International Journal of Economics, Commerce and Management
United Kingdom Vol. IV, Issue 2, February 2016
http://ijecm.co.uk/ ISSN 2348 0386

EXPATRIATE CAPABILITIES, KNOWLEDGE TRANSFER AND COMPETITIVE ADVANTAGE OF THE FOREIGN DIRECT INVESTMENTS IN UGANDA'S SERVICE SECTOR

Yunia Musasizi
Faculty of Entrepreneurship and Business Administration
Makerere University Business School, Uganda
ynix28@yahoo.com

Sylivia Aarakit
Faculty of Entrepreneurship and Business Administration
Makerere University Business School, Uganda

Rogers Mwesigwa
Faculty of Entrepreneurship and Business Administration
Makerere University Business School, Uganda

Abstract

The purpose of the study is to establish the relationship between Expatriate Capabilities, Knowledge Transfer and Competitive Advantage in Uganda's service Industry. The study adopted a cross sectional and a quantitative research design. Data was collected from 53 foreign registered firms in the Uganda's service sector using stratified sampling. Data was tested for validity and reliability and analyzed using SPSS. The study posits a positive relationship between Expatriate Capabilities, Knowledge Transfer and Competitive Advantage of Foreign Direct Investments in Uganda's Service Sector. The study reveals that Expatriate Capabilities and Knowledge Transfer are crucial for the achievement of competitive advantage of Foreign Direct Investments in the Ugandan Service Sector. However, expatriate capability is a better predictor of competitive advantage than knowledge transfer. The study emphasizes the need to fully utilize expatriates to ease organizational operations in order to improve its competitive advantage.

Keywords: Expert Capabilities, Knowledge Transfer, Competitive Advantage, Uganda Service Sector

INTRODUCTION

As global competition intensifies, the importance of managing international operations by Multinational Corporations (MNCs) increases (Sohn, 1994; Vernon., Wells & Rangan, 1996). This heightens the need to identify and select qualified and competent managers for overseas assignments who can implement the organization's strategies in a particular host country (Gregersen, Black, and Morrison, 1998). Specifically, the use of expatriate capabilities has been recognized as an important mechanism to monitor and evaluate the activities and behaviors within the subsidiary (Tung, 1993; Harzing, 2001b). For instance, MNCs that dominate Uganda's service sector like banking and telecommunication prefer to appoint their own foreign executives as a way of protecting their interests, transferring corporate knowledge and developing operations abroad in a manner consistent with their values and objectives (Mutoigo and Sejjaaka, 2004). This in turn through the accumulation, development, and reconfiguration of the organization's unique resources, capabilities and knowledge creates a competitive advantage (Cater, 2005).

Nonaka and Takeuchi, (1995); Zack, (1999) posited that managerial capabilities and knowledge-based resources are the most relevant to the achievement of a firm's competitive advantage (Bae & Lawler, 2000; Fey & Hebert, 2000; Hocking, Brown & Harzing, 2004). However, many expatriate appointments are unsuccessful (Muenjohn and Armstrong, 2005). 30 to 50% of expatriates who stay at foreign assignments are considered to be ineffective or marginally effective by their organizations (Usunier, 1998; Hill, 2003).

To ensure competitive advantage, Foreign Direct Investments (FDIs) often utilize expatriates so as to ease operations through transfer of knowledge (Lyles & Salk, 1996). Despite this, many MNCs in the Ugandan service sector still fail to achieve their targeted profitability level and growth levels (The Observer, 19 November 2009). For example, Zain (U) was acquired by Bharti Airtel whose major challenge was to bring on board more subscribers as Zain had been losing them to its competitors (The Independent, 13 April 2010) due to lack of a competitive edge. In addition, she had been reporting losses for 4 years to a tune of 29 billion in 2006, followed by decrease in loss by 25% and then an increase by 72% in 2007 and 2008 respectively (Director's report Celtel (U) Ltd, 2007 and 2008).

Whereas there have been many studies on the factors that contribute to the competitive advantage of Foreign Direct investments elsewhere, no empirical study has been carried out in the Ugandan Service Sector (Mutoigo and Sejjaaka, 2004). This study therefore, investigated the relationship between expert capabilities, knowledge transfer and competitive advantage of foreign direct investments in the Ugandan service sector. This study is expected to enable scholars and practitioners to have a more definite and direct understanding of how expert capabilities and knowledge transfer contribute to the FDIs competitive advantage.

THEORETICAL REVIEW

This study dwells upon Barney's Resource-Based View (RBV) - a competitive advantage theory Barney (1991). According to the RBV Model, firm resources which include all assets, capabilities, organizational processes, firm attributes, information, knowledge, etc. controlled by a firm enable the firm to conceive of and implement strategies that improve its efficiency (doing things right) and effectiveness (doing the right things) which give it a competitive advantage. According to Jassim (2005), firm resources are strengths that firms can use to conceive of and implement their strategies. The RBV argues that firms achieve sustainable competitive advantage by developing resources, which add unique or rare value, which cannot easily be copied by others. Thus the firm with superior access to physical resources, which others cannot buy, holds a superior advantage.

LITERATURE REVIEW

Expatriate Capabilities and Knowledge Transfer

The expatriation literature frequently cites the need to transfer resources abroad as a primary reason for expatriating capable home-country nationals to foreign affiliates (Dowling et al., 1994). MNCs use competent expatriates as a means of organizational development, aimed at increasing knowledge transfer within the subsidiary processes (Harzing, 2001) through a “contagion” effect from the more advanced technology and management practices used by foreign firms (Findlay, 1978). De Gregorio (2003) adds that FDI may also bring in expertise that the country does not possess through which technological and managerial knowledge that is not readily available to domestic investors can be transferred.

For the transfer to be successful, mechanisms based on human resources are relied on (Nonaka & Takeuchi, 1995). Consequently, expatriate capabilities are a legitimate way of transferring embedded knowledge (Downes & Thomas, 2000). Expatriates with a given set of capabilities are employed in the MNCs as vehicles for the knowledge transfer from one unit to the other (Minbaeva, 2003). According to Downes and Thomas (2000) and Bonache and Brewster (2001), the greater the number of expatriates in a subsidiary, the more the knowledge that can be transferred. As such, the practice of employing expatriates may be a strategic move on the part of an MNC to increase the international experience and knowledge base of present and future managers (Boyacigiller, 1991). Thus, expatriation is a tool by which organizations can gather and maintain a resident base of knowledge about the complexities of international operations.

Several researchers have identified important features of this role. Both Harzing (1999) and Selmer and de Leon (2002) noted that expatriates playing this role take responsibility not only for transferring technical knowledge and skills, but also for cultivating corporate culture in the subsidiary. Leach (1994) emphasized that for expatriates to function effectively as transferor; they must transfer appropriate up-to-date knowledge and skills in their current posts and prepare local employees to take over their duties when they leave. The latter requires making certain that local managers can consistently and effectively apply existing practical knowledge and skills to improving planning and organization within the institution, which means that local employees must have some managerial knowledge and skills to begin with. She found that when local employees had poor organizational and managerial skills, expatriates spent most of their time on administrative duties and directing the work of local managers, rather than transferring knowledge and skills to them.

Expatriate Capabilities and Competitive Advantage

It is commonly accepted that employees create an important source of competitive advantage for firms (Barney, 1991; Pfeffer, 1994). Specifically, capable expatriate workers are necessary to guarantee that foreign subsidiaries' operations remain competitive (Lee & Sukoco, 2008). Hence MNCs seeking a competitive advantage in the management of their companies are increasingly relying on the appointment of competent expatriate managers to carry out headquarters policies in the host markets (Muenjohn & Armstrong, 2005). In a capability-based perspective a firm's competitive advantage derives from its management’s competencies (Collis, 1994). This perspective emphasizes a more dynamic view of competition, by focusing on management’s distinctive capabilities (Teece, Pisano, & Shuen, 1997; Eisenhardt & Martin, 2000) and its core competencies (Prahalad & Hamel, 1990; Leonard-Barton, 1992).

Expatriate managers may create sustained competitive advantage directly if they are able to exploit their unique specific competencies. These competencies are particularly valuable to the organization if they provide an institutional bridge between the cultural, social, and political divide often found between the domestic and foreign subsidiaries (Gabby & Zuckerman, 1998). As these managerial competencies develop, the resulting outcomes from implementing new strategic visions may reshape the thinking, actions, making it ultimately evolve into a global mindset (Kefalas, 1998; Paul, 2000) and hence develop a competitive advantage.

As suggested by Harvey and Novicevic (2001), the effective expatriate is one who is able to adapt or adjust himself to the host country. When expatriates are not well adjusted in the host country, it could be expected that their expatriation will not be successful hence failure to have a competitive advantage over others (Webb, 1996). As described by Shaffer, Harrison, Gilley and Luk (2001), this is because well-adjusted expatriates will have greater resources (time, effort, emotional investment) available to support and facilitate their job performance. The importance of global assignments for expatriate managers is directly tied to their ability to transfer knowledge and cultural attributes of the headquarters to overseas operations (Bender & Fish, 2000). Developing this multilevel competency through knowledge transfer may result in a superior competitive advantage of the organization (Wright *et al*., 1994).

Therefore numerous scholars have emphasized the importance of deploying competent expatriates to establish a global competitive advantage (O'Donnell, 2000) given that a successful global manager must possess a complex set of technical, political, social, organizational and cultural competencies (Harrison & Shaffer, 2005). There is a growing recognition that employees with international expertise do make a difference in contributing to achievement of competitive advantage in the international business environment (Stroh & Caligiuri, 1998; Taylor *et al*., 1996). However, acquiring these collective competencies may be one of the most challenging tasks faced by rapidly expanding global organizations (Takeuchi, Tseulk, Yun & Lepak, 2005).

Knowledge Transfer and Competitive Advantage

To a great extent, the success of MNCs is considered to be contingent upon the dissemination of valuable knowledge throughout the subsidiaries (Hedlund, 1986; Bartlett & Ghoshal 1989, Gupta & Govindarajan, 1991). This transfer of valuable knowledge acquired from the expatriates is seen as an important source of competitive advantage (Pedersen, 2000). From a theoretical point of view, the literature on knowledge transfer in MNCs has implicitly and positively related it to the ability and willingness of expatriates to integrate new geographic dispersed skills, know-how, and capabilities in the existing knowledge base, that consequently fosters technological and managerial innovation and creates synergies that can significantly leverage the MNC's competitive advantage (Hedlund, 1986; Bartlett & Ghoshal, 1989; Cantwell, 1995; Gupta & Govindarajan, 2000). Particularly, intangible and knowledge-based resources are largely acknowledged as the most important determinants of a firm's competitiveness as they fit better such condition of imperfect mobility which resource and knowledge-based perspectives have identified as a potential source of competitive advantage (Peteraf, 1993; Nonaka & Takeuchi, 1995; Inkpen, 1998; Zack, 1999).

Managerial knowledge, including the current endowment of managerial intellectual property of a firm and its managerial and organizational practices, plays an important role in determining the productive efficiency of a firm and hence its competitive advantage (Teece & Pisano, 1994). It covers all aspects of the management of the firm, ranging from strategic planning and decision making to human-, financial- and information resource management as well as operations and marketing management. The resulting “systems” of management practices, when successfully implemented, create a unique source of competitive advantage for a firm (Xiaolan, 2005).

In the emerging knowledge economy many companies are forced to access globally dispersed technological and market knowledge to maintain their competitive advantage (Fallah & Lechler, 2008). The effective dissemination throughout the MNC organization of valuable knowledge acquired by its local affiliates is seen as an important source of competitive advantage. To an increasing extent the success of MNCs is considered to be contingent upon the ease and speed by which valuable knowledge is disseminated throughout the organization (Hedlund, 1986; Bartlett & Ghoshal, 1989, Gupta & Govindarajan, 1991). Thus, creation of knowledge in the spatially dispersed multinational organization is a necessary, but not sufficient condition for success in the global marketplace. If valuable knowledge remains in, or only diffuses slowly from, the individual MNC affiliates, opportunities for worldwide leverage are lost. Therefore, appropriate incentive structures and proper knowledge transfer mechanisms should be in place to ensure swift dissemination to other units of the multinational organization (Pedersen, Petersen & Sharma, 2000)

Research in the area of knowledge management indicates that the ability to create and transfer knowledge internally is one of the main competitive advantages of MNCs (Minbaeva et al. , 2003) Thus, the competitive advantage that MNCs enjoy is contingent upon their ability to facilitate and manage inter subsidiary transfer of knowledge.

Furthermore Gooderharm (2001) stipulates that the success of a MNC is ultimately dependent on its ability to replicate its domestic advantage in foreign locations. This domestic advantage may be due to a number of factors among which include that of knowledge assets and its transference. Using the resource-based logic, expatriates who are motivated for knowledge transfer are valuable and rare corporate resources that should contribute to foreign subsidiaries’ performance (Hyondong, 2005).

METHODOLOGY

The study adopted a cross sectional and quantitative research designs to address the hypotheses covered in this research. Using Krejcie and Morgan, (1970), a sample of 53 was taken from a population of 61 registered MNC’s firms in the service sector that comprises of sub sectors that include: telecommunication, financial services and hospitality (UIA Report, 2008).

Stratified sampling was used to select sub sectors consisting of the telecommunication (Telephone, Internet and Courier Service providers), financial services (Banks and Insurance services) and hospitality sub sector. Service sector was preferred because it attracts the majority of FDI in Uganda. In addition, purposive sampling procedure was used to select 5 key expatriate personnel in each of these firms due to the need to target respondents who are knowledgeable on required information (Sekaran, 2000). This is in line with Ntoumanis (2001) and Field (2006) as cited by Kamukama and Bazinzi (2013) who stated that the ratio of participants to organizations for multiple regressions should be at least 5:1 or 10:1 (i.e. for every one organization, at least 5 or 10 participants should be able to provide an answer).

Primary data was collected through administering questionnaires. The questionnaire contained structured questions relating to the study variables expatriate capabilities, knowledge transfer, and competitive advantage of FDIs. All items were anchored on a five point Likert scale ranging from 5 (strongly agree) to 1 (strongly disagree).

To ensure reliability and validity of the instrument, pre-testing was carried out. During pre-testing, respondents were identified and recommendations were made to improve clarity of some of the questionnaire items that appeared ambiguous. After effectual correction of the observed errors in the instruments, the same respondents were consulted to confirm appropriateness. The research instrument was tested for reliability by using Cronbach's Alpha value so as to prove that the research instrument used to collect data from the respondents was appropriate and could yield reliable results at all times (Sekaran, 2000). Reliability Coefficients obtained were as follows Expatriate Capabilities alpha was 0.7882, Knowledge transfer alpha was 0.7943 and Competitive Advantage alpha was 0.8449.

To overcome common methods bias resulting from common rater effects, a number of precautionary procedures were undertaken (Podsakoff et al., 2003). These included; elimination of questionnaire ambiguity in the information inductance scale and the use of different scale anchors. Common methods bias was also overcome by reducing the measurement error which normally threatens the validity and conclusions about the relationships between measures (Podsakoff et al., 2003).

We also tested for Multi-co linearity by running the variance inflation factor (VIF) at > 2 and the tolerance levels, and standard cut-off points suggested by Scott (2003) and Yu (2008) were observed. According to Field (2006), correlation coefficient should not go beyond 0.9 to avoid multi –co linearity.

Study variables were measured using the scales adopted from previous studies and were modified to suit this study. Expatriate Capabilities was measured based on competencies, willingness and adaptability of expatriates as measured by previous scholars like (Hyondong, 2005). Competencies was measured in terms of knowledge and skills (Delios and Bjorkman, 2000; Tsang, 2001); willingness in terms of motivation (Gupta et al., 2000; Steensma and Lyles, 2001) and adaptability in terms of flexibility (Tsang, 1999, 2001).

Knowledge transfer was measured basing on scales developed by Adler, Campbell and Laurent, (1989) and Lyles and Salk (1996). Competitive Advantage was measured based on the RBV Model which was advanced by Barney (1991); Hunt and Morgan (1995) and Jassim (2005). They assert that firm resources are strengths that firms can use to conceive of and implement their strategies so as to gain a competitive advantage. These include among others; human capital resources in terms of: training, experience, intelligence and relationships and organizational capital resources in terms of: a firm's formal reporting structure, its formal and informal planning, controlling, and coordinating systems, as well as relations among groups within a firm.

The data collected was edited for incompleteness and inconsistence to ensure correctness of the information given by the respondents. Variables were coded and a Statistical package for social scientists (SPSS) was used for data entry and analysis. Pearson' correlation of coefficient was used to establish the relationships between Expatriate Capabilities, Knowledge transfer and Competitive advantage. Multiple Regression analysis was used to determine how the predictor variables could explain the dependent variable. This was because there was more than one variable affecting the dependent variable.

ANALYSIS AND FINDINGS

Descriptive Statistics

The response rate registered was 87.5% that is out of 255 targeted respondents, 223 responded. Of these, male were (82.2%) while only 17.8% were female respectively. In establishing the sub sector in which the respondent belongs, it was found that the majority of the organizations were in the Financial Services sector (51.1%) followed by the Telecommunication sector (28.9%), trade 15.6% with the least of them belonging to the Hospitality sector 4.4%.

Correlation Analysis

In order to achieve the relationships between study variables, the Pearson (r) correlation coefficient was computed given the interval nature of the data and the need to test the direction and strength of relationships that exist among the study variables.

Table 1: Pearson Correlations

	1	2	3
Expatriate Capabilities-1	1.000		
Knowledge Transfer-2	.495**	1.000	
Competitive advantage-3	.627**	.554**	1.000

** Correlation is significant at the 0.01 level (2-tailed)

The results in table I above showed a significant and positive relationship between the Expatriate Capabilities and Knowledge Transfer (r = .495**, p<.01). These results indicate that if expatriates come in with advanced management and technical skills and are committed to corporate goals, this is bound to improve the Knowledge transfer which will for instance be reflected by working with and through others to accomplish assigned tasks and provision of feedback to employees.

In addition, table 1 results revealed a significant and positive relationship between Expatriate Capabilities and FDI Competitive Advantage (r = .627**, p<.01). This highlights the fact that the more competent the expatriates are, the higher the chances of the organization achieving a competitive advantage as compared to its rivals given the capable human resources that add a positive value to the organization and hence what they offer is unique and imperfectly imitable.

A significant and positive relationship between Knowledge Transfer and FDI Competitive Advantage is illustrated in table 1 above (r = .554**, p<.01). This indicates that if expatriates exchange knowledge and experience with their subordinates and work with them in teams as a means to disseminate that knowledge, it will lead to effective management of their capabilities and possession of costly to imitate and not easily substituted resources

Regression Analysis

The regression model was used to determine the extent to which Knowledge Transfer, Expatriate Capabilities predict Competitive Advantage of FDIs.

Table 2: Regression Analysis Model

Dependent Variable: Competitive Advantage	**Un standardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
Model	**B**	**Std. Error**	**Beta**		
(Constant)	1.441	.830		1.737	.090
Expatriate Capabilities	.630	.247	.372	2.550	.015
Knowledge Transfer	.112	.182	..355	2.332	.025
R Square	0.500				
Adjusted R Square	0.463		Sig.		0.000

The results in table 2 above show that the predictor variables can explain at least 46.3% of the variance in competitive advantage (Adjusted R Square = .463). The results further indicated that Expatriate Capabilities (Beta = .372, Sig. = .015), was a better predictor of competitive advantage as compared to knowledge transfer (Beta = .355, Sig. = .025). It means that a change in Expatriate Capabilities and knowledge transfer leads to 0.372 and 0.355 positive changes in Competitive Advantage respectively. Therefore MNCs should prioritize expatriate capabilities followed by knowledge transfer in a bid to increase competitive Advantage. The regression model was also observed to be significant (sig. <.01) and could thus be used to reliably make deductions and recommendations for the MNCs in line with expatriation.

DISCUSSION OF FINDINGS

The results showed a significant and positive relationship between the Expatriate Capabilities and Knowledge Transfer. This implies that the greater the capabilities of the Expatriate in terms of possession of managerial and technical skills and their willingness to share such with their subordinates, the more knowledge will be transferred. This is in agreement with Downes and Thomas, (2000) who assert that expatriate capabilities are a legitimate way of transferring embedded knowledge and thus expatriates with a given set of capabilities are employed in the MNCs as vehicles for the knowledge transfer from one unit to the other (Minbaeva, 2003).

This relationship is enhanced by the fact that knowledge is transferred to other employees only if the person transferring the knowledge has superior skills as compared to the other employees he or she is transferring too and the transferor should also be willing so that the employees would in turn be more willing to learn from the expatriate. This is supported by Delios and Bjorkman (2000) and Tsang (2001) who suggest that given the knowledge function that expatriates play, the greater knowledge and skills the expatriates possess, the greater knowledge and skills will be transferred to foreign subsidiaries and expatriates who are useful and valuable to overseas affiliates must have the genuine desire to impart years of hard-earned professional know-how to local employees and commit to localization (Rogers, 1999).

The results also revealed a correlation between Expatriate Capabilities and FDI Competitive Advantage. This means that expatriate capabilities positively affect FDI competitive Advantage since their presence leads to attaining a competitive edge for the organization. This is in such a way that with possession of professional knowledge, expatriates are a valuable corporate resource for the organization hence creating a competitive advantage. This is in conformity with the findings of Lee and Sukoco (2008) that show that capable expatriate workers are necessary to guarantee foreign subsidiaries' operations to remain competitive.

In addition, the resource-based view of the firm suggests that MNCs build competitive advantage by utilizing their tangible and intangible resources, including those directly related to human behavior in the organization (Barney 1991, 1995). Therefore the positive and significant relationship between the two variables thus implies that MNCs have to select expatriates who have superior managerial and technical skills so as to create an important source of competitive advantage as seen by utilization of the knowledge acquired from the parent company in the subsidiary.

There is a positive and significant relationship between Knowledge Transfer and FDI Competitive Advantage as shown by the results. This indicates that with dissemination of appropriate knowledge by the expatriates throughout the subsidiary, the organization develops superior resources that are only possessed by that organization, cannot be easily substituted and are costly to imitate. This is supported by literature that states that transfer of valuable knowledge acquired from the expatriates is seen as an important source of competitive advantage (Pedersen, 2000).

IMPLICATIONS

The study revealed a positive and significant relationship between Expatriate Capabilities and Knowledge transfer in MNCs. This implies that the more capable the expatriate management is the more knowledge will be transferred within the subsidiary. These capabilities are in terms of experience gained over time, knowledge and skills in both managerial and technological aspects. However these are combined with their willingness to share the knowledge and to a less extent, adaptability to the current environment.

Given the findings that Expatriate capabilities positively and significantly impact on Competitive Advantage of FDI, it means that MNCs gain a competitive edge over their rivals based on the Human resources they own. When they employ Expatriate management who are professionals and add positive value to the firm given the knowledge and skills possessed, they become a major corporate strategic asset hence giving the organization a competitive advantage as seen by the resources that are valuable, rare, imperfectly imitable and cannot be substituted.

Findings further showed that Knowledge Transfer and Competitive Advantage of a MNC are correlated. This suggests that the when the expatriates work with and through others to accomplish assigned tasks, they build capacity for the organization since people are fully involved in the activities of the organization. Through this, they get knowledge from the experienced management hence ensuring that all human resources can add positive value to the organization and not management alone. This ensures proper management of their capabilities which results into possession of superior resources hence a source of competitive advantage for the firm.

LIMITATIONS OF THE STUDY

The study focused on a sample of FDIs which could limit the generalization of the findings to all existing firms. Therefore further study should be carried out on other sectors other than the service sector. Measurement tools were adopted from previous studies; so any weaknesses in them could have equally affected this study. The study design was cross sectional in nature; therefore future researches should be longitudinal in order to understand what actually contributes to competitive advantage of FDIs. Finally, a single methodological approach was used for this study. Future researches should adopt interviews to triangulate.

REFERENCES

Bae, J. and Lawler, J.J. (2000). Organizational and HRM strategies in Korea: Impact on firm performance in an emerging economy. *Academy of Management Journal* 43(3), 502-519.

Barclays Bank losses drop. (2010, April 20). The Observer. Retrieved from http://observer.guardian.co.uk

Barney, J.B. (1991). Firm resources and sustained competitive advantage. *Journal of Management,* 17, 99-120.

Bartlett, C.A., and Ghoshal, S. (1989). *Managing Across Borders: the Transnational Solution*. Boston: Harvard Business School Press.

Bharti finally takes over Zain's Africa operations. (2010, April 13). The Independent. Retrieved from http://www.independent.co.uk

Bonache, J. and Brewster, C. (2001). Knowledge transfer and the management of expatriation. *Thunderbird International Business Review* 43(1), 145-168.

Bushman, M. (2007). Using Ratio Analysis to Assess Financial Stability. *Journal of Financial Business Studies,* 45(6), 123-128.

Cantwell, J.A. (1995). The globalisation of technology: what remains of the product cycle model? *Cambridge Journal of Economics*, 19, 155-174.

Cater, T. (2005). How the Sources of Competitive Advantage Shape Firm Performance: The Case of Slovenian Firms, Paper presented at the 5th European Academy of Management Conference.

Collis, D.J. (1994). Research Note: How Valuable are Organizational Capabilities? *Strategic Management Journal*, 15, 143-152.

Delios, A. and Bjorkman, I. (2000). Expatriate staffing in foreign subsidiaries of Japanese multinational corporations in the PRC and the United States", *International Journal of Human Resource Management*, 11 (2), 278-93.

Dowling, P. J., Welch, D.E. and Schuler, R.S. (1994). International Dimensions of Human Resource Management, 2nd ed. Belmont, CA: Wadsworth.

Downes, M. and Thomas, A. (2000). Knowledge transfer through expatriation: The U-curve approach to overseas staffing. *Journal of Managerial Issues*, 12(2), 131-149

Eisenhardt, K.M. and Martin, J.A. (2000). Dynamic Capabilities: What are They? *Strategic Management Journal,* 21*,* 1105-1121.

Emergence of Indian telecom firms comes with cheaper labour and higher skills. (2009, November 19). The Observer. Retrieved from http://observer.guardian.co.uk

Field, A. (2006), *Discovering Statistics* Using SPSS, 2nd ed., Sage, London.

Gupta, A.K. and Govindarajan, V. (1991). Knowledge flows and the structure of control within multinational corporations. *Academy of Management Review,* 16, 768-792.

Gupta, A.K. and Govindarajan, V. (2000). 'Knowledge flows within multinational corporations'. *Strategic Management Journal,* 21, 473-96.

Harvey, M. and Novicevic, M.M. (2001). Selecting expatriates for increasing complex global assignments. *Career Development International*, 6 (2), 69-86.

Harzing, A. (1999). *Managing the Multinationals: An International Study of Control Mechanisms*, Edward Elgar, Cheltenham.

Harzing, A.W.K. (2001b). Who's in charge? An empirical study of executive staffing practices in foreign subsidiaries. *Human Resource Management*, 40(2), 139–158.

Hedlund, G. (1986). The hypermodern MNC - A heterarchy? *Human Resource Management,* 25, 9-25.

Hocking, J.B., Brown, M. and Harzing, A. (2004). A knowledge transfer perspective of strategic assignment purposes and their path-dependent outcomes, *International Journal of Human Resource Management,* 15(3), 565-586.

Hyondong, K. (2005). *Expatriate Capabilities, Knowledge Transfer, and Foreign Direct Investment Performance*

Inkpen, A.C. (1998). Learning and Knowledge Acquisition through International Strategic Alliances, *Academy of Management Executive*, 12(4), 69-80.

Jassim, R.K. and Jaber, G. (1998). *Competitive advantage through the employees. Research paper, University of Auckland New Zealand*.

Kamukama, N & Natamba, B (2013). Social capital: mediator of social intermediation and financial services access, *International Journal of Commerce and Management*, 23(3) 204-215

Krejcie, R.V. and Morgan, D.W. (1970). *Determining Sample Size for Research Activities.* Educational and Psychological Measurement

Lee, L., Sukoco, B.M. (2008). The mediating effects of expatriate adjustment and operational capability on the success of expatriation. *Social Behavior and Personality,* 36 (9).

Leonard-Barton, D. (1992). *Wellsprings of Knowledge: Building and Sustaining the resources of Innovation.* Harvard University Press.

Lyles, M.A. and Salk, J.E. (1996). Knowledge Acquisition from Foreign Parents in International Joint Ventures: An Empirical Examination in the Hungarian. *Journal of International Business Studies*, 29(2), 154-74.

Minbaeva, D., Pedersen. T., Björkman, I., Fey, C. and Park, H. J. (2003). MNC Knowledge Transfer, Subsidiary Absorptive Capacity and HRM. *Journal of International Business Studies,* 34 (6), 586-599.

Mutoigo, I. and Sejjaaka, S. (2004). *Seeking a Better Connection: Mobile Telecommunications Network and Social Responsibility in Uganda.*

Nonaka, I. and Takeuchi, H. (1995). *The Knowledge-Creating Company*. Oxford: Oxford University Press.

Ntoumanis, N. (2001), A self-determination approach to the understanding of motivation in physical education, *British Journal of Educational Psychology*, 4(2), 234-245.

O'Donnell, S.W. (2000). Managing foreign subsidiaries: agents of headquarters, or an interdependent network. *Strategic Management Journal*, 21 (5), 525-548.

Oliver, C. (1997). Sustainable Competitive Advantage: Combining Institutional and Resource-based Views. *Strategic Management Journal,* 18 (9), 697-713.

Pedersen, T., Petersen, B. and Sharma, D. D. (2000). *Knowledge Transfer Performance of Multinational Companies.*

Peteraf, M.A. (1993). The cornerstones of competitive advantage: a resource-based view, *Strategic Management Journal*, 14(3), 179-191.

Pfeffer, J. (1994). *Competitive Advantage through People: Unleashing the Power of the Work Force*, Harvard Business Press: Boston.

Rogers, B. (1999). The expatriate in China – A dying species. *Localization in China: Best Practice* Hong Kong: Asia Law & Practice, 43-62.

Sekaran, U. (2000). *Research Methods for Business* (3rd Edition). New York: Hermitage Publishing Services.

Shaffer, M.A., Harrison, D.A. and Gilley, K.M. (1999). Dimensions, determinants, and differences in the expatriate adjustment process. *Journal of International Business Studies,* 30 (3), 557-582.

Sohn, J.H. (1994). Social knowledge as a control system: A proposition and evidence from the Japanese FDI behavior. *Journal of International Business Studies*, 25(2), 295–324.

Taylor, S., Beechler, S. and Napier, N. (1996). Toward an integrative model of strategic international human resource management. *Academy of Management Review*, 21 (4), 959-85.

Teece, D. and Pisano, G. (1994). The dynamic capabilities of firms: an introduction. *Industrial and Corporate Change*, 3 (3), 537-556.

Teece D. J., Pisano, G. and Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal,* 18(7), 509–533. Telecommunications in Uganda: A crisis? (October, 2008). Summit Business Review.

Tsang, E.W.K. (1999). The knowledge transfer and learning aspects of international HRM: an empirical study of Singapore MNCs. *International Business Review* 8 (5/6), 591-609.

Tsang, E.W.K. (2001). Managerial learning in foreign-invested enterprises of China. *Management International Review* 41(1), 29-51.

Tung, R. (1993). Managing cross-national and intra-national diversity. *Human Resource Management,* 32(4): 461–473

UIA. (2008). Report on Service sector multinational companies registered.

Usunier, J. (1998). Oral pleasure and expatriate satisfaction: an empirical approach. *International Business Review*, 7, 89-110.

Webb, A. and Wright, P.C. (1996). The expatriate experience: implications for career success. *Career Development International*, 1 (5), 38-44.

Wright, P.M., McMahan, G. and Williams, A. (1994). Human resources as a source of sustained competitive advantage. *International Journal of Human Resource Management*, 5, 299-324.

Zack, M.H. (1999). Developing a Knowledge Strategy, *California Management Review*, 41(3), 125-145.