this situation, an exemption letter is issued). The NYSC scheme is incorporated in the recruiting criteria of all the case companies as it is a Government policy. However, foreign nationals can be employed to fill positions at the managerial and executive levels. The quotations below depict the case companies' recruitment and selection sources and methods.

Concerning this, HR manager explained that:

> *'The company has to fill all the vacancies with local national except for some positions which require high skills and competence, such as high tech and managerial positions. The company employs headhunting in recruiting applicants for some crucial positions using expert organisations; referrals are also employed for this purpose'.* (HR Manager, SHP1)

Moreover, the financial analyst pointed out that:

> *'According to the Nigerian Government's guidelines, 'No one is recruited, who is a Nigerian if they have not carried out the NYSC scheme, which is a compulsory requirement. The NYSC scheme has assisted the bank to remain within the limits of the budget without compromising its standard'.* (Financial Analyst, STB5)

HR assistance manager revealed that:

> *'Our recruitment and selection have to be within the limits of the budget allotted and approved by the headquarter. The NYSC scheme assists our company in reducing the cost of recruiting full-time staff. The NYSC scheme last for a year. This practice enables us to train the recruits in the areas of their specialisations, such as marketing and IT'.* (HR Assistance Manager, MTN6)

Correspondingly, the managing director stated that:

> *'Our recruitment and selection practice is standard; it is the same everywhere, though with some modifications. MTN partners with the National Youth Service Corps scheme. NYSC was established to aid Nigerian's graduates to gain one year experience in any Nigerian based organisation. The recruitment is carried out in numerous NYSC camps in different states in Nigeria'.* (Manager Director, MTN3)

To support this further, The HR analyst explains that:

> *'Partnering with the NYSC scheme is an opportunity to recruit the right people with the appropriate skills and the proper qualification for the job. The company retains most of the graduates after their service year, depending on how well they perform'.* (HR Analyst, STB6)

Furthermore, it surfaced that the selection of staff in all the case companies is based on the job analysis (job description and job specification), the individual's past performance or potential and the experience and competence of the individuals. The parent companies create the job description, which matches the applicants' skills and qualifications when selecting the applicant. The shortlisted applicants undertake an appropriate assessment based on the job specification and other evaluations, explicit to the relevant department. The HR department and some departmental line managers are involved in the process of selection. Some of the selection practices recognised in these subsidiaries include initial screening, psychometric testing, presentations and a face-to-face interview. These practices are usually established and implemented by each subsidiary's head office, which the subsidiaries are required to adopt in their recruitment and selection process. The recruitment and selection practices aim to guarantee the right person with the desired expertise or attitude. Once the selection process has been finalised, the successful applicant will be notified. Internal applicants may be told in person, but most candidates are informed by email, telephone or letter, and the contract signed. The procedure is standard, which follows the parent companies' specifications. For managerial positions, the HR department cannot finalise this. The HR department at the headquarter makes the final decision. Upon successful selection, the applicants would be presented an employment letter and salary is agreed upon. A probationary period of six months is served before a formal letter of endorsement/confirmation is given following a satisfactory performance.

According to the administrative manager:

> *'There are certain requirements for screening and selecting employees: professional certification and qualification and appropriate degree. There are different stages in the selection of the applicants. Applicants are expected to undertake at least two selection stages which incorporate: staff assessment and analyst assessment and then finally, higher level, structured interview'.* (Administrative Manager, STB3)

The HR manager said:

> *'Some of the processes this subsidiary employed in selecting their staff include technical and psychometric tests, computer-based tests followed by an interview with a representative from the HR department and the line manager. The successful candidates will then have a meeting with top management. The successful candidate*

has to undergo a six month probation period before the employment is confirmed'. (HR Manager, SHP1)

An HR generalist stated that:

'The selection system is the same in South Africa and Nigeria. We have standard selection criteria across the Group. The recruitment process is standard. It is an online system where all the positions are posted. Once applicants are recruited, they would be selected according to a standard system, and that would guarantee fairness and accessibility to everyone'. (HR Generalist, MTN4)

In all three case studies, the headquarter takes part in selecting employees for managerial positions. The company carries out a reference check to ensure that the applicants have provided the correct information about their past work and qualification. The HR department is responsible for implementing the corporate policies by reviewing them and adjusting them to fit the Nigerian environment, internal needs and Government regulations. However, all adjustments must be approved by the headquarter. The selection criteria follow the parent companies' requirement, except for the provision of the NYSC certificate or an exemption letter which is carried out to satisfy the Nigerian legal environment.

5.4.2 Performance Appraisal Practice

Performance appraisal is the second human resource practice studied. The interview participants were asked to describe the performance management practices employed at their respective subsidiaries. In addition, participants were asked how similar or different the subsidiary's performance management system is from the parent companies.

Table 5.3 EMNCs HRM performance appraisal practices at the subsidiary level

Case MNCs	Description of process	Transferred, localised, hybridised, or standardised	Type of adaptation	Representative quotations from the fieldwork
Stanbic/Standard Bank	Management by objectives, performance appraisal associated with the market condition.	Standard with slight modification.	The performance appraisal system is standard. However, the implementation of the system is adapted.	*'Overall, we have a standard appraisal system. Performance appraisal malmanagement framework is uniform for all our staff across the Group'.* (HR Manager, STB1)
MTN	Management by objectives, performance appraisal linked to bonuses.	Standard with a slight adjustment.	Standard performance appraisal system. However, there is a modification of the implementation of the system.	*'Formal performance appraisal. It is the same policy across the Group'.* (Managing Director, MTN3)
Shoprite	Management by objectives, performance appraisal linked to benefits.	Standard with slight adaptation.	Standard performance appraisal system, with some modification of the implementation of the system.	*'It is an integrated system. We are promoted based on achievement and performance evaluation'.* (Director of HR, SHP2)

(Source: Developed for this study)

Table 5.3 above indicates that the Performance appraisal system and practices in all the subsidiaries captured in this study were transferred from the parent companies. Moreover, it appears to be standardised across all subsidiaries within the Group. South African MNCs have succeeded in regulating their performance appraisal systems and practices. They use standard performance evaluation practices, which trend towards having a universal pool of talents assessed using the same standards. A formal performance appraisal system will assist EMNCs to have a common ground on competency and control. It emerged during the interview data analysis that EMNCs approach on transferring headquarters' standard appraisal practices includes the following: to standardised their Performance appraisals to ensure consistency in communication between the head office and subsidiaries; to uphold control and to support the desired behaviour of workforces working in their respective subsidiaries; to ensure fairness and openness in the returns associated with the performance appraisal process and avoid discontent among staff.

EMNCs have a significant influence on the way their subsidiaries conduct their performance appraisal. The HR managers/directors and the focus group participants interviewed considered their performance appraisal to be standard, which confirms the strategic purpose of global firms, which emphasise global integration of HRM practices. Moreover, the results of this study show that performance appraisal is used to recognise training needs and offer a potential recommendation. However, it is not linked to compensation as salaries are fixed, and it is according to the individual employment contract; though, the appraisal is related to bonuses. All three case study organisations follow this trend, and this perspective was confirmed by some managers and focus group members' interviewed.

On these issues, Stanbic Bank HR trainee stated that:

> *'We set individuals targets; the objective has clear deadlines and milestones. Even though the appraisal is once a year, there may be monthly or quarterly objectives, subject to the most realistic date for individuals objective'.* (HR Trainee, STB8)

Another manager also narrated that:

> *'Performance appraisal is an essential function in our company, and it is used to evaluate employees' skills and competencies, set objectives, and determine training needs. It helps to identify individuals that are working towards corporate goals and objectives'.* (HR Manager, SHP1)

MTN managing director emphasised this:

> *'Promotion is related to individual's performance and assists us in recognising employees with high potentials, which helps us establish a suitable and successful career plan and supports us to facilitate a good succession plan'. (*Managing Director, MTN3)

Focus group participants confirmed these views as follows:

According to the HR assistance manager:

> *'Overall, our performance management system is the same everywhere. It is not related to salaries; however, it informs bonuses. Our Performance assessment system is based on western best practices adopted throughout the Group'.* (HR Assistance Manager, STB7)

The payroll administrator stated that:

> *'MTN has a universal performance management system and strong alignment with the corporate strategy. Employees are promoted based on their achievements and their performance'*. (Payroll Administrator, MTN8)

It is evident from the data/evidence collected that Performance appraisal practices are used mainly to evaluate employee's achievement of targets and overall performance. All the case companies employ management by objective (MBO) technique in assessing their workforces. MBO enables an employee to work jointly with his supervisor to set goals, evaluate their performance and illustrate how his/her job contributes to the organisation's success (Rahman et al. 2020; Sajuyigbe, 2017). In addition, the performance appraisal process is linked to promotion and benefits in all three subsidiaries.

An informant revealed that:

> *'The appraisal system is associated with the objectives set. The employee and the line manager review the goals, and they are well-defined and implementable. Staff are evaluated based on their ability to achieve targets set. Policies on career management and succession planning are also related to performance appraisal and training'. (Managing Director, MTN3)*

Commenting on this, Shoprite training manager mentioned that:

> *'Our appraisal system is uniform. It is a way of ensuring that employees are performing well. Assessing the performances of our staff helps the company to identify employee's strengths and weaknesses, and also it can help pinpoint when training and development are needed'. (Training Manager, SHP3)*

Another director also revealed that:

> *'Generally, the parent company design our performance appraisal system, and then we embraced that system in this subsidiary. It is pretty much identical across the Group. Line managers carry it out once a year'. (Managing Director, MTN3)*

Moreover, another informant pointed out that:

> *'Our performance management systems are linked to market conditions. Local market conditions affect the targets set and the assessment of achievement of our workers'.* (HR Analyst, SHP7)

Conversely, while conducting the interviews, an exciting feature confirmed subsidiaries' attempt to adapt the performance appraisal process. The reason for this adaptation approach is socio-cultural. The methods to international performance appraisal reflect socio-cultural differences between the parent companies SA and the host country Nigeria, especially social attitudes towards performance appraisals. The case companies give due consideration to egalitarianism and saving face in providing feedback to their employees.

During the performance assessment, managers are less aggressive and try to criticise more indirectly. People in Nigeria avoid conflicts, they try to minimise criticisms of others, and they do not like to be blamed. The reason behind this 'soft' approach with employees is socio-cultural. There is a robust interpersonal relationship among people. In a collectivist society, a negative attitude towards a worker could harm the appraiser and the company. The adaptation of performance appraisal is made at the implementation level. Implementing the performance appraisal process varies between the subsidiaries, but they all converge towards a flexible approach when dealing with negative performance appraisals. The motives behind this approach have their roots embedded in Nigerian culture. These views were concurred by interviewees, and their statements are as follows:

According to the administrative manager:

> *'Managers tend to be less confrontational during the performance appraisal interview. They give feedback to the employees in a diplomatic way, so as not to offend them'.* (Administrative Manager, MTN2)

Another manager also disclosed that:

> *'Managers do not want to lose face with staff. The more they attempt to implement the headquarters performance appraisal method, the more likely the managers will bend the system to their local requirements'.* (Training Manager, SHP3)

The focused group participants support their managers' views of adapting the implementation of performance evaluation manner in assessing the employees in their respective subsidiaries.

The deputy director confirms this, stating that:

> *'This managerial attitude has a socio-cultural dimension. In collectivist societies, where open responses to leaders are discouraged, where criticising employees results in a loss of face, implementation of the performance appraisals systems without adaptation would not fit the cultural value of such society'.* (Deputy Director, SHP9)

The financial analyst revealed that:

> *'Cultural aspects are related to interpretation and understanding. The HR Managers try to stick to corporate programmes, corporate strategies, corporate agendas and corporate timelines, but they cannot just push it on employees'.* (Financial Analyst, STB5)

The adaptation of performance appraisal is made at the implementation level in the three case companies. Implementing the performance appraisal practice differs between the case companies; nevertheless, they all converge towards having a less aggressive approach when giving feedback on employees performance.

5.4.3 Compensation Practices

The third HRM practice studied is the reward system. The aim was to understand the compensation practices of South African MNCs' subsidiaries in Nigeria. HR managers/ directors and officers were asked to describe the compensation packages used in their subsidiaries. The main focus was determining whether these subsidiaries follow a standard payment system transferred from the parent company or adapt their payment systems. The analysis of the evidence gathered highlighted that payment practices of subsidiaries are localised. The compensation practices are fully adapted to the Nigeran market and the Nigerian labour law. The payment packages differ from one subsidiary to another, but they generally consist of fixed salaries, allowances, and end of year bonuses.

There are four references used to adapt the compensation packages: the labour law, the local market, the cost of living and the competing multinational companies (Adams et al. 2017; Yahiaoui, 2014). The cost of living is mainly used to determine the salary levels to be paid. The salary level is also interrelated to the labour law, which decrees a minimum wage to be paid to employees (Almond et al. 2017; Mustapha, 2021). It is clear from the data analysis that EMNCs adapt their compensation packages scheme to the Nigerian labour law but follow a general guideline set by the parent companies. The parent companies present their respective subsidiaries with guidelines that serve as a framework for which the subsidiaries must follow in designing and implementing their reward systems, however satisfying the host country's environment. Payment and benefits in EMNCs' subsidiaries are primarily adapted to meet the local environment's cost of living and labour law or benchmark competing MNCs. EMNCs perform market surveys to decide on their payment and benefits schemes. Some benefits are standard on a regional or global basis and are transferred to the Nigerian subsidiaries without adaptation. However, several benefits were explicitly created for the Nigerian subsidiaries to motivate employees.

Table 5.4 EMNCs HRM reward system practices at the subsidiary level

MNCs	Description of process	Transferred, localised, hybridised, or standardised	Type of adaptation	Representative quotations from the fieldwork
Stanbic/Standard Bank	Payment according to position and educational level, which is contained in the global guideline.	Localised	The reward system is adapted to the local labour law, and we pay our staff above the minimum wage.	*'The payment package is mainly localised. The salary benchmark is done with local companies in the country.* (HR Generalist, STB4)
MTN	Payment according to the experience, qualification and position of an employee.	Localised	Salaries are fully adapted to the local law and market conditions.	*'Our payment packages differ across the Group, and it is because we operate in different markets and different economies.* (Payroll Administrator, MTN8)
Shoprite	Reward according to educational level and performance of an employee.	Localised	Payment fully adapted to the local labour law and the local market.	*The headquarter brought specialists to survey Nigeria to benchmark our salaries'.* (Administrative Manager, STB3)

(Source: Developed for this study)

Thus, Table 5.4 shows that compensation packages were adapted to the local environment at three different levels: payments, compulsory benefits and supplementary benefits. The salaries are adjusted to the local labour law, which is paying not below the minimum wage enforced by the Nigerian labour law, the country's cost of living, and the salary levels paid by competing MNCs (benchmarking). The host country factors influencing this adaptation are legal (labour law), market-related (competitors) and economic (cost of living). All the case companies revealed that they never pay the minimum salary decreed in the law. On the contrary, they always pay above the minimum wage. Besides, EMNCs' salary ranges according to education, experience and position of their workforce. Market surveys are also made to decide the salary levels. The bonus plan is associated mainly with the performance of the individual and the performance of the company. The quotes from the managers and directors of the respective subsidiaries below support these points:

Concerning this, the HR manager stated that:

> *'Promotions are determined based on an individual's performance and their contribution to the organisation rather than on seniority. If an employee qualifies for a promotion when vacancies are available, then that employee takes up the position. Thus, the system helps the company to identify valuable potentials and promote them within a short time'.* (HR Manager, STB1)

Correspondingly the administrative manager highlighted that:

> *'Payment is adapted to the local market with standard regional benefits offered, for instance, life insurance and profit-sharing schemes. We provide competitive, fair and reliable Payment based on our staff's experience, education, and position'.* (Administrative Manager, MTN2)

The director of HR stressed this:

> *'All permanent employees receive fixed salaries and benefits (or total guaranteed pay). As employees advance in the company, variable compensation accounts for a growing remuneration package, which links their performance more closely to the companies' business objectives'.* (HR Director, SHP2*)*

Some focus group participants asserted the above viewpoints:

For MTN, it was revealed that:

> *'We perform market surveys to decide the salary level to pay our workforces. We try to benchmark other competing subsidiaries operating in Nigeria to stay competitive. Our compensation packages differ among our employees, which is based on their education and grade. The efforts and performance of our staff are echoed in their bonuses'.* (Payroll Administrator, MTN8)

The payroll administrator expressed a similar view in the following expressions:

> *'We benchmark remuneration against the local market, Shoprite is committed to competitive remuneration, which is higher than the market median to attract and retain talented employees, with an emphasis on the retail industry as the benchmark for retail-specific jobs'.* (Payroll Administrator, SHP8)

The HR analyst reported that:

> *'We usually benchmark salaries against the market in the local background and apply the principle of equal pay for work of equal value in all new appointments and promotions and also when annual remuneration reviews are conducted'.* (HR Analyst, MTN7)

Nevertheless, the financial analyst commented that:

> *'Salaries are determined according to the position, experience and qualification of the staff, and the type of the job. It is also based on the market rate and according to the economic situations in Nigeria'.* (Financial Analyst, STB5)

The three case companies meet the obligations of the Nigerian labour law, and they all provide additional benefits. The other benefits are usually excluded from the fixed package, such as leave absence, lifestyle benefits and additional insurance benefits. Though some of these benefits are not predominant in all the operations, they are country-specific. So the other benefits are adapted to local conditions. For instance, it is evident from the fieldwork analysis that the three case companies provided health insurance for their employees and their families, which is necessary because of the high cost of medical care in Nigeria. The host-country factor behind these benefits is mainly institutional. In this case, the subsidiaries fill the gaps in the institutional context by providing a benefit that motivates employees and gives them more security.

In line with this, the administrative manager affirmed that:

> *'It is mandatory for all new permanent employees to join our Company-approved medical plan. We must warrant that the Stanbic Bank Health Plan offers suitable plans and that all employees' contribution levels are viable and reasonable. Stanbic Bank contributes a portion of the medical aid fund contribution, while the staff pays the difference'.* (Administrative Manager, STB3)

MTN branch manager revealed that:

> *'Our Payment and benefits are design to respect the Nigerian labour law with some standard regional benefits. Compensation packages are fully adapted to the local market. The benefits offered are a mix of standard benefits such as life insurance and retirements benefits in addition to local benefits like health insurance'.* (Branch Manager, MTN1)

The director of HR underlined this:

> *'We certainly abide by the local law; the reward system in each country depends on the salary market of the country. We never pay below the minimum salary that the Government mandates. As for benefits, certain benefits are adapted like health care.'* (Director of HR, SHP2)

In the same vein, the financial analyst stated that:

> *'Compensation and benefits are adapted. They are based on the local market. Some benefits are determined according to local law; for instance, we provide medical care for our employees'.* (Financial Analyst, STB5)

5.4.4 Talent Management

The fourth HRM practice reviewed is talent management. HR executives and focus group members were asked to describe their training and development policies. The description embraced defining the training approaches employed, whether their parent companies affect the process and most significantly, whether these training programmes were transferred as standard packages or are amended in their respective subsidiaries. In addition, the interviews participants were asked to elaborate on how they can modify the content or the delivery methods.

Table 5.5 EMNCs HRM talent management practices at the subsidiary level

MNCs	Description of process	Transferred, localised, hybridised, or standardised	Type of adaptation	Representative quotations from the fieldwork
Stanbic/Standard Bank	Global training, (courses registered on the intranet), a development plan for each staff prepared by the HR manager and the employee.	International standard with some adaptation.	Standard content, the adaptation of delivery technique and trainer style.	*'Training is standard Employees are assessed to identify training needs accordingly'*. (HR Trainee, STB9
MTN	Each worker has a training track (core and specialised courses), online programmes, classroom, and on-the-job training.	Global standard with moderate adjustment.	Standard training programmes. Adaptation of delivery method.	*'Online corporate training is standard. However, sometimes the trainers adapt their training method to satisfy the local environment.* (Branch Manager, MTN1
Shoprite	Online Training programmes, Job rotation.	Standard with the possibility of producing local programmes according to needs.	Formal training, local programmes are developed when the need arises.	*'Training is standard, but adapted to the local environment (Mix of global and local modules)'*. (HR Trainee, SHP6)

(Source: Developed for this study)

Thus, Table 5.5 above reveals that talent management practices were usually transferred from the headquarters and standardised across the Group. It covers training and developing employees, as well as career management matters. The three case companies use standard programmes or courses shared globally, however, allowing locally developed training programmes that satisfy the local requirements.

Training and development programmes implemented in the Nigerian subsidiaries could be classified into four groups: standard programmes (transferred from the headquarter), adapted programmes (to fit the local market and culture) (Ambrosius, 2018), locally developed programmes (to meet individual or subsidiary needs) and combined-modular programmes (standard modules + locally created modules) (Cooke et al. 2014). Programmes that are standard in the subsidiaries studied are considered fundamental programmes. This is because these standard programmes are strategically essential for the company. In addition, they are often related to technical expertise and company values. Therefore, these programmes are considered standard programmes, and they are not subject to adaptation as they are regarded as core to businesses (Adams et al. 2017; Azungah et al. 2020; Latukha, 2015).

From the analysis of the fieldwork evidence, it appeared that EMNCs understood that effective talent management is a strategic initiative to safeguard organisational sustainability. The quality of the people they attract, develop and retain impact their efficiency and provide them with a competitive advantage. They, therefore, embarked on standard talent management practices that are robust and rigorous through succession planning. In addition, EMNCs ensured that they have a pipeline of appropriate talent for future appointments in their respective subsidiaries. The parent companies regulate their training and development practices across their subsidiaries, which mirror the core business competencies established in the parent companies. The parent companies believe that their training and development practices are the sources of their proficiency, competitive advantage and alliance. The statements of the managers/ directors and the focus group participants support the above information:

MTN Branch administrative manager affirmed that:

> *'We provide talent management learning solutions that enable us to continue attracting, retaining, and developing our employees' talents. We have universal global talent management across the Group, structured to consider each position's behavioural and technical requirements, level of work, and functional area in our organisation'.* (Administrative Manager, MTN2)

Stanbic Bank HR trainee pointed out that:

> *'Our training programmes are standard; we encouraged our staff to improve their skills and capabilities through wide-ranging training available online, face-to-face and from other sources supplied by the headquarter '.* (HR Trainee, STB9)

Similarly, the training manager affirmed that:

> *'We rely on several methods to manage and develop the careers of our staff; such as coaching and certification courses, which are all related to the aspirational positions and future careers of our staff'.* (Training Manager, SHP3)

Similarly, focus group informants have emphasised the above viewpoint in the following terms:

Concerning this, the HR assistance manager testified that:

'We attract, motivate, retain and engage the right talent to implement our business strategy. We offer standard courses to our employees in the following disciplines: technology, commercial, business insight, leadership, communication and organisation development. We also provide our employees with job rotation experience, which involves in-role experience and various interactions with the executive committees, mentoring and coaching'. (HR Assistance Manager, MTN6)

For Shoprite, it was discovered that:

> *'We continue to emphasise the development of the skills of our talent to ensure that our staff members are equipped to meet the needs of the growing telecommunication industry. Our digital e-learning platform enabled our employees to get equipped with the necessary skills'.* (Deputy Director, SHP9)

Some focus group participants shared their acknowledgement along these lines:

> *'The headquarter provides us with detailed outlines of the nature and the content of training our members need to undertake. These outlines are in specific modules tailored to particular departmental needs to ensure that standards are not compromised'.* (HR Generalist, STB4)

> *'Five major mobile operators control the Nigerian market: MTN, Airtel Nigeria, Globacom, M-Tel, and 9Mobile. For our organisation to remain the top player among our competitors, we have to apply the standard training system designed by the headquarter to manage the company with the highest standard of corporate governance and best practice'.* (HR Analyst, MTN7)

Besides, some training programmes that are market-oriented or more operational were adapted to fit the requirements of the local culture (sales, auditing) or the market (trade techniques, selling techniques). Likewise, locally-developed programmes were considered to meet individual needs that were measured through performance appraisals. The case companies have the flexibility to address any gaps in these programmes. When the local need arises, which is not covered in these programmes, local programmes are produced to meet these requirements. The adaptation of the training programmes might be due to the cultural differences between the home country SA and the host country Nigeria as SA is more individualistic than Nigeria (Adeleye, 2011). A training approach that would consider the employee's in-group should be encouraged in a collectivist society like Nigeria. Moreover, the delivery of the training programme depends on the audience profile. In the opinions of the interviews' participants, the trainer should be aware of the culture, the type of audience and the best interaction style to achieve successful training. Their testimonies are as follows:

Regarding this, the operations manager stated that:

> *'Primarily, even though Stanbic Bank has a standard training system, local initiatives are considered. The training programme is standard, yet, the trainers give due consideration to local particularities. The content is standard; however, the trainers put a local touch in their approach'. (Operations Manager, STB2)*

Similarly, another informant revealed that:

> *'We developed some training courses locally; however, most training programmes are developed in the headquarters, and certain training features are compulsory for all our staff. We receive Informative updates and training on regulatory, legislative and business-related reforms regularly'. (Managing Director, MTN3)*

In line with this, the director of HR stated that:

> *'We have some formal training that everyone is expected to undertake irrespective of their positions and level, such as safety course and code of conduct. However, some training programmes are adjusted to meet the need of the local market'. (Director of HR, SHP2)*

The above statements were concurred by focus group participant who pointed out that:

> *'We use global programmes and locally developed modules to form balanced programmes which could maintain the global nature of the training programmes needed. While responding to the local needs of the employees and the local characteristics of the host country'. (HR Trainee, SHP6)*

An informant further revealed that:

> *'We have good interaction channels and outstanding teams; every team member knows that he/she is adding value to the team. We make sure that our employees get the chance to get all the opportunities and experience they need to acquire to enable them to excel and grow in the company'.* (HR Trainee, STB9)

The interview data analysis emerged that training is very structured, starting from the entry-level and advancing to the next level depending on the staff member's ability and performance. After the entry-level training is completed, an annual individual and development plan is prepared with the employee's line manager to realise the employee's training requirements. EMNCs provide training to their respective subsidiaries workers through induction, online training and frequent headquarter visits, and employing local in-house trainers. There are different courses available, and some of the courses are designed to suit specific departments. Most of the training for technical staff and senior managers are conducted overseas. Managers received rigorous training due to the nature of their jobs, such as project management, time management, conflict management, leadership training, risk assessment, communication skills, and leadership to equip the senior staff with the skills and competencies to carry out their duties. For example, when it comes to the management of training of subsidiary staff, the headquarters of the case companies are in charge of their training. Managers from the Nigerian subsidiaries regularly visit the headquarter to be trained, which empower the managerial staff to build a network and improve information sharing. The quotes below help to explain the above statements:

Concerning this, MTN branch manager stated that:

> *'Managers and directors go to the head office for training. The head office brings technicians, managers, and departmental heads of different subsidiaries together to share information and ideas, allowing them to learn from one another'.* (Branch Manager, MTN1)

Stanbic Bank operations manager affirmed the above statement by stating that:

> *'The staff and the line manager agree on their training requirements and a training and development plan. There are various training courses available to suit each department'.* (Operations Manager, STB2)

Moreover, the Shoprite training manager pointed out that:

> *'We have a formal training and development system across the Group. Most of our training courses are conducted online. However, some training programmes are delivered to us through parent company's representatives. Their representatives come down to this subsidiary; they oversee how we ran this subsidiary and ensured that the corporate goal and culture are not compromised'.* (Training Manager, SHP3)

These opinions were complemented by focus group participants who pointed out that:

> *'MTN designs a comprehensive training and orientation programme for all their staff to ensure that they understand the professional standards and policy of the organisation. The parent company coordinates the training within the faculty'.*
> (HR Assistance Manager, MTN6)

Moreover, another informant pointed out that:

> *'The nature and the content of training depend on the level of the job. Nevertheless, there are compulsory training that every staff must undertake to enable him/her to understand how the bank operates, and this type of training is conducted electronically'.* (HR Trainee, STB8)

Similarly, another informant revealed that:

> *'The headquarter provides direction on the job specifications, skills and competencies required. We can adjust the implementation of the training programmes; however, we need to convey the training in such away that the parent company's requirement for the job is achieved'.* (HR Trainee, SHP5)

Based on the findings of this study, there is a need assessment done to decide upon training programmes needed or following the performance appraisal of individuals results discussed during performance assessment. Employees training tracks are developed to cover individuals' requirements from the global courses offered. A training track is a system developed by the head office to swiftly identify training requirements for each employee. The training track assists the company to customise training to each staff's requirement automatically. These interventions could be locally or internationally dispensed depending on the nature of the training and the cadre of staff. The headquarter influences the level of training at the subsidiary level significantly by using a training track. Employees are required to input their past qualifications, competencies and skills, and the tracking system determines the type and the level of training staff needs to undertake. Annually, EMNCs allocate a budget towards subsidiaries' staff training. The speeches of the interviews participants support this perspective.

The HR manager commented that:

> *'Even though the subsidiary decides what training to dispense to each staff, the head office significantly regulates each employee's tracking system, which has accredited specific standards such as competencies, qualifications, and skills'.* (HR Manager, STB1)

The director of HR underpinned the above views by stating that:

> *'We annually survey our staff to identify work-related issues, and we encourage recommendations from them on how the problems could be tackled. Once the survey is completed, we deliver feedback to them on how we intend to implement the changes'.* (Director of HR, SHP2)

These standpoints were accepted by focus group informants who acknowledged that:

> *'The parent companies provide the workers and supervisors with a form to fill annually and express their career interests, which is reviewed by management during career sessions and then a development plan is created within the limits of the organisational goals'.* (HR Trainee , STB8)

> *'Overseas training is organised for top management and staff in the technical/IT department to help build a strong network, facilitate information sharing and create an opportunity for them to experience other cultures'.* (HR Analyst, MTN7)

Nevertheless, the evidence further showed that EMNCs' subsidiaries have a standard policy. The training and development of staff in Nigerian subsidiaries are adjusted to fit the Nigerian market. The headquarter substantially controls the nature of training at the subsidiary. They set the required qualifications, competencies and skills needed at their subsidiaries.

Additionally, training specialists from the headquarter coordinate with the subsidiary's HR training department to ensure that training needs are recognised, and the proper training is implemented at the subsidiary. Occasionally, headquarters' representatives visit the subsidiary to support the head of departments in implementing HRM practices and assess their training efficiency. The above statements highlighted that the headquarter controls the training and development practices activities in their respective subsidiaries. The following quotation by the managers and the focus group participants echoed this:

On this, the position of MTN is:

> *'As a result of the nature of the industry and the need to sustain a competitive advantage, the headquarter influences the training we provide to our staff. The headquarter subtly controls our staff's training through routine staff visits from the headquarter and vice versa. For example, managers and technical staff from different departments are sent to the headquarter occasionally to help identify areas that need improvement and required training'.* (HR Generalists, MTN5)

The HR analyst restated the above view:

> *'The headquarter send some professionals to this branch and transfer know-how. They updated Some areas of our system with tools and software that would assist us in working more efficiently. These specialists' occasional visits help us identify areas that we need to improve on, which guides us in planning our training, budget and implementation'.* (HR Analyst, SHP7)

Another manager pointed out that:

> *'The HR department is involved in constructing and supporting our employee's wellbeing; they assist in coordinating courses that would boost employee's attitudes towards their jobs'.* (Operations Manager, STB2*)*

5.4.5 Employee Relations/Industrial Relations

The fifth HRM practice studied is employee relations. Table 5.6 illustrates that employee relations are mainly localised in all the case companies. It is highly emphasised by the Labour Act of the subsidiaries' host country and led by the International Labour Organisations (ILO) laws. The Nigerian labour law guarantees that: everyone has the right to work; has the freedom to choose occupation; is entitled to just and favourable conditions of work and to safeguard against redundancy; each person, without bias, has the right to level pay for equal work regardless of gender, race and age; everyone who works has the right to fair remuneration which will be enough for the employee and his/her family to earn a decent life, and accompanied if required by other means of social protection; everyone has the choice to form and join trade unions for the protection of his/her rights (Adejugbe, 2019).

Table 5.6 EMNCs HRM employee relations/trade unions practices at the subsidiary level

MNCs	Description of process	Transferred, localised, hybridised, or standardised	Type of adaptation	Representative quotations from the fieldwork
Stanbic/Standard s Bank	Localised to follow the labour law of Nigeria.	Predominantly localised	Localised to suit the Nigerian labour law.	*'Unions are not very strong in Nigeria. We listen to our employees' demands. We do not need union to negotiate for our staff'*. (HR Manager, STB1)
MTN	Localised to respect the Nigerian labour law.	Predominantly localised	Localised to suit the Nigerian labour law.	*'We have good communication channels through which we constantly interact with our employees. Emails have proven to be an effective means of engaging with our staff'*. (HR Analyst, MTN7)
Shoprite	Localised to obey the Nigerian labour law.	Predominantly localised	Localised to suit the Nigerian labour law.	*'We have a central portal through which information is passed to our staff.* This system provides information flow from the headquarter to us. The system enables quick and easy communication'. *(Deputy Director, SHP9)*

(Source: Developed for this study)

EMNCs subsidiaries studied highlighted that they abide by the Nigerian labour law. They, therefore, treat all employees fairly at work, and they support and respect their fundamental human rights. The interviews' assertions support this viewpoint:

On this, An administrative manager claimed that:

'A well-paid and sound corporate culture will make employees more likely to remain in their jobs. The longer the staff is at our company, the better they understand the mission, norms, and systems, making them more beneficial to the company and generating stronger bonds and teams. Hence they tend to understand our corporate culture better'. (Administrative Manager, STB3)

This evidence was confirmed by the branch manager, who mentioned that:

'When the head office establishes policies and practices at the subsidiary; We occasionally obtained opinions and feedback from our employees, particularly the head of the departments because they are directly in contact with the employees. Generally, the feedback garnered is sent to the headquarter; the feedback helps the headquarter adjust some practices to suit the host country's (Nigeria) conditions'. (Branch Manager, MTN1)

Similarly, another informant reported that:

'Employee relations is localised and highly dependent on the Nigerian Labour Act. Our employee relations policies and approaches are different across the Group; they are adopted to satisfy the local labour law'. (Director of HR, SHP2)

Some focus group members articulated a related view in the following terms:

For example, according to the HR analyst:

'We give our empl oyees their rights over their working conditions, on matters regarding their recompense, dismissal, overtime, promotion, and so on. We do not need trade unions to negotiate for our employees. We try to always go beyond the minimum requirement'. (HR Analyst, STB6)

Concerning this, another participant stated that:

'Each country specifies the rights of its workforce. Some countries give workers higher bounds of protection. Nigeria has a minimum wage limit set for its workers. We pay above the minimum wage, pay for overtime work, and have a policy that prohibits discrimination against employment and promotion'. (HR Assistance Manager, MTN6)

It was found that unions in the subsidiary context (Nigeria) are relatively weak and do not have much political influence. Labour/trade unions are fragile in Nigeria, and enforcement of employee rights is equally low, a situation supported by the weak institutional ability of the labour management system. Employees only resort to industrial action when they are very dissatisfied and when no other options are available (Adefolaju, 2013; George et al. 2012). In addition, many EMNCs' subsidiaries do not have industrial relations specialists or develop proper industrial relations strategies in place (Adams et al. 2017).

In line with this, the HR manager emphasised that:

> *'We follow the rules on the working conditions that are essential for our staff. Moreover, we follow the rules on 'when', 'how' and in which conditions to lay off our staff. There is no need to negotiate through a trade union. We do our best to keep our workers happy'.* (HR Manager, STB1)

The managing director echoed the above view:

> *'Unions are not very strong in Nigeria. We have excellent communication channels with our employers. We do not have to undertake strike actions to meet our demands, and we have an open dialogue between us'.* (Managing Director, MTN3)

The results show that EMNCs understand that employees only resort to industrial action when they are very displeased, and no other options are available. So EMNCs tap into this attitude through regular salary negotiations between the workforce and management willingly and directly. Management also tends to have good understanding and communication with labour union leaders. The evidence further highlighted that Nigerian workers would like to be treated gently, not as objects of labour, regardless of wealth or position-this translate to protecting their human dignity and, subsequently, their human rights. The shortage of good communication or communication gap generates problems between workforces and organisations. Thus, in a scenario where employees are unhappy and there are no other options presented to them, they resort to industrial action (Adefolaju, 2013).

The evidence further emphasises that employee commitment and communication outflow are the strategies EMNCs' subsidiaries effectively employ to manage unions' issues. Correspondingly, EMNCs understand that local employees are after jobs that pay them well. Likewise, EMNCs companies use a wide range of HRM practices to boost employees' direct involvement and communication. These include direct communication channels ('speak out' meetings) and surveys. In addition, EMNCs ensure that their subsidiaries are the only source of welfare for their workforces rather than the union. In some subsidiaries, HR teams work closely with line managers to ensure employees are engaged in decision making. These approaches have aid EMNCs to deal effectively with industrial relations issues in their subsidiaries' settings. However, some EMNCs have started to recruit employee relations managers at their subsidiaries in anticipation of future concerns that may arise as they expand in the host background (Adams et al. 2017). The quotations below exemplify the above statements:

According to the administrative manager:

> *'Staff members are required to check their emails regularly during working hours for any updates. Routine meetings are held between supervisors and employees to discuss customer related issues. Similarly, now and again, meetings are held with different department heads and supervisors of several branches to discuss issues and improve the quality of our service'.* (Administrative Manager, STB3)

Another manager expressed a parallel view in the following terms:

> *'One of the communication mechanisms used is the organisational survey. The corporate survey is the primary tool used to measure how well the organisation is performing. It is conducted yearly, by functions, markets, and by different demographics. The input of the survey is anonymous'.* (Branch Manager, MTN1)

The above testimony was concurred by focus group members.

The financial analyst underscored this:

> *'We have a good relationship with our managers. We are highly motivated and satisfied with our jobs. We receive pension plans, education plans, training, disability and injury allowances. We do not need trade unions to fight for our rights'.* (Financial Analyst, STB5)

Considering this, Shoprite HR trainee maintained that:

> *'We do not have to resort to any strike actions to meet our demands. We can always communicate our demands to the management. Sending out emails is the common way we communicate within the company'.* (HR Trainee, SHP5)

5.4.6 Code of Conduct

The sixth HRM practice examined is the code of conduct. This section aimed at investigating whether EMNCs' subsidiaries operating in Nigeria have modified the codes of conduct transferred from their parent companies. HR managers and the focus group members of the subsidiaries studied were asked to describe the organisational culture at their subsidiaries, taking the code of conduct as the primary indicator for the force of the corporate culture in their subsidiaries. They were also asked to explain how employees respond to the code and the possible adaptation to their organisational culture and to confirm whether employees have understood and accepted the content of the code of conduct. Here, the interviewees had varied views regarding the mechanism used to apply the code-moreover, the possibility of adapting the content or the implementation of the code to suits the Nigerian context.

Table 5. 7 EMNCs code of conduct practices at the subsidiary level

MNCs	Description of process	Transferred, localised, hybridised, or standardised	Type of adaptation	Representative quotations from the fieldwork
Stanbic/Standard Bank	Standard code of conduct, however, adapted at the implementation level.	It is localised to suit the Nigerian background.	Corruption and regulation of gifts.	*'We have a universal code of conduct. Diversity leveraged, there is no adaptation of content. However, there is room for the interpretation of application to suit the Nigerian context'.* (Operations Manager, STB2)
MTN	Standard code of conduct, however, adjusted at the implementation process.	Possibility of the adaptation of the interpretation of the code.	There is no adaptation of the content; however, there is a tendency for adaptation of implementation.	*'We have a Universal code of conduct. Adaptation of the content (amendment of the clause bout harassment)'.* (Payroll Administrator, MTN8*)*
Shoprite	A universal code of conduct, however, the implementation of the code is modified.	There is the possibility of adjusting the implementation of the code of conduct.	Corruption and regulation of gifts.	*'We do not amend the content of the code of conduct, but we modify its content to fit the cultural, political and economic environment of Nigeria'.* (Deputy Director, SHP9)

(Source: Developed for this study)

As Table 5.7 demonstrates, the case companies transferred the code of conduct to their Nigerian subsidiaries. The parent companies develop the practices which the subsidiaries are required to implement. In all the subsidiaries captured in this study, the code of conduct is unique and corresponds to a set of behaviours in different professional situations. New workers are required to study the code of conduct through online guidance, and they are required to read, comprehend and sign the agreement. There is a global monitoring service that regularly monitors the code of conduct in the EMNCs' subsidiaries. EMNCs apply different tools to make sure that their manual is well engaged and understood. EMNCs' subsidiaries in Nigeria endeavoured to anticipate any problems associated with codes of ethics by involving diversified employees to work on the commencement of codes through teams that represent this diversity. This regard for diversity is leveraged at EMNCs' subsidiaries through their organisational culture, which respects its staff while keeping all practices business efficient.

This issue was expressed by the managing director who claimed that:

> *'Our corporate code of conduct is shared in all of our branches; it is an online system, where each employee has to read, understand and sign the agreement to abide by the company ethic. We have to ensure that it is well absorbed and understood by our staff. It is part of the development program known as the business conduct manual. Each employee has to go through it to ensure that he/she understand the content of the code of ethic. It is part of the induction package for new employees'.* (Managing Director, MTN3)

The above statement was asserted by Shoprite director of HR who pointed out that:

> *'Our code of conduct is the same everywhere. It is posted on the intranet of the company. Each staff has to read the code of ethics and sign it. Our employees become bound by the terms of the code upon signature'.* (Director of HR, SHP2)

Similarly, Stanbic Bank assistance manager acknowledged that:

> '*When a staff joined Stanbic Bank, he/she read and understand the code of conduct on the company website, and he/she certified and acknowledged the contents of the code of ethics. A business conduct standard established our relationship with customers, a central success factor for Stanbic bank'.* (Assistance manager, STB7)

In consonance with this, the payroll administrator stressed that:

'There are strict norms that we have to respect, and we are evaluated against these norms. We have to acknowledge and sign the code of conduct. When employees join the bank, they have to attend a workshop about the code of conduct to understand its content. It is important to note that the code of conduct is linked to the bonus system, which incorporates a qualitative evaluation of employee's performance'. (Payroll Administrator, MTN8)

A corresponding view was described concerning Shoprite in the following terms:

'We have a universal code of ethics; it covers ethics that shape our behaviours and practices at work; we all have to obey it. We have the same code of conduct across the Group. All our staff sign it and should understand its contents thoroughly. The code is highly respected'. (Deputy Director, SHP9)

On the implementation of the code of conduct, Stanbic Bank HR generalist stated that:

'Our code of conduct system is untouchable, It is an online system, and we all have to read, understand and follow it to uphold the highest levels of integrity in our organisation. We have an obligation model based on trust and integrity as perceived by our stakeholders and customers. We must abide by the organisational ethical standard'. (HR Generalist, STB4)

Regarding this, MTN managing director stated that:

'We have a robust organisational culture. We respect people in our day to day dealings, regardless of their religion, race, ethnicity and gender. We always deal with our consumers and other parties with respect'. (Managing Director, MTN3)

The above statement was confirmed by the HR analyst who pointed out that:

'Our code of conduct is standard. It is available on the company's website, and it is uniform across the Group. We follow the code of ethics of our company very seriously. The bonus system of our performance appraisal is linked to behaviours and values explained in the code of conduct'. (HR Analyst, SHP7)

Nevertheless, the evidence further showed that EMNCs' subsidiaries reviewed in this study emphasised the possible adaptation of implementing the code of conduct. However, they report to the headquarter any conflict that arises between global and local practices. Most interviewees believed that some adaptations were made at different levels and degrees, formally or even informally and explicitly or implicitly. The results show that the code of conduct could be adjusted in one of the following methods: adaptation of content, reinforcement of sections or adaptation of implementation. The interviewees reported two common reasons. First, the adaptation needs might be due to some sections of the code of conduct being irrelevance. Thus, there is a need to modify it to better respond to local particularities. The second reason might be the proactive nature of some part of the code of conduct. The HR managers and most of the focus group members at the subsidiary felt that a clause should be revised or reinforced to prevent a potential setback or conflict. They also argued that these adaptations are cultural stimuli that validate the modification of content or the reinforcement of some clauses.

This study shows that, despite the universal character of the code, it was adapted to the Nigerian context. For example, clauses related to corruption and discrimination were systematically observed. It should be noted that African countries pertinent to SA and Nigeria differ in terms of the political system, economic development and cultural contexts (Boso et al. 2019). This heterogeneity between SA and Nigeria makes it difficult to have a well-adapted code of conduct that could be consistent with the specificities of each culture. Nonetheless, most of the interviewees in this study acknowledged that the subsidiaries found it problematic to implement some parts of the code of conduct due to the conflict between the organisational culture and the Nigerian culture or context.

In Nigeria, a bribe or a gift is necessary to get Governmental formalities done on time to the Government employee in charge. However, the corporate code of ethics for all the subsidiaries studied clearly stated that gifts in the form of cash and non-cash should not be given to secure a deal. Still, in the Nigerian culture, corruption has become economic enticements of getting the job done (Stober, 2019). Moreover, lengthy and troublesome bottlenecks shape these incentives in the name of administrative due process. As a result, corruption has become not just endemic but also prevalent, acceptable, and the norm in Nigeria (Salihu & Gholami, 2018). Notwithstanding, it also became evident that some elements of the code of conduct are irrelevant to the Nigerian context; for example, the harassment, as Nigerian workers usually jokes to their co-workers and their colleagues, know that it is just a joke. Interestingly, most of the interviewees agreed to the view of the adaptation of the implementation method, and their statement confirmed that:

Stanbic Bank operations manager confirmed this by expressing that:

> *'Nigerian employees joke a lot, and most of their jokes are similar to harassment in nature which, according to Headquarters' standards, could be considered as harassment. However, no attempt was made to change or adapt any part of the code to adapt to the Nigerian context. When a formal adaptation is impossible, we find a way to manoeuvre the code 'our way' without really breaching its content'.* (Operations Manager, STB2)

The issue of harassment was also highlighted by Shoprite HR manager who noted that:

> *'Our organisational culture is strong, and we have an internationally shared guideline. However some parts of the code do not apply to the Nigerian context, such as harassment'.* (HR Manager, SHP1)

Another manager clarified this point by explaining that:

> '*Such sections (harassment) should not be considered irrelevant but can be viewed from a different angle. Nevertheless, employees are obliged to sign and acknowledge the code even if they have contradicting opinion about it'.* (Administrative Manager, MTN2)

The statements of the focus group participants correspond to the supervisor's comments; They commented that:

> *'Certain clauses do not correspond to the Nigerian culture or are irrelevant to the Nigerian context, such as harassment. The parent company grants them a certain degree of freedom of manoeuvre'.* (Assistance Manager, STB7)

Another focus group member affirmed a similar opinion in the following terms:

> *'The code of conduct at MTN is global and exclusive across the Group. Employees who are just joining the company have to sign the agreement of the code of conduct. violations to the code may lead to oral and written warnings rather than sanctions as specified in the code of ethics'.* (HR Generalist, MTN5)

Incongruent with the above statement, yet another focus group asserted that:

'We have a corporate code of conduct. The application is flexible; code violations could not lead to the termination of the employment contract. Our workers are given a chance and warned about this violation. Moreover, our managers take proactive measures to avoid problems related to bribery and corruption by underpinning the clause about the acceptance of gifts'. (HR Administrative Assistance, SHP4)

5.5 Summary

The evidence from the analysis shows that HRM policies and practices were transferred from EMNCs to their Nigerian subsidiaries with minimal adjustments to contextual requirements in some cases. This supports the view that EMNCs tend to share their employment policies and practices with subsidiaries to maintain control of their activities. Although many techniques were transferred and diffused by the EMNCs, those practices which did not fit well with the local regulations and culture were not successfully implemented. In general, the findings disclosed that some HRM practices were standardised (performance appraisal, training and development and code of conduct) and others localised (recruitment and selection, payment and benefit and employee relations/trade unions).

Certain factors shape the nature of the transfer of HR practices. These factors include cultural and institutional factors. Nevertheless, it was found that institutional and cultural factors are subject to interpretation and understanding. The HR managers try to stick to corporate systems and practices, but institutional and cultural factors influence the adaptation and implementation of HRM practices. For example, HRM practices, such as talent management, may have a different meaning in a low power distance-oriented (SA) versus a high power distance-oriented subsidiary (Nigeria) (Minkov et al. 2017). Likewise, management may have a different meaning in a low power distance-oriented (SA) versus a high power distance-oriented subsidiary (Nigeria) (Adeleye, 2011). Similarly, an individualistically oriented parent (SA) may find it challenging to transfer a pay for performance system that stresses individual rewards to a collectivistic oriented subsidiary (Nigeria) (Adegboye, 2013). Despite the cultural differences between the home countries (SA) and the host country (Nigeria). Most transfers were successful; however, some practices were adapted.

Notwithstanding, cultural values are not the only determinants of the transfer of HRM practices. People's behaviour can also be relatively explained in terms of social structures that guide or restrain individuals through their positions and roles within institutions and their functions within the whole social system (Song, 2021; Vaiman & Brewster, 2015). Social institutions systematically influence companies practices, resulting in structures and processes that reflect national patterns (Boso et al. 2019; Kamoche et al. 2015). Moreover, the degree to which corporations can transfer country of origin practices is contingent on the host country's national business systems and institutions, facilitating or hindering the transfer. For example, in the case study companies, EMNCs localised their recruitment practices to suit the Nigerian labour law by recruiting graduates from the NYSC scheme. Moreover, the code of conduct practices regarding corruption and bribery was modified at the implementation level. Managers used their judgment to differentiate gifts from bribery and avoid collecting and giving bribes in Nigerian settings. Even when adapting the code of ethics to facilitate business in Nigeria, the code was fully respected and remained unchanged in content. However, it is adapted in the implementation.

Chapter 6: Discussion

6.1 Introduction

Chapters five presented and analysed data to answer the research questions. This chapter will build on the literature review in chapter two, the methodology in chapter four and the data analysis in chapter five to discuss the implications of the study. It will link the three case studies to the research questions. The questions aimed to investigate the nature of HRM practices in EMNCs from BRICS countries, to understand the level of diffusion to the host country subsidiaries. They also meant to understand the transfer process of HRM practices and the factors that influence the transfers, by focusing on a range of HRM practices (recruitment and selection, performance appraisal, reward systems, talent management, employee relations/trade unions and code of conduct). Furthermore, this chapter will analyse the transfer process at each HRM practice level. Finally, a comparison analysis will assess the similarities and differences of the transferred practices.

6.2 Human Resource Management Practices

This study investigated the nature of the HRM systems and practices of EMNCs and the level to which they were diffused to subsidiaries in host countries. It also analysed the models of HRM practices that existed in the Nigerian subsidiaries of the South African MNCs to address the research questions. Nigeria constituted a compelling case since little research had focused on the transfer of HRM practices from EMNCs to their subsidiaries in developing countries, such as Nigeria. There was a dearth of empirical research on EMNCs' HRM practices in their subsidiaries in developing countries (Adams et al. 2017; Adeleye, 2011; Budhwar & Debrah, 2013). The findings of this study indicated that the HRM systems and practices were transferred from South Africa to their Nigerian subsidiaries with minimal adaptation to contextual realities.

A review of the literature uncovered four approaches to the transfer of MNCs' HRM practices to their subsidiaries. These were the global standardisation approach, the transfer of home country HRM practices to subsidiaries, the adoption of host country HRM practices and the hybridisation of HRM practices (Adams et al. 2017; Almond et al. 2017; Edwards, Sanchez-Mangas, et al. 2016; Liu & Meyer, 2020; Rowlands & Iles, 2017). However, the reality of the transfer process was too complex to fit any one of the above black and white approaches. This study revealed that some practices were transferred strictly from the headquarters to the subsidiaries without any modifications. However, some were adapted to become feasible in another location. Some were more profoundly culture-specific and might not always be transferable. Moreover, some practices were constituent of a coherent global strategy, a 'package', and could not be transferred effectively in isolation and without the rest of the package (Liu, Chen, Cooke, & Liu, 2019; Oppong, 2018; Yahiaoui, 2014).

The study discovered differences across HRM practices concerning compatibility between MNC's home country practices and local ones that complimented a recent study that suggested that EMNCs tended to integrate local practices with parent companies' practices (Adams et al. 2017; Patel et al. 2018). Each HRM practice needed a straightforward clarification that was contingent on distinctive theoretical perspectives. Rather than use one model to describe a general transfer of HRM practices in MNCs' subsidiaries, each HRM needed to be analysed separately (Grill et al. 2016; Maharjan & Sekiguchi, 2016b).

6.2.1 Recruitment and Selection

The recruitment practice results demonstrated some similarities in the recruitment criteria employed in the subsidiaries. The EMNCs used similar recruitment policies with moderate adaptations to adhere to the Nigerian context. Local labour conditions in Nigeria influenced the type of workers employed at the subsidiaries. Previous studies found that subsidiaries with more expatriate employees utilised HRM practices similar to the parent company's HRM policies (Bartram et al. 2019). The data analysis revealed that local/host country nationals mainly filled positions within the case companies. Hence it was not surprising to find some localised HRM practices. For example, the EMNCs recruited graduates from the NYSC scheme as required by the Nigerian Government. The study findings complement the existing body of literature on recruitment practice adjustments to meet local expectations, notably cultural and institutional requirements (Adams et al. 2017; Edwards, Sanchez-Mangas, et al. 2016; Latukha et al. 2020). The results revealed that the three case companies employed headhunting and specialised agencies to hire foreign, qualified, experienced, competent employees for senior managerial and technical positions. Additionally, the mechanisms and procedures used to recruit senior officials and lower-level employees aligned with the standards suggested by the headquarters.

The three case companies presented similarities in their selection criteria; they focused on qualifications, skills and experience to secure high potential performers familiar with the corporate culture. In addition, the subsidiaries implemented HRM practices which included succession planning, internal job boards and career roadmaps. Azungah et al. (2020) stated that companies invested in their high-performing employees to reduce recruiting new employees' hiring and training costs. Some companies needed experienced technical and managerial staff (such as engineers and experts in information and communication technology). Graduates from Nigerian Universities were deficient in some of the skills required (Adebakin et al. 2015), so the EMNCs adopted competitive hiring strategies for these positions, such as poaching and headhunting. Patel et al. (2019) stated that EMNCs employed centralisation and formalised integration to recruit top managers.

6.2.2 Performance Appraisal Practice

The study found that South African MNCs achieved a substantial degree of transfer of their performance appraisal practices to their subsidiaries. MNCs transferred their parent company appraisal systems to ensure organisational justice. Previous studies stated that EMNCs mainly transferred standard performance management policies and practices to their overseas subsidiaries because they believed their competitive advantage lay in the performance of their workforces (Azungah et al. 2020; Cooke et al. 2014; Geary et al. 2017).

The results of this study were consistent with the trend in the literature that stated that MNCs standardised their performance appraisal practices (Adams et al. 2017; Ambrosius, 2018; Chung et al. 2020; Edwards, Sanchez-Mangas, et al. 2016; Yahiaoui, 2014). Likewise, the findings supported Ott et al. (2018) who noted performance management practices and reporting systems were used to achieve corporate goals set by the headquarters. For example, the findings from the three case companies suggest that supervisors coached and mentored employees to make them feel valued, help develop new skills and responsibilities, and encourage them to align their behaviour with the standards required by the headquarters. In addition, the findings shed light on the appraisal systems employed by South African MNCs' subsidiaries in Nigeria, which were focused on setting objectives and targets. Again the results were in line with the existing literature (Ambrosius, 2018; Chieng et al. 2019; Rahman et al. 2020; Sajuyigbe, 2017).

The study found that employees in collectivistic cultures were less motivated by constructive feedback than those in individualistic cultures. This might be due to the high value that collectivistic cultures place on guarding reputations, which may lead people in such cultures to be uncomfortable giving and accepting negative performance feedback (Dimba & Obonyo, 2015; Sajuyigbe, 2017). In collectivistic societies, such as Nigeria, individuals felt happier with subtle, implicit and indirect feedback regarding their performance (Adegboye, 2013; Ogunsegha, 2013). In contrast, in individualistic cultures, such as South Africa, individuals anticipated differential rewards and expected these rewards to be based on fair appraisal processes (Adeleye, 2011).

Analysis of the implementation of the performance appraisal systems in the three case companies showed that the host companies adapted the performance appraisal implementation to reflect their specific country values. Such values included the need to avoid confrontation, a fear of losing face, a sensitive relationship between managers and employees, high power distance, and high-context communication. The cultural differences between the home country (South Africa) and the host country (Nigeria) influenced the implementation of the performance appraisal process and potentially generated challenges or limitations for the successful implementation of a standard performance management system within EMNCs. The conclusions of this study supported Yahiaoui et al. (2021), who stated that managers altered performance appraisal implementation and adapted feedback to reflect socio-cultural values and achieve internalisation.

Existing literature suggested that performance evaluation that could build trust in one country setting may create distrust and resentment among employees in another country setting (Dimba & Obonyo, 2015; Liu, Chen, Cooke, & Liu, 2019). The interview results showed that in the

South African MNCs' subsidiaries, managers could not confront their staff during their performance assessment for fear of losing face. In line with the cultural expectations of the collectivist culture in Nigerian society, the managers tended to take a softer approach.

Yahiaoui et al. (2021) suggested that performance appraisal systems were a culturally sensitive internal process. Notwithstanding, the parent companies introduced performance appraisals to set a global direction (Rahman et al. 2020). Ayentimi (2017) found a shortage of structured and apparent transparent local assessment systems in developing countries, such as Nigeria. This study found that cultural factors become more powerful in an unhealthy or underdeveloped institutional base. All three companies localised the implementation of their performance evaluation systems. External institutional environmental factors (such as the labour market) had less influence on the performance evaluation systems than the culture entrenched within the host and parent company's standard policy.

6.2.3 Compensation Practices

The compensation results confirmed the prevailing view in previous literature that EMNCs localised their compensation practices to adhere to the host country's labour law (Adams et al. 2017; Jiang & Yahiaoui, 2019; Patel et al. 2018). As much as the subsidiaries were encouraged to follow standard policies, they were careful not to violate local laws concerning compensation (Maharjan & Sekiguchi, 2017). Adams et al. (2017) found that EMNCs implemented individual subsidiary performance-related pay. This practice was less standardised and more market-driven, and it had an unconventional local pay structure - a benchmark with competitors in the industry. The cost of living, local market rates and local laws sustained the adaptation of this practice (Crawshaw et al. 2020; Festing & Tekieli, 2017). All three case companies paid above the required minimum payment. With an increase of competitors, companies have to keep reviewing their payment rates or risk losing professional staff to their competitors (Dickmann et al. 2016).

The compensation practice results supported the study conducted by Adams et al. (2017), which stressed that South African MNCs' subsidiaries compensation practices were more adaptive and did not mimic the parent companies' compensation practices. Generally, where the labour law of a country regulates a particular practice due to the local market characteristics an adaptive approach was found (Collinson et al. 2016). As observed in the interviews, EMNCs have fixed remuneration and mandatory benefits, such as medical aid, pension schemes and housing and other optional benefits. All three case companies benchmarked their salaries and benefits against the local market conditions. They also reviewed their payments annually for all salaried employees. This observation suggests normative or mimetic isomorphism whereby companies in a particular environment follow or imitate institutionalised standards that shape compensation practices (Sanderson & Mujtaba, 2017). The findings indicated that the institutional environment was the principal influence that shaped the compensation practice to be a highly localised practice. The evidence further revealed that the EMNCs fully tailored their payments to the local market. However, subsidiaries had to follow specific compensation and benefits guidelines established by their respective parent companies. In other words, the EMNCs simultaneously adapted their policies to adhere to the Nigerian local laws while maintaining a certain degree of consistency across their subsidiaries via guidelines designed by the parent companies, which explained the criteria for determining the compensation practices.

6.2.4 Talent Management

South African MNCs emphasised the importance of staff training and development. They believed that training provided employees with an opportunity to learn and advance their performance and productivity rates. They provided training and development opportunities to their employees to allow them to reach their full potential. The results supported the argument that employees were a source of competitive advantage to companies to maintain a sustainable employee-company relationship. Companies should encourage their employees to be knowledgeable, capable visionaries (Ambrosius, 2018; Azungah et al. 2020; Björkman et al. 2017; Kamoche et al. 2015). However, the results opposed Akorsu and Cooke’s (2011) argument that MNCs operate in their host country to benefit only themselves and their countries.

Prior literature argued that EMNCs employed formal training and development programmes to train and develop their workers (Patel et al. 2018) (also demonstrated in a study by Geary et al. (2017). The results from the data analysis indicated that expatriate managers travelled to the headquarters for training and induction programmes, and training centres/schools achieved what Patel et al. (2019) recognised as the socialising of employees to align subsidiary HRM practices. Likewise, EMNCs assisted the development of their employees through on-the-job digital and face-to-face training. The training consisted of functional competencies (training programmes focused on job-related competencies, such as seminars) and capability building training programmes (training programmes focused on building corporate skills that targeted business objectives) (Ambrosius, 2018). In addition reporting systems and performance management practices were employed by EMNCs to develop new talent and management and align their behaviour with the standards expected by the headquarters.

The interview results showed that the institutional and cultural environments and the characteristics of the host country were decisive in shaping the training and development practices. The study findings supported Patel et al. (2018), who demonstrated that EMNCs simultaneously adopted the headquarters' best training practices, and allowed the delivery of local training to their subsidiaries' employees to meet legal and customer requirements and achieve their profit-maximising objectives in their subsidiaries. The study results contradict prior literature, which stated that EMNCs standardised their training practices across their Group (Adams et al. 2017).

Evidence from the study illustrated how the parent companies provided interactive-based training through regular visits from headquarters employees and online (intranet) and back-end technical training to ensure a close affiliation of subsidiary employees with fundamental practices in their parent companies. Moreover, regarding career development practices, the South African MNCs managed the career development of same kind of services across their subsidiaries. There was massive competition among telecommunication companies. They wanted to retain their customers by providing excellent service through standard HRM practices, such as formal training and the development of their employees. This finding, offered an additional note to the literature that EMNCs primarily tend to adopt HRM policies and practices that promote and protect their investments. However, Shoprite was allowed to produce local training when needed. If good enough, the parent company employed this local training to its subsidiaries globally. The above findings contradict Akorsu and Cooke's (2011) study of labour standards application in Chinese and Indian firms in Ghana, which revealed that the EMNCs' managers offered only induction training (mainly focused on health and safety) to their employees. There was no local or international training for employees. their workers from their parent companies' operations in South Africa by setting general standards but allowing the subsidiaries some flexibility as long as some specific criteria were not violated.

The findings suggested variance in the adaptation of the training practices in the three case companies. It emerged that Stanbic Bank and MTN mostly tried to impose their particular view of the most efficient HRM systems on their subsidiaries through direct supervision or tailor-made training programs that sought to establish their existing systems. Stanbic Bank and MTN were strict when implementing training practices. Their customers had high expectations of the services they expected to receive from these corporations. So, the parent companies attempted to maintain a shared corporate culture among their employees so that customers received the

6.2.5 Employee Relations/Trade Unions

The study results supported previous evidence that EMNCs localised their employee relations under the subsidiary country's Labour Act and following the International Labour Organisation (ILO) laws (Adams et al. 2017). However, the findings stand in contrast with the study conducted by Bunchapattanasakda and Wong (2010) on management practices in Chinese MNCs operating in Bangkok, which found that the parent companies had not factored labour relation practices, aspects or customs in the targeted host country into their location decision.

The study findings did not entirely support the claims made by Cooke (2014) that Chinese MNCs replicated their home model of (imperfect) labour practices in their subsidiaries in Asia and Africa by taking advantage of the weak institutional environments of their host countries. Their findings suggested that workers had to turn to strike actions to back their demands for better working conditions and disapproval of some Chinese management decisions. In contrast, this study's results revealed that the South African MNCs employed open communication, a friendlier work environment and employee empowerment. They hoped to avoid any conflict that could lead to union involvement. These particular features helped develop trust between employees and management and resulted in an excellent employee-management relationship (Liu, Chen, Cooke, & Liu, 2019; Owenvbiugie & Ekhaise, 2020). The Nigerian employees did not have to look for additional sources to convey their grievances. Instead, they had an open dialogue with their managers. The three case companies did not encourage any union activity, as specified in the employee manual. Instead, they established good relations and an effective and efficient communication system, which increased employee involvement. These results supported Wood and Brewster (2007), which stated that EMNCs tended to avert relations with trade unions.

6.2.6 Code of Conduct

The EMNCs tried to integrate their code of conduct practices with the organisational culture. The three codes of conduct were designed to empower employees and enable faster decision making at all levels of the businesses according to defined ethical principles. The codes of conduct provided comprehensive guidelines to assist the subsidiaries decisions and regulate their employees' behaviour. However, the EMNCs took an aggressive approach and did not allow any local adaptation. All the case companies mimicked the code of conduct; however, the challenge remained to adapt them to the cultural settings.

The interview results demonstrated that the institutional and cultural environments and the characteristics of the host country were decisive in the implementation of the codes of conduct. The three case companies adapted their implementation of the code of conduct to varying degrees. Stanbic Bank aimed to deliver an excellent service to its customers. Being a significant organisation in the financial services industry, they adhered to the highest standards of responsible business practice. Their code interpreted and defined Stanbic Bank's values in greater detail and provided value-based decision-making principles to guide their conduct. It aligned with general Stanbic Bank policies and procedures. In addition, it supported the relevant industry regulations and laws of the countries in which the Group operated. In comparison, MTN and Shoprite were not as strict as Stanbic Bank in implementing their codes of conduct. The findings confirmed that MNCs adopted an IHRM approach that best supported their strategy for dealing with the difficulty of standardisation and differentiation (Rees & Smith, 2017).

The study revealed that the parent companies could not implement some parts of the code of conduct without adopting them, such as harassment. All three case companies did not conform to that part of the code. Nigerian workers generally felt free to say comments or jokes to their colleagues, and their colleagues understood the jokes. In contrast, the code of conduct provided by the headquarters clearly stated that employers must defend their colleagues and be legally accountable for harassment in the workplace if they had not taken significant steps to stop it. The host-country factors behind a possible adaptation of the code of conduct were mainly socio-cultural. The findings were consistent with the study by Bartram et al. (2019) on the effect of corporate-level organisational factors on the transfer of HRM practices from European and US MNCs to their Greek subsidiaries. Their results discovered that many HRM practices were transferred and diffused by the parent companies; however, the practices which did not resonate well with the local culture and institutions were not successfully implemented.

The question is, how can EMNCs establish an integrated system of rules and practices in their subsidiaries to reinforce their values and goals while simultaneously staying responsive to the norms in the local context to enable the business to function efficiently (Davis & Luiz, 2015)? To develop a ‘global’ code that works efficiently as a ‘universal code’, EMNCs have to find the balance between cultural belief and diversity to formulate a core of ethical norms for the business that can function globally. Otherwise, the code risks being modified into platitudes or ‘just common sense’ (Boso et al. 2019; Helin & Sandström, 2008).

6.3 The Transfer Process

This study investigated individual HRM practices and the process of their transfer into subsidiaries using different mechanisms. In addition, the study also examined a variation in the type of mechanism used by the parent companies to transfer HRM practices to coordinate and control their subsidiaries activities. These findings align with recent studies by Latukha et al. (2020), who argued that the parent companies employed several mechanisms in varying degrees to transfer HRM practices to their subsidiaries to ensure that they conform with the parent companies’ workplace practices. This study provided some hints that parental control over the subsidiaries was one of the most significant variables in terms of impact on the transfer of HRM practices and the only one with an affirmative influence on the transfer of both total and individual HRM practices. Thus, this study supported the view that the headquarters’ control and coordination mechanisms applied to the subsidiaries significantly influenced the efficient transfer of HRM policies and practices from the headquarters to their subsidiaries (Zhou et al. 2020).

The findings revealed that South African MNCs employed different approaches to coordinate and control their subsidiaries' practices. Various tools were used, and the intensity with which they were used varied between companies. The findings, therefore, extend the notion that MNCs used several mechanisms to transfer their employment practices to their subsidiaries at varying degrees to ensure that they complied with their HRM policies (Cuervo-Cazurra et al. 2019; Kostova et al. 2018; Song, 2021).

The South African MNCs applied four fundamental control mechanisms: centralisation, formalisation based, information-based and people-based (Dagnino et al. 2019; Kostova et al. 2018; Song, 2021). The four approaches are discussed in more detail below.

6.3.1 Centralisation-based

Analysis of interviews and documents showed that South African MNCs employed a centralisation-based approach to coordinate and control the HRM practices in their subsidiaries. The headquarters used hierarchical mechanisms, such as centralisation, to restrict subsidiary autonomy and generate sizable benefit streams. The findings reinforced Song (2021) assertion that in the centralisation-based approach, power is centralised, and senior management makes decisions. The headquarters have absolute authority regarding the transfer of business functions within the group, and there is a significant concentration of knowledgeable top management executives in the MNCs.

In the three case companies, the headquarters instituted a reporting system that helped create boundaries for the subsidiaries. HRM control strategies used financial controls that put strict limitations on the subsidiary budget system and its management. The subsidiary financial accounting and reporting systems had to remain in line with the parent company's policy. The subsidiaries send financial reports to their respective parent companies quarterly. This observation aligns with Ott et al. (2018), who argued that performance management practices and reporting systems were used to achieve corporate goals.

6.3.2 Formalisation-based Mechanism

Prior literature argued that companies formalise HRM functions in their subsidiaries by direct supervision of a subsidiary workforce and implementing standard workplace practices. Thus, subsidiaries follow established guidelines for their actions by setting clear goals and objectives, such as financial performance, to realise headquarters' desired results (Kostova et al. 2018; Song, 2021). This finding fits well with the literature and extends it in terms of the role played by the parent companies in designing control mechanisms such as the code of conduct manual to encourage subsidiaries competence creation whilst enhancing integration with the Headquarters' practices. For example, It emerged during the interviews that the South African MNCs use the code of conduct written manuals and guidelines to facilitate the transfer. The code of conduct manuals explained all the policies within the company. New employees were required to read the manual and agree to abide by it; long-term employees needed to review it frequently (Caliggiuri, 2014; Fossats-Vasselin, 2021).

The transfer of performance appraisal, training and development and code of conduct HRM practices led to a high level of standardisation in the three case companies. The parent companies ensured that employees understood and lived by their corporate cultures through training programs. In addition, the EMNCs ensured that their subsidiaries were compliant with their code of ethics. These findings were consistent with previous research (Liu, Chen, Cooke, Liu, et al. 2019).

6.3.3 Information-based

Previous research emphasises the significant effect of using information systems by MNCs to integrate their business functions on a global level. MNCs transfer information across their group via electronic means, such as emails, corporate intranet and other databases (Obeso et al. 2020). Ovadje and Ankomah (2013) stated that proper communication between managers and employees was a critical motivation mechanism in managing workforces in Nigerian companies.

This study found no concerns about the quality of communication in the three South African MNCs. The evidence further suggested that information outflow and employee engagement were effective strategies to prevent union engagement. These findings entirely support Li et al.'s (2020) view that the more frequent the communication, the more likely the headquarters' practices would influence practices in the subsidiaries. Proper communication between the parent company and their foreign subsidiaries allows for the standardisation of some HR practices.

Following Welch & Welch's (2019) argument, communication is an essential part of the socialisation mechanism. In addition, socialisation can reduce information asymmetry and goal conflicts between headquarters (HQs) and subsidiaries. These study findings harmonise well with Hedlund (1981; 1986, 1993) findings which discovered that businesses might increase the likelihood of knowledge focusing more on shared goals, strong corporate culture and lateral communication with their subsidiaries. However, the results of this study were different from the findings of Bunchapattanasakda and Wong (2010) discovered that internal communication in Chinese MNCs operating in Thailand was one-way, top-down communication creating a social hierarchy within the company. Their findings also revealed long corporate chains of commands and fewer communication opportunities for employees. For example, the managers were not keen to listen to suggestions or comments from their employees. Moreover, Thai workers were rarely invited to attend Chinese management meetings. Instead, they held separate meetings for Chinese management and Thai employees. Thus, the institutional resources of local actors are, in practice, highly differentiated depending on the group under consideration. Nevertheless, the telling point from prior research is that while some companies seek to engage in proper communication with their employees, others seem to block it. The matter often seems to turn on a company's intention to operate in a particular way (Bartram et al. 2019).

6.3.4 People-based

The three South African MNCs sent key workers to their subsidiaries to train employees. EMNCs transfer a subtle corporate influence onto their subsidiaries by sending managers to the parent companies to be trained in HRM practices. Representative visits from employees at the headquarters are a valuable facilitation tool used to transfer employment practices. This view aligns with Patel et al. (2019), who claimed that employee movement within an MNC

enables the diffusion of tactical and codified practices across subsidiaries. The representatives from the headquarters became the transfer conduits for corporate culture.
Furthermore, this study supports the findings of Jiang and Yahiaoui (2019); they suggest that expatriates are considered 'boundary spanners' because they assist in collecting information from the host subsidiary and being a representative for the company in the host country. They also supervised the subsidiaries and transferred the headquarters' organisational culture. In addition, international assignments allowed managers to transfer HRM practices.

The findings suggest that local HRM managers coordinated the HRM functions in all three case companies. In addition, the local managers worked as moderators to implement the HRM practices. Previous research showed that local managers were appropriate in such contexts where the social systems were complicated because of social relations based on the cultural and institutional differences between the home country (South Africa) and the host country (Nigeria) (Budhwar & Debrah, 2013; Horwitz, 2015). However, the findings did not support a recent study by Geary et al. (2017), who revealed that a Brazilian MNC (BrazilCo) transferred their managerial practices with a very firm hand. Its headquarters was tolerant of any local interrogation of its policies' virtues or the manner of their implementation. Their study illustrated how a complicated process (the transfer of a specific HRM model informed by international best practice) worked itself out across particular stages of influence, including local, sectoral, national and worldwide.

6.4 Subsidiary Compliance with or Resistance to Transfers

Another vital concern associated with the cultural and institutional environments is the level of tolerance of the transferred HRM practices and the kind of resistance or compliance with the transferred practices by the subsidiary. It was anticipated that the transfer of employment practices to Nigerian subsidiaries might result in resistance and even refusal from the local employees. However, the empirical findings from this study suggested that there was no resistance to the transferred HRM practices. The conclusions of this study did not entirely support Aguzzoli and Geary (2014), who observed massive resistance from Brazilian employees towards implementing the 'global HRM model' of the parent company. As a result, the transfer led to one of the most protracted strikes in Brazilian mining history.

6.5 Factors that Affect the Transfer of HRM Practices

This section will analyse the home country and host-country effects on the transferred HRM practices to investigate research question three as discussed in chapter two, several factors were behind the adaptation of employment practices within the MNCs. Evidence from the case studies indicated that two effects influenced the nature of HRM practice implementation in the subsidiaries: the home country effect (subsidiary age, international experience, industry sector, top management mindset, subsidiary role and subsidiary size and mode of establishment) and the host country effect (socio-cultural elements, ethical climate, corruption, institutional factors, legal environment and labour unions).

Many IHRM scholars have suggested that EMNCs were likely to replicate their HRM practices in their subsidiaries (Azungah et al. 2020; Patel & Bhanugopan, 2017; Patel et al. 2018). However, this study revealed that the cultural and institutional rules of the host country put restraints on the EMNCs. It is imperative to note that these factors did not have the same impact on all HRM practices studied. This finding was consistent with the literature (Adams et al. 2017; Azungah et al. 2020). Budhwar et al. (2017) confirmed that each of the factors affecting HRM transfer had a different impact on the transfer of individual HRM practices. Practices were analysed separately in chapter five guided by the advice given by Ahlvik and Björkman (2015) who considered that each HRM practice needed individual analysis. HRM practices were not equally affected by the organisational factors. They were more sensitive to some factors, such as those associated with the host country's cultural and institutional environments (Adams et al. 2017; Ayentimi et al. 2017). Some practices were integrated throughout the MNCs and more closely resembled the parent company's practices (Azungah et al. 2020).

The empirical evidence shows that employment practices that had a higher level of transfer, such as performance appraisals, training and development and codes of conduct were more influenced by organisational factors, such as the parent company's informal control, the international experience of an MNC and the values held by the top management. On the other hand, HRM practices with the lowest level of transfer, such as recruitment and selection, compensation, and employee relations were more influenced by institutional factors.

Therefore, it is essential to view parent country and host country effects as discrete influences when analysing the transfer of employment practices (Azungah et al. 2020; Patel & Bhanugopan, 2017; Patel et al. 2018). These factors are explained below.

6.5.1 Home Country Effect

Another salient theme identified in the data analysis was the home country effect. The findings from this thesis supported the argument that country context affected the transfer and diffusion of HRM practices. As scholars have asserted, companies develop, evolve and adapt to their environments. Hence, country characteristics are formidable in the development and evolution of HRM practices. In other words, HRM practices reflect the historical and institutional settings in which they originate, such as the economic and social contexts (Bartram et al. 2019; Budhwar et al. 2017; Edwards, Sanchez-Mangas, et al. 2016). The results from this study underlined the importance of the influence of the home country effect on the transfer of HRM practices from the South African MNCs to their Nigerian subsidiaries. The parent companies transferred some core practices that were standardised across the group to allow the MNCs to realise their business objectives. These HRM practices were 'core practices' and had a strategic significance for the company. The findings of this thesis provided empirical support for the argument that EMNCs were exportive in their approach and that the development of their HRM practices was drawn from ethnocentric values (Azungah et al. 2020).

The interview data analysis showed that the parent company held a set of philosophies about the importance of HRM practices concerning the business goals and objectives to be transferred and implemented across their subsidiaries. It emerged during the interviews that the reasons for standardising some HRM practices were associated with the underdeveloped nature of the Nigerian HRM functions. The South African MNCs transferred their best practices to their subsidiaries (Davis & Luiz, 2015). A conjuncture of influences facilitated the inclination to adopt a particular parent-country style of management and be successful. Thus, any consideration of the home country effect must be placed in broader economic and political environments, subject to change.

6.5.1.1 Subsidiary Age

The age of the subsidiary impacted the transfer of MNCs' HRM policies and practices. Older subsidiaries transferred more HRM policies and practices from their parent companies (Benoy & Morley, 2020). The findings from this study were consistent with the results of Rosenzweig and Nohria (1994), who asserted that subsidiaries that had existed for a long time in the host country tended to fit into the local background, resulting in more local rather than parent HRM practices. All three case companies had operated in Nigeria for quite a long time. Shoprite established its first subsidiary in Nigeria in 2005. Similarly, MTN set up its first subsidiary in Nigeria in 2001, and Stanbic Bank set up its first subsidiary in Nigeria in 1989. Therefore, they had localised some of the transferred practices to satisfy the Nigerian institutional and cultural requirements.

6.5.1.2 International Experience

The results indicated that the level of international experience an MNC had positively influenced the transfer of HRM practices. It has also been argued that the amount of time a foreign subsidiary has been operating in a host country does not necessarily affect the transfer of HRM practices from the parent company. Still, the study found that the global experience of the parent company was a pivotal factor. The EMNCs with considerable international experience standardised some of the transferred HRM practices. The standardisation of the specific HRM practices was due to a positive affiliation between formal parent control and international experience, which affected the transfer level of HRM practices (Benoy & Morley, 2020; Edwards, Sanchez-Mangas, et al. 2016; Furusawa et al. 2016).

Furthermore, the data analysis revealed that the EMNCs had established superior coordination and control measures to sustain their competitive advantage. The results of this study supported the argument that MNCs transferred their home country HRM practices because they were effective and reliable (Adams et al. 2017). Additionally, the MNCs had the experience of managing the HRM systems and they trained their subsidiary staff to implement the systems. Consequently, they believed that their existing HRM system would support their subsidiaries in reaching a competitive advantage internationally (Geary et al. 2017). This belief contributed to the South African MNCs imposing their systems in Nigeria.

All three case companies were well-established companies with varying levels of experience. Stanbic Bank was the oldest. It was established in 1862, and it has been in operation for over 159 years. It opened subsidiaries in Australia, China and India in 1969. Stanbic Bank has been in the global market for nearly five decades, and it operates in twenty countries in Africa, Asia and Europe. Similarly, Shoprite has been in operation since 1979. It launched its first subsidiary in Namibia in 1990, and it has been in the global market for over thirty years in fifteen countries. MTN was established in 1994. MTN has been in operation for over twenty seven years. MTN started its first subsidiary in Uganda in 1998; it has been in the international market for more than two decades. Stanbic Bank and Shoprite established their presence on the global market and they are ranked in the Financial Times top emerging 500 companies worldwide. The companies were ranked based on their market values: Stanbic Bank (also known as Standard Chartered Bank) ranked 266th and MTN ranked 370th (Times, 2015). In comparison, Shoprite was ranked 100th (based on revenue) by Deloitte Global Powers 2020. EMNCs are constantly maintaining the standard and quality of the services they provide to their customers (Deloitte, 2020)

6.5.1.3 Industry Sector

The industrial sector significantly impacts the way MNCs transfer their HRM practices and how their subsidiaries implement the transferred practices. However, EMNC subsidiaries are not isolated from these influences (Patel et al. 2018). The results of this study showed that in the cases of Stanbic Bank (finance), MTN (telecommunication) and Shoprite (retail), a global strategy was embraced with a competitive strategy mainly based on differentiation. Adopting a global approach was of greater importance in the financial sector than in the telecommunication and retail sectors. However, intense competition in the telecommunications and retail sectors led to a more integrated approach to global operations via standard HRM practices and processes. There was room for some adjustments to HRM practices to satisfy the cultural and institutional requirements.

The approaches adopted by the three companies were the result of the sector in which they operated. Finance companies need to maintain a global standard level of performance to secure their reputation, brand image, financial standards and the quality of services offered. In addition, the financial market is quite volatile and requires faster decision-making. Therefore, the financial sector operates more of a global approach than the telecommunication and retail sectors. However, the telecommunication sector has begun to adopt more global practices as the businesses provide standard products and services, which include mobile data services and ICT services. Nevertheless, they need to maintain a higher degree of flexibility due to the changing nature of the market.

6.5.1.4 Senior Management Mindset

The results of this study were consistent with Davis and Luiz (2015) ideas about the devolution of the human resources function in South African MNC. They concluded that EMNCs tended to imitate Western MNCs practices. The findings revealed that EMNCs adopted global best systems and practices to realise their profit maximising objectives in their Nigerian subsidiaries. The global best practices also influenced the headquarters' HRM systems and practices. Moreover, MNCs tended to transfer their HRM systems to subsidiaries to sustain control of their activities. This study provides supportive evidence regarding the impact of senior management beliefs on the transfer of HRM practices. The evidence from the data analysis indicated that the senior management had a set of ideas concerning the HRM practices that led to high-class company performance. These practices were transferred within MNC and if transferred and implemented correctly, would add substantial value to the company and its goals.

Furthermore, the data analysis provided evidence that EMNCs valued their employees. They believed that their workforces were their greatest assets and hence the key to success in their subsidiaries. They also understood that their employees added value to their subsidiaries through their skills, creativity and commitment. The results obtained from the interviews indicated that the subsidiaries had embraced a people-oriented management system geared to sustain and develop core competencies through the maximisation of the HRM potential. The results supported the resource-based theory, which suggested that employees were considered a source of competitive advantage for companies (Armstrong & Taylor, 2020; Wilton, 2016).

Additionally, the results of the empirical analysis suggested that the EMNCs appreciated their employees and encouraged them to participate in training to improve their contribution to the companies. The findings of this study supported the view that EMNCs endeavour to maintain a competitive advantage by transferring employment practices that were successfully used at their headquarters. Likewise, the EMNCs' parent company HRM systems were regarded as superior to their subsidiaries' HRM systems. The transfer of already proven and established HRM systems minimised cost for the EMNCs and also ensured consistency (Adams et al. 2017). Moreover, South African is more advanced than other countries in Sub-Saharan Africa, including Nigeria, regarding skill competence and proper HRM strategies (Horwitz, 2015). Consequently, the South African MNCs standardised their HRM practices.

6.5.1.5 Subsidiary Role

When a subsidiary was highly reliant on their headquarters to provide necessary resources, it was usual for an MNC to exert control through proper management tools and HRM strategies - enabling an MNC to standardise HRM practices across its operations, thus easing the control process (Geary et al. 2017). According to Song (2021), the stronger the parent control the less its HRM practices will mimic local practices. This thesis found evidence suggesting that formal parent control significantly impacted the transfer of EMNCs' HRM practices to their subsidiaries. Mainly, a parent company's formal control was found to significantly impact the transfer of performance appraisal, training and development, and code of conduct practices.

Subsidiaries that rely on their parent companies for resources become dependent on the parent company. In contrast, subsidiaries that provide the parent companies with tangible output were allowed some flexibility. High-value subsidiaries were given more freedom and were subject to less control from the headquarters. As a result, MNCs increasingly depend on leveraging their subsidiaries to develop a competitive advantage. Thus, some subsidiaries have strengthened their home-based benefits and gained considerable power within their Group (Hoenen & Kostova, 2015; Kostova et al. 2018). The results showed that EMNCs tended to transfer their HRM systems to their subsidiaries to sustain their activities. The outcomes of this study supported Huang and Staples' (2018) suggestion that resource reliance led to a need for control in EMNCs. They stated that as the demand for control increased a more vital need for integration and coordination of EMNCs policies and practices arose. Consequently, subsidiaries' HRM practices tend to be similar to those of the parent company (Budhwar et al. 2017).

The Nigerian subsidiaries were essential; they excelled on every front, even financially. Nigeria's GDP amounted to US$410 billion in 2019 (one of the largest GDPs in Africa). South Africa's GDP was US$350 billion (the second-highest on the continent) (Statista, 2020). Nigeria has a rising consumer base with a large amount of disposable income (Institute of Export and International Trade, 2018). The empirical evidence illustrated that a subsidiary that provided its parent company with sizeable contributions would control some HRM practices. For example, the MTN subsidiary offered substantial resources to the parent company; it was the most significant subsidiary in the group. It reached 62 million subscribers, accounting for more than 25 per cent of the MTN Group subscriber base globally. In addition, MTN Nigeria accounted for about one-third of MTN's returns. The Nigerian subsidiary had more subscribers and revenue than any of the other subsidiaries or the parent company (MTN Group, 2021). Consequently, the EMNCs allowed their subsidiaries some autonomy to be flexible in the implementation of some corporate practices. This research revealed that when the parent company relied primarily on the subsidiary regarding critical resources, the parent company tended to localise the transferred HRM practices. Budhwar et al. (2017) suggested that the transfer of HRM policies and practices from parent companies to their subsidiaries required MNCs to invest more resources in developing their HRM policies and procedures to enable the transfer to be cost-effective and for the headquarters to control their subsidiaries successfully.

The results of this study were dissimilar to the findings of Geary et al. (2017) who studied the transfer of a Brazilian MNC's HR model to its subsidiaries in the UK, Canada, Switzerland and Norway. They found that the Brazilian MNC was able to take advantage of its potential power resources by using an assertive and forceful HRM style. Furthermore, it worked hard to have its HRM practices (which were developed by prominent US consulting companies) adopted in its subsidiaries. The Brazilian MNC imposed a uniform model of HRM practices on all of its subsidiaries irrespective of the countries in which they were located, the stage of the production process they were involved in (extraction, refining, management or administration), and the degree to which local workforces sought to resist or shape the model.

6.5.1.6 Subsidiary Size and Mode of Establishment

Prior literature argued it was easier for a parent company to transfer its HRM practices to a greenfield site than an acquisition or brownfield site, as employees in these sites might resist attempts to modify existing HRM practices (Zhou et al. 2020). Remarkably, the analysis found no indication to suggest that the establishment method had a meaningful impact on the transfer of HRM policies and practices. Such findings were in line with a recent study on the transfer of HRM practices in MNCs by (Azungah et al. 2020), (as also demonstrated in a study by Latukha et al. (2020). Therefore, the results of this study did not fully support the argument that subsidiaries established through acquisitions were more inclined to assume local HRM practices than subsidiaries established as greenfield investments (Azungah et al. 2020). A possible reason for this study's results may lie in the number of case study companies. Stanbic Bank and MTN were established as greenfield sites and Shoprite was established as an acquisition. These three companies may not provide an accurate representation due to their limited number.

6.5.2 Host Country Effect

Several features of a host country's environment can influence the scope of an MNC's HRM policies and practices. The role of Government institutions and socio-cultural, legal and economic factors influence the transfer of HRM practices from the parent company to its subsidiaries. HRM practices that MNCs want to transfer should be sifted through a 'localisation mesh' that recognises possible conflicts with culture or the institutional/regulatory environment, local values and the resource capabilities of the subsidiary environment (Cooke et al. 2019; Geary & Nyiawung, 2021; Ouyang et al. 2019).

6.5.2.1 Socio-Cultural Elements

Despite the impact of globalisation and the Westernisation of HRM practices, some employment practices remain largely culture-bound (Ayentimi et al. 2017; Xing et al. 2016). Sub-Saharan African cultures operate organisational practices that refuse to accept change, such as collectivism and paternalism. Some of these headstrong cultural aspects have been labelled as counter-productive (Al-Sarayrah et al. 2016; Dias et al. 2020; Yahiaoui, 2014). The results of this study demonstrated that the HRM policies and practices had specific cultural orientations and mimicked the societal tendencies of the region. The results demonstrated how culture could affect the implementation of certain HRM practices.

Numerous socio-cultural factors influenced the adaptation of HRM practices in the South African MNCs' subsidiaries. Culture affected several HRM practices. The results showed the importance of cultural factors as the inducement for the adaptation of HRM practices supported the results of previous studies (Hack-polay et al. 2020; Stahl, 2017). Cultural influence on HRM practices varies according to individual practice, with some practices being more 'culture-bound than others, consequently affecting their level of transfer (Dimba & Obonyo, 2015; Hack-polay et al. 2020). The findings of this study supported this argument as they found that performance appraisal was predominantly affected by culture and the most susceptible to cultural differences. It was the most 'culture-bound HRM practice and was the least prone to be transferred from one country to another (Edwards, Sanchez-Mangas, et al. 2016; Lazarova et al. 2017).

Previous research has identified that negative feedback towards an individual in a highly collectivist culture is seen as a personal attack on the individual's personality. Therefore, there is an inclination to avoid giving negative feedback in such societies to save the supervisor from losing face. Even positive feedback is not well received in collectivist societies because it may disturb the group harmony and cause jealousy. Therefore, the idea of giving feedback is not common, and if given, it needs to be done in an indirect, non-confrontational and private way (Reiche et al. 2018; Westropp, 2012). The findings of this study confirmed the literature by disclosing that personal discussions between supervisors and employees were preferable to feedback in the South African MNCs' subsidiaries. Managers expressed their concerns about rating workers negatively during performance appraisal interviews. They said they were less confrontational in the Nigerian subsidiaries. When the points of view were triangulated, some focus group members suggested that these attitudes towards negative performance appraisal were cultural. According to Kim (2017), maintaining effective relationships with peers and supervisors was given more important in collectivistic cultures than organisational achievement.

Trompenaars (1996) classified African countries as highly affective societies. He analysed the way emotions were exhibited in business relations. In the case subsidiaries managers did not want to upset their employees by giving them negative feedback. They used a soft approach when giving negative feedback to their employees. These findings lend empirical support to the argument that the subsidiary managers were more relationship-oriented than task-oriented. Personal relationships at work and emotional relationships between employees were important in Nigeria (Fajana et al. 2011).

The empirical data found that the EMNCs standardised their codes of conduct. However, the formation of affective relations was in opposition to the essence of some of the codes. Therefore, parts of the codes of conduct had to be adapted. For example, the sections that covered harassment were adapted because Nigerian society does not recognise harassment. The results revealed that Nigerian workers would never report their co-workers to their supervisors on any issue as they upheld a central belief about collective experience and group solidarity. As Maduka (2015) observed, in a collectivist society, the family can include anyone, not only those interrelated by blood, marriage or kinship. Accordingly, an organisation can also take the place of a family by providing purpose, security and identity.

Olowookere et al. (2021) suggested that individualism was associated with a lack of generosity and caring. Individuals are seen as alienated from their culture, traditions, and each other in the Sub-Saharan African context. This view explains why behaviour that did not fit the cultural norm of a nation, society or group and was perceived as individual-centred was concealed, renounced or denied, causing dysfunctionality in employee relations. Consequently, many advocates of localisation believe that locally modified practices were more effective than standardised practices (Azungah, 2017; Chung et al. 2014; Kynighou, 2020). The results obtained from this study supported the argument that, due to cultural and institutional forces, HRM practices in the EMNCs' subsidiaries in Nigeria would resemble local norms to some degree, and that different HRM practices were subject to different transfer levels. This was assisted by the Nigerian HR managers' familiarity with the HRM practices in local subsidiaries.

It is essential to highlight that the role of national culture has been widely criticised in terms of world trade, globalisation and the transfer of diverse management practices to several countries and cultures (Chinomona et al. 2017). However, this study confirmed that national culture significantly influenced management practices, particularly HRM practices. Furthermore, it confirmed the findings of Hofstede (2011), who reflected that even in a company with an influential organisational culture, the influence of national culture in a subsidiary was still noticeable. The EMNCs studied had a healthy organisational culture but their subsidiaries were influenced by the national culture of the host country.

6.5.2.2 Ethical Climate

Researchers also suggested that other aspects (in addition to national culture) could influence cross-national differences concerning ethics. James and Baruti (2021) proposed that, in addition to national culture, cross-national occurrences, such as social and institutional factors could have an impact on the transfer of HRM practices. Management researchers are now progressively relying on social institutions, such as family, education, social inequality and level of industrialisation as reasons for cross-national phenomena (Chinomona et al. 2017; David et al. 2017). The study results showed the effects of societal influence on ethics and ethical climates. Understanding the ethical climate presence in EMNCs' subsidiaries creates HRM practices that promote an ethical culture.

One critical aspect of the African context that was pertinent to the ethical climate was corruption. These concerns also highlighted the importance of HR managers to manage employees within this context appropriately. Ethical environments are created when members believe that particular ethical behaviour or reasoning practices comprise reasonable standards or norms for decision-making within a company or subsidiary (Esposito et al. 2012). Accordingly, ethical climates are not representative of the level of moral development or ethical standards. Instead, similar to other employment climates, they signify components of a unique environment as perceived by its members (Eme & Onyishi, 2014).

6.5.2.3 Corruption

The responsibility of HR professionals in promoting ethics and ethical behaviours in companies is indisputable. The HRM department usually provides mechanisms by which ethical practices are implemented (Chinomona et al. 2017). This view was confirmed by Siswanto and Darus (2020), who suggested that an understanding of ethics was essential to HRM because the local environment could shape individual characters. Moreover, concern over the cross-cultural knowledge of ethics and ethical climates is becoming more prominent as more companies globalise; thus, HRM interest in the cross-cultural understanding of ethics and ethical climates is becoming more assertive (Chinomona et al. 2017; Esposito et al. 2012; Siswanto & Darus, 2020).

Corruption is widely spread in Nigerian society. Although Government expenditure on overcoming corruption represents a substantial fraction of overall GDP (26%), Nigeria has weak institutions that hold the Government to account and corrupt practices in public sector organisations (Rasul & Rogger, 2018). Corruption is the main challenge that EMNCs face in Nigeria. This challenge was discussed by several managers and focus group members. A culture of corruption is now engrained not only in business affairs but also in personal interactions. Corruption is also a significant organisational aspect that is principally vital to the HRM departments. HRM tasks can play an essential role in ensuring that businesses operate within ethical boundaries (Ikyanyon et al. 2020; Parboteeah et al. 2014). Transparency International's 2021 Corruption Perception Index (CPI) ranked Nigeria among the most corrupt countries in the world, while South Africa was among a group of EMNCs that did not carry out corrupt practices (such as bribery) to secure and drive their business (Transparency International, 2021).

Given the prevalence of corruption within the Nigerian context, it was crucial to understand its impact on the ethical climate within EMNCs' subsidiaries in Nigeria. Such an attempt could assist EMNCs' subsidiaries to implement their code of conduct better to minimise the impact of corruption. The analysis of the collected data stressed that the EMNCs' HR managers affirmed that, although occasionally the company needed to have its papers administered quickly without difficulty in Government agencies, they did not give bribes to Governmental employees, which was against their code of ethics. The study findings supported the view that there was strong evidence that ethical climates were associated with national culture. Moreover, as Siswanto and Darus (2020) found, the HRM department needed to play a vital role to ensure that unethical HRM practices were ended in preference of more ethical policies and codes. The above discussion notwithstanding, cultural values were not the only causes of individual behaviour that affected HRM practices. Individual behaviour could also be partly justified concerning social structures that monitor or control individuals within institutions and the whole social system (Ayentimi, 2018).

6.5.2.4 Institutional Factors

Social institutions influence company practices systematically, resulting in processes and structures that reflect national patterns. The transfer of country of origin practices is contingent on the host country's institutions and national business systems (Ayentimi, 2018; Chowdhury & Mahmood, 2012; Huang & Staples, 2018). MNCs can transfer their country of origin practices with fewer restrictions in a host country with few formal institutions. On the contrary, a host country with integrated, well-formed and cohesive institutions with a unique business system would be less permissive, and MNCs would have to adapt to local practices (Horwitz, 2017). The outcomes of this study did not fully reinforce the above argument. Nigeria has a permissive and weak institutional environment (Budhwar & Debrah, 2013). However, the MNCs appeared to comply wholly with the labour law (Ikyanyon et al. 2020).

The results from the current study provided evidence that the EMNCs operating in Nigeria followed the labour law by providing their employees with the appropriate working conditions, such as above minimum wage pay rates and mandatory benefits ordained by the Nigerian law. Sparrow et al. (2016) uncovered that for acceptability reasons, some companies offered specific benefits or advantages even if they were very costly and usually not accessible due to efficiency concerns. These extra benefits given, combined with high wages, could also be explained by the determination of the subsidiaries to acquire or maintain a desired employer status in the host country (Edwards, Sanchez-Mangas, et al. 2016). The inefficiency of local public institutions compelled the EMNCs to offer such benefits as a source of motivation for employees. The study results opposed Akorsu and Cooke (2011) who analysed standard labour applications among Chinese and Indian MNCs in Ghana. They found that Chinese and Indian EMNCs ignored the host country's laws. As a result, the quality of the employment presented to their workforces did not meet the ILO's specified decent work criteria.

6.5.2.5 Legal Environment

The legal regulations of a host country put significant pressures on MNCs' subsidiaries, which can become an obstacle for the transfer of HRM practices from the parent company to their subsidiary (Adams et al. 2017; Dickmann et al. 2016; Ikyanyon et al. 2020). Three recognised institutions in Nigeria strongly regulated the case companies' sectors. The financial sector was regulated by the Central Bank of Nigeria (Central Bank of Nigeria, 2021), the telecommunication sector was regulated by the Nigerian Communication Commission and NAFDAC regulated the retail sector. These bodies operated strict policies that had to be obeyed by companies operating in these sectors. Penalties, such as fines or suspension of operations, were given to any companies disregarding the policies (Realista, 2017). The EMNCs tried to take advantage of the weak and permissive institutional environment in Nigeria and avoid legal and moral sanctions. For instance, MTN attempted fraudulent manipulation. MTN was fined a sum of US$5.2 billion by the Nigerian Communications Commission for not meeting the deadline of disconnecting 5.1 million unregistered SIM cards. However, this was petitioned in the Federal High Court in Lagos, and an agreeable settlement of US$1.7 million was agreed (British Broadcasting Corporation, 2018).

Akorsua and Cooke (2011), investigated the labour standards application among Chinese and Indian firms in Ghana. They discovered that both case companies encroached the national labour law on several occasions. For example, the Chinese company (GUMCO) had problems with the state concerning the deceitful manipulation of their importation of raw materials. Shockingly, the case was not seen in court, and no penalties were given apart from the arrangement of a flexible reimbursement plan to pay off the debt they owed the Government. Likewise, it was revealed that they owed a large sum of the tax to the internal revenue service. The Government was cautious not to offend the company. Hence no action was taken against the company for such encroachments. These results were different to those found in this study.

6.5.2.6 Labour Unions

There is a clear contrast between the widely shared assumptions about the impact of labour unions on the transfer process and the results of this empirical study. Contrary to the dominant assumption that labour unions influence the transfer of HRM practices from MNCs to their subsidiaries (Liu, Chen, Cooke, & Liu, 2019; Xing et al. 2016). This study found that although labour unions and collective bargaining exist in Nigeria, they have little power over employers. Interviews with the respondents from the Nigerian subsidiaries showed that the three case subsidiaries managers ensured that their employees were happy. It emerged that employees only needed union help if they were unhappy with their working conditions, and there was no other option available. The aim of the EMNCs was to provide their employees with the proper working conditions.

The findings described in Chapter five revealed that EMNCs operating in Nigeria respected the labour law by paying above the minimum wage and by providing the mandatory benefits identified by the Nigerian labour law. In addition, EMNCs' subsidiaries had a great relationship with their employees, and the prevailing ethical climate was in the employees' interest. These findings supported Ogunyomi and Bruning (2016) who suggested that companies could influence their performance beyond satisfying regulatory authority requirements for minimum wages and health and safety provisions and by being mindful of the welfare of their employees.

6.6 Summary

This chapter compared and contrasted the three case studies to highlight the differences and the similarities of their headquarters' HRM policies and the practices transferred to their Nigerian subsidiaries. The analysis showed that the three case companies displayed more similarities than differences. The South African MNCs mainly transferred their home country HRM practices to their Nigerian subsidiaries with some level of localisation to adhere to the Nigerian subsidiary context. The South African MNCs adopted a 'hybrid' approach to their HRM transfer (a mix of home and host country practices) to diffuse these practices in their Nigerian subsidiaries. In particular, performance appraisal, talent management and code of conduct practices were transferred from headquarters with only minimal adjustments to satisfy the host country requirements. However, recruitment and selection, remuneration and industrial relationship practices were undeniably localised to suit subsidiary contextual, cultural, regulatory and economic requirements. The South African MNCs combined the majority of their headquarters' practices with some local (Nigerian) practices to adopt a hybrid of ethnocentric and polycentric orientations as classified by Perlmutter (1969).

Furthermore, representatives from the headquarters were sent to their respective subsidiaries to help transfer the practices, monitor the implementation of the transferred HRM practices and realise the most acceptable balance to suit their host subsidiary operations. The study results found an inimitable blend of home and host country HRM practices transferred from the headquarters to their Nigerian subsidiaries. Some practices were adjusted to allow the subsidiaries to be locally responsive to the Nigerian environment. However, the subsidiaries had to obtain approval from the headquarters before implementing any significant changes. The EMNCs used different mechanisms to transfer the employment practices to varying degrees. Generally, they implemented a more centralised approach to their transfer process.

The outcomes from this research demonstrated that EMNCs hybrid HRM practices do not always show a balance of home and host country effect, nor do they always originate from global practices. Instead, the country of origin practices blend with the local practices to permit them to attain uniformity in their internal operations and respond to local pressures. Such pressures included host country factors, such as socio-cultural expectations, labour market conditions, educational standards and employment legislation (Owenvbiugie & Ekhaise, 2020).

Several factors influenced the similarities and differences in the transfer of the South African MNCs' HRM practices to their subsidiaries in Nigeria. Firstly, all case companies had similar senior management beliefs. They also all had a high level of international experience as they have been in operation for many decades and have been in the international market for several decades, which supported more diffusion of HRM practices across borders and enabled them to achieve corporate strategies. Nonetheless, the transfer process was influenced by institutional and cultural factors that would lead them to modify some HRM practices to avoid conflict. All the sectors faced some isomorphic pressures from their headquarters and their host countries.

The headquarters transferred standardised 'core' HRM policies to their subsidiaries; still, there was some pressure from the host country to adapt the practices to adhere to the local socio-cultural environment. For example, all the case companies altered the performance appraisal practices to satisfy the host countries environment. As Nigeria is a collectivist culture, giving negative feedback was not accepted, it was regarded as humiliation. Therefore, managers were cautious in their approach. They were wary to give negative feedback to their employees in order not to lose face. Likewise, the harassment section of the code of conduct was modified and applied. Nigerians like making jokes and do not consider this behaviour to be harassment.

The strategic role of the subsidiary was another factor that impacted how the EMNCs managed their subsidiaries, their status according to their headquarters and the degree of their dependence on their headquarters. It emerged that the strategies of the subsidiaries were aligned with their headquarters' global strategies. The Nigerian subsidiaries were regarded as essential subsidiaries as Nigeria had the biggest economy in Africa, with a consumer base with a large amount of disposable income (Institute of Export and International Trade, 2018). The strategic position of the subsidiaries accounts for the parent companies' desire for a more significant measure of control while balancing the pressure to be locally responsive to the host environment.

Chapter 7: Conclusion

7.1 Introduction

This study sought to examine the nature of HRM systems and practices in South African MNCs and how they were diffused to subsidiaries in Nigeria. The study answered three research questions. The first research question sought to investigate the nature of HRM practices in the Nigerian subsidiaries of South African MNCs. The second question sought to discover how the HRM practices used in the Nigerian subsidiaries were derived from the parent company's practices. The third question sought to recognise the HRM models that existed in the Nigerian subsidiaries. This chapter will provide a summary of the research findings. It will discuss the study's contribution to IHRM research, consider its limitations and suggest possible avenues for further investigation.

7.2 Summary of Findings

The study analysed each HRM practice separately to identify how they were adapted and the factors behind the adaptations. The results of this study supported the argument that the cultural and institutional backgrounds of a host country affected the HRM practices used in subsidiaries (Chiang et al. 2017; Edwards, Rees, et al. 2016; James & Baruti, 2021). This study adopted a qualitative approach to collect and analyse the data/evidence. The data/evidence was gathered using organisational documentation, semi-structured interviews and focus group interviews. The three data collection methods produced a rich information for discussion and assisted in triangulating the data. The review of the organisational documents identified how the HRM practices were transferred from the headquarters of the three South African MNCs to their subsidiaries in Nigeria. Below is a summary of the results of this study:

1. There were more similarities than differences between the HRM practices used in the South African MNCs' headquarters and those used in their Nigerian subsidiaries.

2. The South African MNCs standardised most of their HRM practices when transferring them to their Nigerian subsidiaries. However, they also allowed for some flexibility in Nigeria's local level to meet local conditions/requirements and environmental needs.

3. The host country’s economic and institutional development practices impacted the adoption of the home country’s HRM practices.

4. The core (or strategic) corporate practices were more standardised than the other less strategic practices.

5. No particular HRM model fit the HRM practices used in the Nigerian subsidiaries. Therefore, this study showed that there was no best approach or common HRM framework.

6. The Nigerian subsidiaries combined the transferred and the local practices to balance the home and the host country HRM models. This blending enabled them to modify their HRM practices to a level that allowed them to attain internal consistency and respond to local environmental requirements.

7. Management in the Nigerian subsidiaries felt obliged to localise the global HRM model used in the headquarters of the South African MNCs to satisfy the local contextual environment.

The findings from these case companies demonstrate more similarities than differences. Regarding the similarities, the results revealed that the South African MNCs standardised some core HRM practices. These practices included talent management, performance appraisal and code of conduct. These practices were essential for the company to succeed (Al-Sarayrah et al. 2016; Azungah et al. 2020; Chung et al. 2020). For example, all three case companies had a standard performance appraisal system that enabled them to use detailed objectives linked to their global strategies to evaluate and improve performance in their subsidiaries. These findings supported studies that highlighted EMNCs’ desire to standardise and transfer HRM practices from their headquarters to encourage global integration (Ouyang et al. 2019). This finding allows the study to fit well with existing IHRM literature and, also, extend it in terms of providing an understanding of the role played by EMNCs when transferring ‘best practices’ globally (Cooke et al. 2018; Geary & Nyiawung, 2021; Patel & Bhanugopan, 2017; Patel et al. 2018). The similarities found among the case companies' HRM practices resulted from several factors, including the education and the management experience of managers at the parent company and the subsidiaries. Many of the managers studied at Western universities. Consequently, they were more likely to adopt more globally acceptable Western best practices. In addition, the headquarters of the EMNCs were involved in the decisions regarding the transfer of HRM practices.

Another similarity that could be identified among South African MNCs, is related to the subsidiary role. Using the roles identified by Birkinshaw and Morisson (1995) to explain this similarity, it could be said that Nigerian subsidiaries of South African MNCs could be regarded as a location whereby the subsidiary is controlled by direct and indirect mechanisms and where practices are most likely to be standardised.

The findings from this study indicated that the level of economic and institutional development in the host country impacted the adoption of the parent company's HRM systems and practices. These findings aligned with studies that suggested that HRM practices from the parent company were superior and, therefore, consequently adopted. Arguably a home country that was more advanced than the host country would tend to transfer standardised HRM practices to their subsidiaries (Geary & Nyiawung, 2021; Kynighou, 2020). However, this argument did not hold for more specific HRM practices, such as compensation and industrial relations (Adams et al. 2017). The findings of this study suggested that South African MNCs largely standardised their HRM practices across their subsidiaries in Nigeria, except for their recruitment and selection, remuneration and benefits and employee relations practices. In all the case companies, the headquarters made the decisions, and the subsidiaries had to implement the transferred practices without any significant modifications.

The study's findings revealed that several factors influenced the transfer methods used by the EMNCs' headquarters to transfer their HRM practices to their Nigerian subsidiaries. These factors included home country effects, such as the features of the industry sector, the companies' international structure and strategy, and the international experience and mindset of senior management (Oppong, 2018). Another factor was the host country effect, which included socio-cultural elements and institutional factors, such as the legal and economic environments and the education system. These factors were the cause of the adaptation of some

HRM practices to meet the requirements of the local environment (‘isomorphism’) (Ayentimi et al. 2018b; James & Baruti, 2021).

Moreover, this study also found that the EMNCs were exportive in their approach. The results further revealed that the South African MNCs employed an exportive approach with varying levels of adaptation (within the guidelines provided by their headquarters) to comply with the host country’s requirements. The findings supported Patel et al.’s (2018) study on HRM approaches adopted by Indian MNEs operating in the IT industry in India. Their findings revealed that the development of HRM practices is drawn from ethnocentric values. This study focused on the influence of the cultural and institutional settings and identified why such forces influence each HRM practice differently. For example, the host country labour market had a significant influence on the employment of future employees. At the same time, compensation practices were more affected by the influence of the local institutional environment than the parent company’s philosophies. Hence they cover both parent and local characteristics. Compensation and employee relations were more influenced by institutional factors and were less transferable. Cultural disparities affected the adjustment of the implementation of performance appraisal, code of conduct and training practices.

The study findings identified some notable differences between the three case companies. Moreover, the findings revealed that the parent companies used various mechanisms to transfer their employment practices to their subsidiaries. The intensity with which they were used also varied among the case companies. Formalisation-based tools, such as regulations, written employee manuals and guidelines, were utilised to facilitate adherence; thus, shaping the behaviour of the subsidiaries. The evidence indicated that the South African MNCs used centralised control to transfer their corporate practices. All the case companies also employed people-based integration mechanisms, such as the headquarters sending representatives to make routine visits to the subsidiaries. Moreover, the South African MNCs used information systems to facilitate the transfer of their HRM practices. The study revealed that communication was a crucial part of the success of the transfer process, and it had significant implications on the complete transfer of the HRM practices. The analysis of the interviews revealed that there were no concerns about the quality of communication. Nevertheless, it is essential to note that the transfer process did not encounter any resistance from the subsidiaries, even though some practices were modified. This low level of resistance could be explained by Nigeria’s universalistic culture Trompenaars, (1996).

Additionally, the South African MNCs’ subsidiaries modified the employment practices transferred from the headquarters. However, the adaptation levels varied between the HRM practices and, occasionally, within the same practice. Some practices were considered more strategic and others more operational. This labelling also influenced the extent the EMNCs allowed their subsidiaries to adjust the transferred HRM practices to suit the local environment. The study revealed that the EMNCs adapted their HRM practices to adhere to specific cultural and institutional forces. Some Nigerian socio-cultural factors influenced some HRM practices. For example, strong personal relations, collectivism, high power distance, high-context communication and family orientation were all recognised to be the reason for the adaptation of specific HRM practices. In addition, institutional forces, such as the labour law and the educational system, influenced the adaptation of other HRM practices to adhere to local practices, a process known as ‘isomorphism’ (Liu & Meyer, 2020).

Moreover, the study analysed each HRM practice separately to identify the extent to which it was adapted and the ‘practice-specific’ host country factors behind its adaptation. The utilisation of this method supported the argument that adaptation levels varied across practices and sometimes within the same practice (Adams et al. 2017). For example, corporate core or strategic practices were more standardised than those considered less strategic, and their adjustment was essential to make them more applicable. Thus, hybridisation supported the concept that MNCs transferred the HRM practices from their headquarters to their subsidiaries as a desired set of practices (Ahmad, 2019; Bartram et al. 2019). In addition, this study found that HRM practices aligned with their contextual environment as many variables influenced corporate practices.

The study found that the subsidiaries mixed the transferred practices with local practices to balance the home and the host country HRM models. This enabled them to modify their current HRM practices to a level that allowed the subsidiaries to maintain internal consistency and respond to the host country’s local environment. The findings validate the theory that MNCs tend to choose the IHRM approach that best fits their HR strategy for managing their employees. MNCs could use concurrently different IHRM approaches depending on the ‘strategic importance’ of the policy or practice (Azungah et al. 2020; Yahiaoui et al. 2021).
Shoprite was given more freedom and autonomy to adjust their transferred practices than MTN and Stanbic Bank. MTN and Stanbic Bank subsidiaries employed more standardised practices

and were given less freedom to adapt corporate practices. The findings from this study also supported the view that there was no best approach or common HRM framework.

One practical implication of the hybridisation model is that while the deliberate method of adjusting HRM practices to a combination of home and host country styles worked for South African MNCs in Nigeria, this approach may not work in all developing countries. For example, Adams et al. (2017) revealed that this model did not work in Ghana due to the fragility of Ghana's institutional environment. Their study further revealed that employee relations were localised in many subsidiaries, positively reinforced by the Labour Act of Ghana and guided by International Labour Organisation (ILO) laws. However, Akorsu and Cooke (2011) maintained that Ghana's political and economic environment was conducive to FDI operations. Nevertheless, they found that some HRM practices were regulated to ensure that the country's laws, particularly those concerning labour management, were applied, and labour standards were not left to individual company discretion.

In conclusion, it can be argued that the reason for taking into account local needs or for adapting HRM practices to respect the local context was to adhere to local legislation, cultural values, traditions and other institutional restraints, such as the educational system and local work practices (Lazarova et al. 2017; Song, 2021). Thus, the main challenge for MNCs was creating practices that could simultaneously operate across the parent company and all of their subsidiaries while still sustaining global consistency. MNCs should therefore find 'the HRM balance' between standardisation and localisation (James & Baruti, 2021; Sahakiants et al. 2018).

7.3 Research Contributions

The contribution of this study to the existing knowledge base will be explained in the following two sections: Theoretical Contributions and Contribution to Practice.

7.3.1 Theoretical Contributions

This research responded to recent requests for more research into HRM in EMNCs HRM practices and systems at both home and host countries (Adams et al. 2017; Latukha et al. 2020). This research study has contributed to several areas of IHRM theory. The findings of this study complement and extend the existing literature base on the globalisation, standardisation, hybridisation and localisation of MNCs' HRM practices in several ways.

This study is comprehensive since emergent countries' HRM practices in their subsidiaries has been under-researched in previous studies; therefore, a gap in the literature concerning EMNCs' subsidiaries in developing countries was partially filled. In addition, a better understanding of the processes used by South African MNCs to transfer their HRM practices to their subsidiaries in Nigeria complements the existing literature base. The main contribution of this study is that it explained the transfer of HRM practices to Nigerian subsidiaries. Explaining the transfer process enhanced the understanding of EMNCs' HRM practices in their subsidiaries in developing countries. In addition, the findings of this study have facilitated efforts to understand the specific types of HRM systems in BRICS MNCs and to explain how they differ from the HRM systems used in MNCs in developed countries.

An understanding of the diffusion of HRM systems used by BRICS MNCs to their subsidiaries is one theoretical contribution provided by this study. The findings of this study have provided an understanding of the specific types of HRM systems in BRICS MNCs and an explanation of how they differ from HRM systems in MNCs in developed countries. The study has examined these issues at the HRM practice level, which yielded more notable findings. Previous studies have mixed the practices up (Katou and Budhwar, 2006 as cited in Adams et al. 2017). This study has contributed to IHRM research on EMNCs by exploring the degree to which individual practices were transferred to subsidiaries using different mechanisms. This study confirmed extant theories that stated that EMNCs entering a developing market tended to adopt an ethnocentric approach when transferring the HRM practices used by their headquarters to their subsidiaries; particularly when transferring core practices, as this allowed the EMNCs to maintain internal consistency (Adams et al. 2017; Harzing & Pinnington, 2014; Khan et al. 2019).

Another contribution of this study was its exploration of the managerial and non-managerial views concerning the transfer of practices within EMNCs in Nigeria. Most previous studies have relied on interviews conducted with managerial staff only. However, this study conducted interviews with managerial and non-managerial staff. It also investigated the nature of practices decided by senior management and those adjusted due to industry characteristics, international structure and strategy. The contributions of this study offer a general view of the nature of HRM practices in EMNCs within the context of Nigeria. In addition, the qualitative research undertaken in this study using case studies, focus group interviews and in-depth interviews provided an excellent understanding of the transfer process. The use of multiple case studies showed a good understanding of the fieldwork process in business and management research.

The research findings added value by showing that MNCs usually combined parent and host country practices to form a hybrid of HRM practices in their foreign subsidiaries. Researchers have discussed how HRM practices were formed through different forces (Taahir et al. 2020; Xing et al. 2016; Yahiaoui, 2014). This study was similar to previous studies, but it analysed a different set of MNCs' subsidiaries. It also detailed the core features of HRM practices and described the reasons behind the transfers. By examining the Nigerian cultural and institutional environments, this study identified home country and host country factors that affected the adaptation of HRM practices in Nigerian subsidiaries. This study has opened up various avenues for future research into how EMNCs transfer their HRM practices to their subsidiaries in developing countries.

Another positive note from this research is that this study focused on influences from the cultural and institutional environment and identified *how* and *why* such forces differently influence the respective HRM practices by studying the host environment and HRM practices of subsidiaries in Nigeria. As a result, the study has yielded insights into Nigerian HRM practices, employee relations, and work-related values of South African MNCs' subsidiaries in Nigeria. In addition, features of the Nigerian culture and institutions were unveiled, which could help other researchers explore further the effect of Nigerian culture on HRM practices.

The results showed that the EMNCs studied had robust organisational cultures. Nevertheless, their subsidiaries were affected by their national culture. Nigerian business ethics and corporate social responsibility ideas differed from those found in the code of conduct manuals provided by the parent companies. Thus, national culture influenced their judgement. This study confirmed that Nigerian culture affected the subsidiary employment practices. It confirmed the findings of Hofstede (Hofstede, 2001), who stated that even in a company with a robust organisational culture, the national culture in a subsidiary was still noticeable. Understanding features of Nigerian culture and institutions could help other researchers explore further the effect of Nigerian culture on HRM practices.

The findings of this study also contribute to the academic literature discussion in the IHRM. The study found that some HRM practices were linked more closely to culture than others In this study, the influence of culture was more noticeable in performance appraisal, training and development and code of conduct practices and less noticeable in recruitment and selection, compensation and benefits and employee relations practices. These findings supported the findings of previous studies that stated that the extent of cultural influence varied between HRM practices, thereby affecting the scope of transfer (Yahiaoui et al. 2021). Therefore, culture influenced the extent of the transfer of HRM practices. Furthermore, several socio-cultural factors, analysed in previous studies, influenced the transfer of HRM practices in the Nigerian subsidiaries (James & Baruti, 2021; Ouyang et al. 2019).

The study revealed a novel result - that payment and employment-related practices were more localised. Thus, adding something new to the extant literature. The established view was that all HRM practices were transferred, localised or hybridised (Chung et al. 2020). This finding highlighted that each HRM practice had distinct local institutional and cultural implications. The study also proved that compensation and industrial relations were more context-specific than other HRM practices.

In general, the extent of the transfer of policies from a home country to its subsidiaries is influenced by the national business system of the host country. Transfer of practices is achievable in a host country with an inadequate or weak formal structure (Geary et al. 2017). Conversely, in a host country with a stable institutional environment and an established business system, the transfer of the practice may be challenging; therefore, MNCs have to localise their practices (Patel et al. 2018). A greater diffusion of EMNCs' HRM practices with inadequate local practices supports the dominance effect model in which MNCs from dominant countries transfer their HRM practices to subsidiaries in less dominant host countries (Ayentimi, 2018).

7.3.2 Contribution to Practice

Concerning the transfer of HRM practices, this study contributed to practice in several areas. This study could assist HRM policymakers in formulating HRM policies, which could influence the implementation of employment practices in Nigeria.

The study stressed the need for MNCs operating in Nigeria to interact with relevant institutions within Nigeria to ensure the successful implementation and management of HRM practices. Furthermore, the study explored the transfer processes and mechanisms used when implementing HRM practices, such as the varied factors that influenced the transfer of HRM practices. This research could help experts understand the best methods to adopt and their effect on the transfer process.

The study also showed that the education and experience of senior managers affected their judgement. Most previously studied and worked in Western countries, and their experiences influenced the function of HRM practices in Nigeria.

The study also researched the transfer processes, the tools used to implement HRM practices and the factors that influenced the transfer of HRM practices. This research could help experts better understand the best methods and their effect on the transfer process. Overall, the contributions of this study offered a broad view of the nature of EMNCs' HRM practices within the context of Nigerian subsidiaries.

7.4 Future Research

This study provides the basis for further research into IHRM in Africa (and specifically Nigeria). Future research could build on the understanding of the transfer of HRM practices in developing countries. For example, a longitudinal design could analyse the long-term transfer process (Creswell & Poth, 2017). Also, given that this study adopted a qualitative approach, future studies could use a quantitative method.

The diffusion of HRM systems by EMNCs is an essential theoretical study. A replica of this study is necessary to complement its findings. Increasing the number of EMNCs would help to generalise results. Moreover, diversifying the nationalities of the EMNCs to include other emerging economies, such as Brazil, Russia, India, and China, and exploring how their transfer processes vary would add knowledge to the literature. The findings of this study opened an avenue for further exploration of whether the diffusion of HRM systems in EMNCs is standard practice across all regions or only applies to some areas of the world where they have subsidiaries. This study has provided a basis for further research into these theoretically relevant issues.

This study opened an avenue for a more focused investigation of the transfer of individual HRM practices (for example, the transfer of recruitment and selection) in addition to focusing wholly on the particular aspects of the transfer of HRM practices, such as the process of the transfer of HRM practices, or the mechanisms used for the transfer of HRM practices.

Future studies could extend this line of research to include all subsidiaries of EMNCs from South Africa operating in Nigeria and their headquarters. Furthermore, since developing countries have different cultural and institutional characteristics, further studies could be conducted to investigate the HRM practices of EMNCs from South Africa in subsidiaries in other host countries within the sub-region. These studies would enhance the literature and provide valuable insights into the globalisation, standardisation, hybridisation and localisation approaches. Moreover, an investigation into why some transferred individual HRM practices are standardised while others are more localised could be another line of research. Nonetheless, the study had some limitations.

7.5 Limitations of the Study

The limitations of research are generally related to design or methodology features that could influence the interpretation of study findings. They are the restraints on application to practice, generalisability and effectiveness of conclusions. These limitations also include unexpected challenges that occurred during the study (Flick, 2018).

Notwithstanding all the chronicled strengths of qualitative research methods, Creswell and Poth (2017) suggested that researchers should advance the weaknesses or limitations of their study, which may affect their results. These limitations are potential weaknesses or difficulties that the study encounters. Moreover, they might compromise the quality of the results. They often relate to loss or lack of informants, inadequate variables, a miscalculation in measurement and other factors typically associated with data collection and analysis (Harding, 2018). Recognising these limitations is essential in research as researchers generate and add to the theory of knowledge through their study and enhance the interest of other researchers and scholars in that area of research. In addition, limitations are helpful to other potential researchers who want to conduct similar study or replicate a study. Another advantage of acknowledging the limitations of research is that those who read the study may apply the extent of the generalisability of the research findings to other people or situations.

Nonetheless, the purpose of qualitative research is not to create data that can be generalised to other situations as the data is used to obtain detailed and robust descriptions of phenomena obtained in specific locations according to the sample studied in a particular setting (King et al. 2018). Thus, the findings from this study may not be generalised to other samples or populations in situations and backgrounds that differ from the one in this study.

Another limitation relates to costs when conducting the study. Carrying out thesis research is a very costly undertaking. The cost of travelling to different sites to interview participants, examining documents, transcription and editing may be too high for some researchers. Though the researcher will try to ensure that the quality of the research and its findings are not compromised, these factors will somehow affect the research process. This reality forced the researcher to limit the study to three Nigerian subsidiaries of South African MNCs. The interviews and the documentary data were gathered from the subsidiaries only, which limited the amount of data collected. Additional data from the headquarters of the parent companies would be needed for a complete understanding of the EMNCs. This limitation may affect the generalisability of the study.

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Appendix A

Definitions and Terminology

The academic study of management must give definitions of terms to understand what is happening in companies by giving it a form that will allow comparison. Nevertheless, different scholars may use various terms for what seems to be a similar phenomenon. To avoid inventing terms that are not easily understood, researchers give particular meaning to commonly used words. Therefore, it is necessary to make a statement in this appendix on the principal terms used in the literature and this thesis.

International companies have one or more subsidiary in one country. However, they become multinational when they build branches in more than one country. Multinational corporations can capitalise on lower production costs and distribution costs in different countries. For multinational companies to succeed, they have to consider economic trends; consumer preferences and political pressures in various areas of the world (Cullen & Parboteeah, 2013).

Multinational Corporations (MNCs) are companies that participate in business functions beyond their national borders. These include all type of industries that participate in international companies(Cullen & Parboteeah, 2013) . The parent company has to take control of the activities of its subsidiaries in the host countries. Multinational Company (MNC) or multinational enterprise (MNE) is a business that engages in foreign direct investment (FDI) and owns or in some way controls value-added activities in more than one country. Multinational companies (MNCs) attempt to achieve both the local responsiveness of a multinational corporation and the efficiency of a global firm. Multinationals use a network structure to coordinate and control their specialised facilities positioned around the globe. Multinational companies use geo-diversity. They place their top executives, and top management teams in different countries to gain competitive advantage through the availability of capital or talent and proximity to lower cost of labour. Multinational companies tend to provide autonomy to independent country operations. However, they bring these different activities together into an integrated whole (Hoenen & Kostova, 2015).

Emerging multinationals Companies (EMNCs) are globally active enterprises originating from emerging economies like Brazil, Russia, South Africa, India Turkey, China, Nigeria and others. They are new poles of business excellence realised through inspiring leadership and advanced approaches to conventional and complex problems (Davis & Luiz, 2015).

A parent company is a company that owns and control foreign direct investment, usually with a subsidiary company in two or more host countries (Reiche et al. 2016).

A headquarter (HQ) or head office(HO) is the main centre of the corporation, generally situated in the 'home' country of the parent company, nonetheless sometimes these head offices are established in the 'tax sanctuaries' countries. These countries have little tax and other promising financial incentives that attract different set-ups (Armstrong & Taylor, 2014).

A subsidiary is an affiliate in which the parent company has significant control or interests. An affiliate is any associated company or entity of direct investment abroad regardless of its legal formation. It is also known as a subsidiary or associate. It is established under the laws of the host country on equal legal terms as the other domestic companies in the host country (Wallace, 2002).

Human Resources refer to employees and their knowledge, skills, attitudes, abilities and talents in doing a particular job. Human resources are regarded as the human asset, human capital and human factor. They control all physical and financial activities in the company (Armstrong & Taylor, 2020).

Management is the process of getting things done through employees. Management refers to the various activities done by an organisation to achieve both individual and organisational objectives. Management functions include planning, organising, directing and controlling different activities in a strategic way to achieve the desired goals (Armstrong & Taylor, 2020).

Human resource management is defined as a strategic and consistence approach to the management of an organisational most valued assets - the individuals working there who *independently and collectively contribute to the accomplishment of its objectives (Armstrong & Taylor, 2014).*

Multinational companies human resource management is the management of employees in such a way that the strategies and design of the enterprise are formed in a manner that it successfully takes advantage of international opportunities and respond to global threats (Cullen & Parboteeah, 2013).

Strategic Human Resource Management is the process of aligning HR business strategy to achieve the organisational objectives and satisfy their employee's goals through employees commitment and engagement (Dickmann et al. 2016).

International Human Resource Management (IHRM) is concerned with the relationships between organisations and the foreign environments and HRM activities of companies in which the businesses operate. International Business management encompasses functions like recruitment and selection, training and development, motivation, reward system and welfare services to retain and effectively utilise services of employees both at the national level and at the international arena, to achieve organisational objectives and achieve competitive advantage over competitors (Dickmann et al. 2016).

Domestic companies are companies that operate only in their home countries. Most companies begin operating in their home country. These companies recruit and select, train and develop and pay their employees who are usually mostly obtained from the local labour market. As the enterprise grows, it may decide to open a subsidiary in another country o reduce the cost of transporting its products over a considerable distance. The company grabs an opportunity of the attractiveness of the local labour market. Cultures varied across the globe; various countries have different cultures, which make one area to be more or less attractive than the other according to the work ethic of the potential employees. The potential employees may differ in their educational systems. The reward systems vary according to areas (Armstrong & Taylor, 2020).

International companies compete to stay in the market and gain competitive advantage, it becomes tough for businesses to continue to compete and gain market share, as more competitors enter the domestic market. Consequently, they need to find another market abroad for their products. The products are exported to international markets and then this subsequently leads to the opening a subsidiary company in another country (Groutsis & Harvey, 2014)

Appendix B

Case study interview protocol for subsidiaries in Nigeria

Research Project: South African MNCs' HRM Systems and Practices at the Subsidiary Level: Insights From Subsidiaries in Nigeria

Country:

Date and time:

Name of the organisation:

Interviewee's name:

Position:

Nationality:

Part A

Introduction: Thank you for taking time to contribute to this research. An outline of my role and how this interview is designed to fit in this research will be briefly discussed next.

Purpose of this research: The general aim of this study is to understand and analyse the nature of HR systems and practices of EMNCs from BRICS countries and the extent to which they are diffused to subsidiaries in host countries .

Relevance of this research: This research seeks to close the gap in existing knowledge about the transfer practices of EMNCs to their subsidiaries in a developing country: Nigeria.

Personal relevance: my role is that of a PhD researcher. This research is a fundamental part of the requirements for the PhD degree at Swansea University.

Ethical considerations: The information gathered from this study is strictly confidential. Your name, and any other information to identify you will be coded or changed to keep it confidential. The data obtained in this study will exclusively be used for this study and not passed on to third parties.

I, the undersigned, have read and understood the above and agree that the data collected from this interview is incorporated in a doctoral thesis and published following the ethical considerations listed above.

Name:...Signature:...
Date:.. with your consent I will share the final analysis, expected in 2020, with you. Meanwhile, you can reach me on my email: [redacted]

<u>Part A:</u> Background information

- Could you please tell me about your educational background and when you joined the organisation? Please tell me about your job.

- How would you describe this company's mission and leading business activities? What is the business strategy of the company?

<u>Part B:</u> The nature of HRM systems of EMNCs in Nigeria

- Please tell me or give me a general overview of the HRM system and practices in this company - both locally and at parent company in SA.

- How are HR policies set? (Prompt: are there parent company-wide HR policies?; Clear guidelines from HQs; suggestion from HQ; general guidelines issued by HQ; need approval of HQ or are you given total autonomy?

- Could you please tell me how the company's human resource planning strategies and practices are carried out?

- Briefly explain the nature of the HRM systems of your parent company in South Africa?

Staffing/Recruitment and Selection

- How does the recruitment and selection policy in this subsidiary compare to the parent company's policies and practices? (Prompt: is there company comprehensive policy in recruitment and selection; to what extent does this resemble the HQ's policies and practices?; to what degree are you free to adjust these policies; are there any similarities and differences).

- How do you fill the needed positions? (Prompt: recruitment from abroad, local market, internal or automatic promotions). Have you got any limitations in this regard? (prompt: Government agreement, law, cost).

- Is recruitment and selection of managers different from those of non-managerial positions?

Talent Management

- What are the main types of training and development offered by the company? (Probe for evidence, specific examples, documents) What is the fraction of employees who undertake training yearly?

- Who provides training in the company?

- Is training and development for managers different from those of non-managerial positions? For managerial staff, are they similar to that of the parent company?

- Who decides the training and development budget for your staff?

- What career management practices exist in your company locally? Is it different from that of the parent company? How do you manage talent?

Performance Appraisal

- How similar or different is the Performance Management system of the subsidiary from the headquarters?

- What is the primary purpose of the appraisal? (Is it for individual development and to identify training needs, or is it for pay?)

- Is appraisal of managers different from those of non-managerial positions? Is it similar to that of the parent company?
- Who carries out the performance appraisal? Moreover, how often are the appraisals carried out?

Rewards

- How is pay determined in the organisation? (Prompt: job description; performance related pay; fixed-rate or seniority-based).

- How are pay increases determined? (Prompt: according to experience, age, individual performance; team performance; the cost of living; yearly bonus).

- How are promotions determined? (Prompt: automatic promotions; seniority; performance).

- How would you describe the compensation package of this subsidiary? Are they the same or similar to those at the headquarters? Why or why not?

Employee Relation

- How would you describe management/employee relations at this workplace? (Prompt: also include the relationship between management and unions/staff associations and their representatives).

- Could you please tell me the differences in the legal environment in both Nigeria and SA (Prompt: Equal Employment Opportunity; Discipline and Employee Rights)? Are there any issues about compliance with health and safety in Nigeria and SA?

- Can you share with me how your company deals with employee relations/trade unions (industrial relations) - both locally and in SA.

- Could you please tell me your company's approach to diversity management in both Nigeria and South Africa?

- What methods of communication are used between the company in Nigeria and headquarters? (Prompt: Email, formal written reports; manuals; clear instructions; telephone conversations; meetings; visits) Which methods are used more frequently and for what reasons?

- For what reasons do you communicate with the workforce? What information do you communicate to them? (Prompt: to discuss employees' performance).

- What method is used by the workforce to communicate their views or opinions to management? (Prompt: email, suggestion boxes; surveys)

- Do you feel that your subsidiary's concerns are adequately addressed by the HQ staff? How do you ensure that your concerns are being fed back to HQ?

Code of Conduct

- Have you taken a course or had any training in business ethics?

- Did you see the ethics material on your website? Which of your corporate values made an impression on you?

- Tell me about a time that you were challenged ethically (Give me an example of a situation when you encountered an ethical dilemma).

- Do you think the activities and behaviour of the Nigerian government body influence the application of the code of conduct?

- To what extent is your HR staff in HQ and the subsidiary aware of cultural differences and how are the cultural differences affect the implementation of the code of conduct? What could be improved? How? What do you believe compromises the ethical workplace?

Part C: Key factors affecting HRM policies and practices.

- Do you think the HRM systems and practices of your subsidiary in Nigeria are different from those of the local companies/firms? (Probe for evidence, specific examples, documents).

- Do you think the institutions, regulations or culture in Nigeria have an impact in making the EMNC's subsidiary adopt more local HRM practices and systems?
  (Probe for evidence, specific examples, documents).

Part D: Sharing of best HRM practices

- Do you think the HRM practices and systems within the subsidiary in Nigeria are transferred or adopted from the HQs? Which features? (Probe for evidence, specific examples, documents).

- If yes, what factors contribute to the successful transfer of the HQs HRM practices and systems to the subsidiary? (Probe for specific examples).

- If no, what factors influenced the company's failure to transfer its parent country HRM practices and systems to the subsidiary in Nigeria? (Probe for specific examples).

- Are the HRM practices and systems in your company a blend of the host and home countries practices? (Probe for evidence, specific examples, documents).

- Do you see the convergence of new HRM practices as a result of cross-cultural differences and HRM practices.

Appendix C

Preliminary data analysis using a thematic approach

Case MNCs	HR practices	Transferred, localised, hybridised or standardised	Type of adaptation	Explanation
MTN	Recruitment and Selection	Hybridised	*MTN recruitment and selection practices are transferred from the head office. MTN recruitment and selection practices are the same across the globe. However, the source of recruitment is localised to satisfy the local institutional environment.*	*MTN has similar recruitment and selection practices across the Group; they aligned their HRM practices to the Group standards with some country specifications if needed. However, MTN localised their recruitment process to satisfy the local law, which stipulates that all non-managerial staffs must be Nigerian citizens and must have served in the National Youth Service Corps (NYSC).*
	Performance l appraisa	Standard with slight modification	Adaptation of the implementation of the performance appraisal practices.	MTN employ management by objectives to appraise their staffs. The line managers evaluate employees based on their performance, and the managers then give feedback to the employee, the manager sits with the staff and summarises the feedbacks into the work plan and then sit together with the employee and set targets. However, m*anagers tend to be less confrontational during the performance appraisal interview. They give feedback to the employees in a subtle way, so as not to upset them.*
	Compensation and benefits	Localised	compensations and benefits are localised. The compensation practices are fully adapted to the Nigeran market and the Nigerian labour law.	The parent company provides MTN with guidelines which serve as a framework for which the subsidiary needs to follow in designing and implementing its reward system, however satisfying the host country's environment. MTN compensation practice is adjusted to satisfy the host country's Labour law and local market.
	Training and Development	Standard	Modification of the implementation method.	MTN has a standard training programmes across the globe. They have web-based learning. There are classroom training in house. The training programs are standard, yet sometimes the trainers put the local touch.
	Employee Relations/Trade Unions	Localised	Employee relations were mainly localised and highly underpinned by the Labour Act of the subsidiaries' host country, and guided by the international labour organisations (ILO) laws.	*MTN follows the Nigerian labour law by providing their employees with payments above the Nigeria minimum wage limit. They also pay for overtime work; they also have a policy that prohibits discrimination against employment and promotion.*
	Code of conduct	Standard	Adaptation of implementation of the code of conduct practices.	MTN has a standard code of conduct practices. Each employee hired at MTN has to be trained on it and has to certify that he was trained on it. Code of conduct practices are related to customer relations or dealing with customers. They shape the behaviour of their staffs to match their corporate culture. However, Some clauses are not very important to the Nigerian contex for example, harassment. These clauses are not considered unacceptable but as seen with a different perception.

Case MNCs	HR practices	Transferred, localised, hybridised or standardised	Type of adaptation	Explanation
Shoprite	Recruitment and Selection	Hybridised	Shoprite recruitment and selection practices are standard. However, the source of recruitment is transformed.	*The recruitment and selection have to be within the limits of the budget allotted and approved by the HQ. The recruitment process for managerial positions varies from non-managerial roles.* The subsidiaries have to follow the local law in recruiting their non -managerial workforce; that is, all staffs must be Nigerian nationals and must have participated in the National Youth Service Corps (NYSC). *However, foreign nationals can be employed to fill positions at the managerial and executive-level.*
	Performance al Apprais	Standard	Adaptation of the implementation of the performance appraisal practices.	*Shoprite has standard performance appraisal system across the globe. Promotions are determined based on an individual's performance and their contribution towards the corporation rather than on seniority. If an employee qualifies for a promotion when vacancies are available, then that employee takes up the position. Thus, the system helps the company to identify valuable potentials and promote them within a short time. Nonetheless, managers use a subtle approach to given negative feedback to their staffs.*
	Compensation and benefits	localised	*Shoprite adapts their compensation practices to satisfy the local law. They also perform market surveys to decide the salary level to pay for their workforces.*	*All permanent employees receive fixed salaries and benefits (or total guaranteed pay). As employees advance in the company, variable compensation accounts for a growing amount of their remuneration packages, which is done to link their performance more closely to the companies' business objectives. Shoprite pays its employees above the minimum wage stipulated by the Nigerian Labour law. They also benchmark their salaries with their competitors in Nigeria to stay competitive.*
	Training and development	Global standard with some adaptation.	Formal training, local programmes are developed when the need arises.	Shoprite has *some formal training which everyone is expected to undertake irrespective of their positions and level, for example, safety course and code of conduct. However, some training programmes are developed when needed to meet the need of the local market.*
	Employee Relations/Trade Unions	It is localised to suit the Nigerian labour law.	Employee relations were mainly localised and highly underpinned by the Labour Act of the subsidiaries' host country, and guided by the international labour organisations (ILO) laws.	*Shoprite has an excellent relationship with its employees. They have excellent communication channels with their staffs. Their staffs do not have to resort to any strike actions to meet their demands. They always communicate their demands to the management.*
	Code of Conduct	Global standard with some modification of the implementation.	There is no adaptation of content; however, there is a tendency for adaptation of implementation.	*Shoprite does not amend the content of the code of conduct, but they modify its content to fit the cultural, political and economic environment of Nigeria.*

Case MNCs	HR practices	Transferred, localis hybridised or standardised	Type of adaptation	Explanation
Stanbic Bank	Recruitment and Selection	Hybridised	Transformation of the sources of recruitment.	Stanbic Bank recruits *high skills and competence staffs in high tech and managerial positions. The company employs headhunting in recruiting applicants for some critical positions in the company by using expert organisations; referrals are also employed for this purpose. Their recruitment and selection have to be within the limits of the budget allotted and approved by the HQ. However, they have to recruit nonmanagerial staffs from the National Youth Service Corps as instructed by the Nigerian Government.*
	Performance Appraisal	Standard	The performance appraisal system is standard; however, the implementation of the system is adapted.	*Stanbic Bank performance management system is standard. The HQ provides them with a guideline on career management and a standard training plan, with a strong emphasis on a shared corporate culture that is adopted across the company worldwide. However, managers are less aggressive and try to criticise more indirectly.*
	Compensation and benefits	localised	*Salaries are adapted according to local labour law and according to the market position.*	*Salaries are determined according to the position, experience and qualification of the staff, and the type of the job. It is also based on the market rate and local Labour law and according to the economic situations in Nigeria.*
	Training and development	Global standard with some adaptation.	Standard content, the adaptation of delivery technique and trainer style.	*Training is standard across the globe. Employees are assessed to identify training needs accordingly. Even though Stanbic Bank has a standard training system, local initiatives are considered. The training programme is standard, yet, the trainers give due consideration to local particularities.*
	Employee Relations/Trade Unions	Localised	It is predominantly localised to suit the Nigerian labour law.	*When the head office establishes policies and practices at the subsidiary; the HQ occasionally obtained opinions and feedback from their employees, particularly the head of the departments because they are directly in contact with the staffs. Generally, the feedback obtained is then sent to the HQ; the feedback helps the HQ to adjust some practices to suit the host country's (Nigeria) conditions.*
	Code of Conduct	Global standard with some amendment of the implementation.	There is no adaptation of content; however, the implementation practice is adapted.	*We have a universal code of conduct. Diversity leveraged, there is no adaptation of content. However, there is adjustment of the interpretation of the application of some parts of the code to suit the Nigerian context.*