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## Article

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Article

# Extending Uppsala Model with Springboard Perspective in Emerging Multinational's Sequential Internationalisation—Evidence from a Construction Company's Expansion in Africa

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**Abstract:** The Uppsala model explains the traditional internationalisation process of multinational enterprises (MNEs), which gradually begin to internationalise from countries with smaller psychic distances. However, in the turbulent global economy, an increasing number of MNEs from emerging markets (EMNEs) adopts a more radical and aggressive approach, strategically using international expansion as a springboard to enter an overseas market and radiate surrounding countries and regions. By combining the springboard perspective and the Uppsala model, we analyse a series of processes from EMNE's first entry into an overseas market to the successful localisation and expansion of international business. This radical model of international expansion has not been thoroughly studied. This empirical study aims to address this research gap by using a qualitative method and an in-depth case study. This paper conducted a semi-structured interview with 16 expatriates, executives, and middle-level managers from the case company in 2016. As one of the few single case studies that systematically studies the internationalisation process of EMNEs and provides first-hand empirical evidence, it contributes to practice and provides a contextual reference for EMNEs.

**Keywords:** Uppsala model; springboard perspective; emerging multinational enterprise; sequential internationalisation; environmental volatility



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## 1. Introduction

The paper “The Uppsala internationalisation process model revisited: From liability of foreignness to liability of outsidership” published by Johanson and Vahlne (2009) offers revisions to the original Uppsala model (Johanson and Vahlne 1977), keeping the theory alive when discussing the conditions for multinational firms entering and expanding into foreign markets. The original Uppsala model concerned the psychic distance between home and host countries and took this distance as a basic concept, studying the firm's decision-making process in internationalisation (Johanson and Vahlne 1977). Comparatively, the revised Uppsala model proposed in 2009 considered the multinational firm as a network structure, instead of a stand-alone basis, where networks of relationships and interactions with other actors by firms within those networks have been addressed (Johanson and Vahlne 2009).

According to the revised Uppsala model, the liability of outsidership is more important than the liability of foreignness. For emerging multinational enterprises (EMNEs), the insidership in networks was taken as a necessary way to minimise the liability of outsidership, which hinders successful internationalisation (Li and Fleury 2019). Given today's greater VUCA conditions (volatility, uncertainty, complexity and ambiguity) faced

by EMNEs (Gao et al. 2021), we need a better understanding of how EMNEs tackle the liability of outsidership under certain sequences and steps.

In response to this lack of research, we try to explore how EMNEs overcome the liability of outsidership through sequential selection in the internationalisation process, thereby extending the internationalisation literature. We focus on EMNEs due to the unique features of internationalisation that they demonstrate and the theoretical challenges this phenomenon poses to the traditional theories of internationalisation (Gao et al. 2021; Buckley and Lessard 2005). We address this knowledge gap from the springboard perspective to analyse how the rise of EMNEs and their typical way of internationalisation may help advance the Uppsala model by asking the research question of *how EMNEs overcome the liability of outsidership through a sequential choice given the condition that EMNEs facing specific barriers when they attempt to internationalise*. Answers to this question can offer novel insights into the internationalisation process.

Given the exploratory nature of this research, a case study design is employed (Eisenhardt 1989). The phenomenon demonstrated by EMNEs that are difficult to be well explained by existing international business theories, and the underlying mechanism, are suitable to be explored by inductive design (Birkinshaw et al. 2011; Welch et al. 2011). Specifically, by triangulating archives and interview data from multiple sources, we conducted an in-depth single case study of a typical Chinese construction multinational enterprise and provided new insights into the internationalisation process of EMNEs.

This study contributes to three streams of research. First, our findings provide novel insights into international business literature by connecting the Uppsala model with the springboard perspective in understanding the sequential internationalisation of EMNEs. Originally, the Uppsala model and the springboard perspective are contradictory theories. The Uppsala model argues that multinational companies start their internationalisation from countries with a small psychic distance (Johanson and Vahlne 1977). In contrast, the springboard perspective finds that EMNEs skip certain steps of the Uppsala model and utilise global expansion as a springboard to obtain growth opportunities (Mathews 2006; Contractor et al. 2007; Luo and Tung 2007; Ramamurti 2012). EMNEs tend to adopt fast internationalisation that is different from the traditional one because the challenges and conditions they face are different from those faced by multinational companies in developed countries. Accordingly, the assumption that firms start their internationalisation from countries with a small psychic distance does not apply to EMNEs (Knight and Cavusgil 2004; Mathews 2006; Contractor et al. 2007; Ramamurti 2012; Satta et al. 2014; Forsgren 2016). Through integrating the springboard perspective and the Uppsala model, our study theoretically extends the springboard perspective with new contextual findings and provide fruitful information to explain a new path for the internationalisation of EMNEs.

Second, this study also contributes to the springboard perspective with insights on market entry and sequential internationalisation considerations in EMNEs literature. The springboard perspective has focused on motivations of EMNEs to internationalise are to obtain critical resources and opportunities to gain competitive advantages among domestic and foreign competitors (Luo and Tung 2018). By investigating the internationalisation considerations in this study, we advance the understanding of the springboard perspective in terms of “how” to leapfrog, including the starting leapfrog (first entry), leapfrogging back and forth (failed and re-localisation) and leapfrogging in a radiating manner (sequential expansion). Our discovery of the “how” question provides a new dynamic innovation feature for the springboard perspective, which significantly enriches the internationalisation theory of EMNEs.

Third, this study also answers the call for a more profound emphasis and understanding of the liability of outsidership (Li and Fleury 2019). Prior studies of EMNEs have mainly focused on the liability of newness and foreignness (Barnard 2010); while when EMNEs started entering more countries, especially those developed economies, outsidership became a more critical obstacle in hindering the internationalisation process (Li et al. 2019). This study analyses EMNEs facing the late-mover conditions and how they could address

the challenges posed by the liability of outsidership. Beyond showing what liabilities EMNEs will encounter, we provide insights into how EMNEs overcome the liability of outsidership through a sequential choice, given that EMNEs face specific barriers when they attempt to internationalise.

The rest of the paper is organised into the following sections. In the next section, we present a review of the literature relevant to the phenomenon of the internationalisation of EMNEs, from which we derive specific research questions to guide our in-depth single case study. We then discuss our research design and methods, followed by findings from the case study. Finally, the last section concludes the paper with a discussion of its contributions and limitations.

## 2. Literature Review

### 2.1. Springboard Perspective and EMNEs' Internationalisation

Luo and Tung first proposed the Springboard perspective in 2007; then, some conclusions and extensions were made in 2018. In 2021, the perspective was applied to the study of deglobalisation and expanded to the field of entrepreneurship (Luo and Tung 2007, 2018; Maksimov and Luo 2021). The springboard perspective (Luo and Tung 2007) analyses EMNEs' springboard behaviours from various aspects, which proposes that EMNEs strategically utilise international expansion as a springboard to obtain vital assets and growth opportunities, make up for their competitive weakness as latecomers, bypass strict trade barriers, and alleviate institutional and market constraints from their home countries.

The fundamental reasons for EMNEs to use international expansion as a springboard are to obtain the critical assets and opportunities needed to compete with domestic and foreign competitors more effectively and circumvent the domestic institutional and market restrictions (Luo and Tung 2018). Many scholars have pointed out that the primary motivation for EMNEs' overseas expansion is to seek assets and seek opportunities (Kothari et al. 2013; Gubbi and Elango 2016; Kotabe and Kothari 2016). Since EMNEs are latecomers to the global market, these firms have inherent weaknesses, thus forcing them to obtain strategic assets from the global market to make up for their disadvantages (Kedia et al. 2012; Luiz et al. 2017). They need to take significant measures abroad to overcome barriers and quickly acquire strategic assets such as marketing skills, human capital, natural resources, distribution channels, and management knowledge (Luiz et al. 2017). These assets often play a critical role in promoting the internationalisation of emerging enterprises (Gubbi and Elango 2016; Luiz et al. 2017). However, due to insufficient economic, technological, social development and policy obstacles, EMNEs' home countries often lack these strategic assets, thus forcing them to obtain resources from foreign markets through more risk-taking and aggressive moves (Luo and Tung 2018). Additionally, EMNEs also seek opportunities in foreign market niches and enter the untapped markets of developed multinational corporations (DMNEs) (Kotabe and Kothari 2016; Luo and Tung 2018). They take advantage of their cost-effective production capabilities, expand the company scale, and leapfrog over domestic institutional and market restrictions (Luo and Tung 2007, 2018).

Luo and Tung (2007, 2018) proposed that EMNEs utilise international expansion to reduce their vulnerability to home institutions and market restrictions. Several studies have confirmed this proposition. For example, based on a longitudinal analysis of credit rating, scholars confirmed that EMNEs use internationally foreign agencies to mitigate the adverse effects of weak domestic governance, transparency and accountability on them (Bae et al. 2013). International expansion also provides EMNEs with global insight, vision, knowledge and experience that are not available in their own country (Luo and Tung 2018). Successful EMNE requires decisive entrepreneurial leadership (Cui et al. 2014), and internationalisation promotes the global vision of foreign subsidiaries and parent companies (Brouthers et al. 2015; Wang et al. 2014; Luo and Tung 2018).

Although the traditional springboard perspective gives priority to access to the strategic resources in developed countries, the springboard behaviour of EMNEs is a flexible and evolving process that depends on the conditions of the firms' target country and host

country and the firms' original intention, such as bypassing export barriers and market expansion (Luo and Tung 2018). The springboard perspective perceives foreign investments as a flexible board to jump (increasing capabilities), expand (making up for domestic disadvantages), and rebound to new heights both domestically and internationally (Luo and Tung 2018). Additionally, the flexibility is partly due to the new world landscape, such as increased availability of global open resources, raised international joint ventures, and enhanced global connectivity and integration (Luo and Tung 2018). EMNEs gain from a variety of benefits and options and become more competitive on the global stage (Luo and Tung 2018). However, after explaining the springboard behaviour of EMNEs entering foreign markets, the springboard perspective lacks further explanations for company localisation. The Uppsala model can make up for this deficiency. Hence, to understand the sequential expansion of EMNEs, our research integrates the springboard perspective and the Uppsala model.

## 2.2. EMNE's Sequential Expansion and the Relevance of Uppsala Model

Johanson and Vahlne first proposed the Uppsala internationalisation process model in 1977; in the following forty years, the two authors reviewed and extended the model in multiple papers (Johanson and Vahlne 2006, 2009; Vahlne and Johanson 2013, 2017). An essential feature of the 1977 the Uppsala model is that local experience and knowledge are critical to the company's success (Johanson and Vahlne 1977). Internationalisation is usually a slow process; firms start overseas operations from countries that are culturally and geographically close, as well as have a small psychological distance (Johanson and Vahlne 1977). After firms learn more about the foreign markets, they will slowly increase the degree of commitment (Johanson and Vahlne 1977). However, some scholars believe that this assumption does not apply to EMNEs, and the influence of psychic distance on EMNEs is not significant (Knight and Cavusgil 2004; Mathews 2006; Contractor et al. 2007; Ramamurti 2012; Satta et al. 2014; Forsgren 2016). Because EMNEs often skip certain steps of the Uppsala model and participate in global markets faster than the model predicts (Knight and Cavusgil 2004; Mathews 2006; Contractor et al. 2007; Ramamurti 2012). Their international new ventures are now operating in different business environments and emphasise the significance of network connections in the internationalisation process (Coviello 2006; Ojala 2009; Ramamurti 2012; Forsgren 2016; Yamin and Kurt 2018). Thus, for the internationalisation of EMNEs and models that describe this process, it may be more applicable to treat the overseas markets as a commercial network rather than a national market (Forsgren 2016).

According to the changing socio-economic environment, Johanson and Vahlne have made a significant contribution in their revised papers by clarifying the assumption that the major obstacle to internationalisation is the liability of outsidership instead of the liability of foreignness. For foreign companies to minimise their liability of foreignness, an effective method is to strategically join the host country's business groups to obtain network benefits (Elango 2009). A business network involves participants who engage in various interdependent relationships, and their knowledge bases are interconnected and indirectly associated with other members of the network (Johanson and Vahlne 2009). Relying on the relevant knowledge base, the focus company can therefore enter a foreign network, where it can identify and take advantage of potential opportunities (Johanson and Vahlne 2009). Additionally, mutual trust and commitment do not depend on formal agreements but collective history and satisfactory joint business experience; a high level of knowledge, commitment, and trust in commercial networks lead to a more practical value creation process (Vahlne and Johanson 2013). Vahlne and Johanson (2017) further proposed dynamic capability in their latest paper, and they identify capability and performance as the ultimate outcomes of EMNEs' change. Firms pursue a dynamic evolution in their internationalisation. When their capabilities and relationships have been altered and particular performance levels achieved, they trigger new knowledge development in the form of learning, trust-building, and innovation (Vahlne and Johanson 2017). Dynamic innovation



capability is one of the most crucial elements that influence the export performance of multinational enterprises (Filipescu et al. 2013; Oura et al. 2016; Azar and Ciabuschi 2017). However, as latecomers to the global markets, EMNEs are generally short of cutting-edge technology and lack institutions that provide an ecosystem for innovation (Ramamurti and Singh 2009). Therefore, EMNEs can not only use their network as an operational capability but also as a dynamic advantage, transforming these operational capabilities and promoting internationalisation through learning and innovation (Luiz et al. 2017; Vahlne and Johanson 2017).

Although emerging markets are the source of the rapid development of EMNEs, they also symbolise an unstable political system and policy environment (Ma et al. 2016). EMNEs can use their institutional capabilities and complementarities to enter other emerging markets, turning the domestic experience into a source of advantages (Ma et al. 2016). However, while seeking to eliminate domestic institutional voids, EMNEs may participate in the host country's institutional risks (Luiz et al. 2017). In the process of gradual internationalisation, firms are in the process of learning, integration and transformation, which leads to higher risks, transaction costs and uncertainty (Luiz et al. 2017). Therefore, after using international expansion as a springboard to enter distant countries (such as psychic distance, institutional distance, cultural distance), to successfully radiate the surrounding areas, EMNEs not only need to learn the host country's institutional and cultural knowledge but also need to build more networks and gain access to dynamic capabilities. By integrating the springboard perspective and the Uppsala model, we analyse a series of processes from EMNEs' first entry into a foreign market to the successful localisation and expansion of international business. This article will use a single case study to understand how EMNEs achieve global expansion.

### 3. Research Methods

#### 3.1. The Selection of Chinese Context

The analysis case of this study is a Chinese construction company that has undergone an internationalisation process after the formal implementation of the "going global" policy. Our research focuses on the Chinese context, and there are many reasons for considering China as the research object. Foremost, among many emerging markets, China is one of the most representative countries (Dong et al. 2021). It has the most extensive population base and the most considerable annual GDP growth rate, making it the most prominent and fastest-growing economy globally (Nicholson and Salaber 2013). However, in terms of per capita income, China's economic situation is not satisfactory, and its intellectual capacity has not increased in proportion to its cost structure (Nicholson and Salaber 2013). Thus, China is undergoing institutional transformation and is fostering many ambitious international organisations that are changing the dynamics of global competition (Dong et al. 2021). Additionally, the Chinese government is vigorously promoting the internationalisation of domestic enterprises (Fu et al. 2017). Since 2001, with the formal implementation of the "Going Global" policy, an increasing number of Chinese firms have entered the international market, and the country's outward foreign direct investment (OFDI) has continued to proliferate (Fu et al. 2017). The Chinese government also adopted a global infrastructure development scheme in 2013 and put forward the Belt and Road Initiative (BRI). The BRI is coordinated and funded by China and provides Chinese multinational companies with privileged market access to member states, thus promoting Chinese companies to expand internationally (Thürer et al. 2020). Hence, in the past 20 years, with the official launch of the "Going Global" policy, China has achieved great success in promoting the internationalisation of domestic enterprises and has provided a wealth of research fields that are worthy of investigation for EMNEs that are striving to achieve internationalisation.

Some scholars believe that EMNEs in different countries have different motives for overseas expansion, depending on the specific features of the home country and its relevance to the target country (Sun et al. 2012; Nicholson and Salaber 2013). For example, Chinese enterprises are looking for natural resources abroad (Sun et al. 2012), while Indian

corporates are more inclined to acquire leading international technology and know-how (Buckley et al. 2012). However, as the common and important reason for EMNEs to enter the international market is to seek strategic resources, opportunities, larger markets, and to bypass domestic institutional constraints (Luo and Tung 2007, 2018); and they typically encounter a lack of international experience, cross-cultural knowledge and communication skills (Gao et al. 2008). Therefore, Chinese companies' internationalisation models and processes represent and provide reference samples and blueprints for other studies in related fields.

### 3.2. Research Design

This research aims to explain the international expansion strategy of the focal company through an in-depth interview and empirical investigations, combined with systematic interpretation and detailed analysis. We adopted an exploratory case study method to demonstrate this research and conducted a process-based single case study. In 2015, we contacted several expatriate managers and engineers from the International Department of a construction company (Company A) to collect and sort out the progress and situation of its overseas business expansion since 2006. Further, we retrospectively studied the changes in the time of the company in the first ten years in Africa, such as its choice of expansion countries, the changes in expansion speed, and the mode of entering new markets. After a year of observation and record-keeping, in 2016, we interviewed 16 highly relevant personnel of the Company A with rich overseas experience. Besides, we further collected 2016–2019 documentary data of the case company to verify its sequential foreign entry strategies as mentioned in the interview.

Case study methods examine dynamic issues and involve exploratory research on contemporary phenomena that have not been discussed in detail before (Elg et al. 2017). In addition, the background of the case study approaches is closely related to the research object, which is very suitable for in-depth study of the process of how particular phenomena occur (Siggelkow 2007). Take the demonstration case as an example—in the process of international expansion, Chinese multinational companies first successfully entered distant foreign markets and then gradually radiated to surrounding areas. Although some scholars believe that the exploratory case study method lacks external validity, it enables readers to understand better the relationship between different conceptual constructs and theoretical propositions and expand them in a specific environment (Fu et al. 2018).

Single case studies have several advantages and key features of high-quality case studies. To begin with, a single case study design can extract a large amount of information from multiple data sources and comprehensively display contemporary phenomena in its real-life environment (Zhang et al. 2019). It allows us to analyse the causal factors associated with changes in the target firm's internal operations while considering several contributing elements involved (Tokatli 2015). Then, a single case design enables researchers to control the stable characteristics of EMNE, such as mature organisational culture and internal management structure, when comparing the output over time under different situations (Bandeira-de-Mello et al. 2016). This controllability enables us to make up for the defects of low generalisation of a single case study and come up with improved internal validity (Bandeira-de-Mello et al. 2016). Additionally, a single case helps researchers delve into the field, discover more new knowledge in the related potential learning process, and obtain better access quality and personal confidence (Bandeira-de-Mello et al. 2016). The single case study is reasonably helpful and can assist us in obtaining a better comprehension of the characteristics of complex situations through systematic and in-depth research (Mair and Marti 2009). Additionally, theoretical sampling means the purposeful selection of the informative case; thus, the research phenomena can be quickly revealed (Fu et al. 2018). As a single case study, this article purposefully selects the Company A, which is rich in overseas development information. It uses an exploratory case study method to conduct an in-depth process-based single case study. As a single case study, we acknowledge that our research cannot be extended to the international expansion of all EMNEs. However,

single-case qualitative research examines contextual phenomena and gains an in-depth understanding of the problem through rich contextual information (Luiz et al. 2017).

There is a widespread lack of research at this stage exploring the expansion trajectory of a single EMNE's subsidiary. Therefore, the available literature does not have a series of acknowledged conceptual constructs and theoretical propositions to address the phenomena (Hansen et al. 2020). To generate new knowledge in the field of EMNE's international expansion, this article elaborates on the insights gained from the collected empirical materials, as well as the perspectives and conceptual models used. Similar to the proposal by Eisenhardt and Graebner (2007), the insights generated from an analysis examined in a paper can help researchers derive new conceptual propositions and assumptions related to the theory via the process of analysis and generalisation, which can promote the further development of the theory or perspective. This research combines the originally contradictory springboard perspective and the Uppsala model. It proposes a new international expansion path suitable for EMNEs, which has great enlightening significance for the internationalisation of EMNEs.

### 3.3. Case Selection

The case of this study is a private enterprise located in Shandong, China. The Company A is a modern construction group integrating construction, real estate investment and development, capital operation, and survey and design. The company was founded in 1953 as a local state-owned enterprise. In 1999, the firm was restructured into a limited liability company and all state-owned assets were withdrawn. The construction industry is estimated to be one of China's most critical industries in foreign trade and investment (Zhong et al. 2021). Therefore, this study first selected a province with more large-scale construction machinery and equipment and then selected the case firm from the collection of these multinational enterprises. From 2003, the case company implemented the "going global" strategy and began to prepare for internationalisation, and in 2006 successfully entered its first foreign market in North Sudan, Africa. In the next ten years, the Company A went from building private villas and other small projects to undertaking major national projects such as the North Sudan international royal hospital. From developing a single market in a country to now, its business has expanded to more than ten countries in Africa and surrounding areas (such as Eastern Europe). Moreover, the African region has become the primary source of income for the company's overseas business. In 2016, international business there accounted for approximately 30% of the company's total revenue. Table 1 below demonstrates an overview of the case company.

**Table 1.** Profile of the case company.

<b>Industry</b>	Construction industry
<b>Ownership Structure</b>	Private owned enterprise
<b>Established Time</b>	1953
<b>First International Expansion</b>	2006, South Sudan
<b>Host Countries</b>	Headquartered in China, business covers 16 countries in Africa and Eastern Europe
<b>Numbers of Overseas Employees</b>	Around 400 domestic managerial employees, 260 domestic engineers, 170 local managerial employees, 2000 local engineers, in 2018
<b>Total Value of International Contracts</b>	Around USD 800 million, in 2016
<b>Total Revenue in the International Market</b>	Around USD 200 million, in 2016
<b>Net Profit in the International Market</b>	Around CNY 58 million, accounting for 30% of the firm's total profit, in 2016



Applying the following three qualification criteria, the selected company is the best candidate to solve our research question. First, the chosen case should contain a wealth of information such that authors can obtain a wealth of essential matters (Zhang et al. 2019). The Company A was built up 68 years ago and had 18 years of overseas development history, which is sufficient to provide the variability and comparisons required to enhance our category. The second criterion is the accessibility of research. Several case company's international business department managers have conducted conference interviews with the researchers. This direct contact with subsidiary personnel and documents enables authors to conduct authentic and effective investigations to assure the case study's validity, feasibility, and authenticity (Bitektine 2008). Furthermore, the company was established after China's economic reforms and opening up, responding to the country's "going global" strategy and realising overseas expansion. The Company A has achieved great success in less than two decades and has provided a wealth of research materials that are worthy of research for the benefit of corporates that are striving to internationalise (Fu et al. 2017).

### 3.4. Data Collection

The empirical data in this article are collected in a qualitative approach. The primary data source of this research comes from the detailed records of the company-level meeting interviews conducted with representatives of the Chinese construction company in 2016. We also observed the participants' facial expressions and body movements to examine whether their answers were authentic and genuine. The secondary data are mainly refined from the company documents and archives, such as annual reports, financial statements and industry-specific reports, presentations, press releases and firm website texts for internal and external audiences. The application of these different data sources is typical in case studies and is essential for tracking events and contextualising the events, as well as mapping participants, connections and structures (Langley 2007). They can support triangulation methods, cross-check the consistency of the collected data in the entire data source, and improve the overall validity and reliability of the survey results (Meijer et al. 2002; Bitektine 2008).

As shown in Table 2 below, the first-hand in-depth interview in 2016 lasted 6 to 7 h and involved 16 key insiders of the Company A, including the members of the board of directors responsible for internationalisation in the Chinese headquarters, the managers of the trade, marketing, project management and human resources departments, as well as the regional managers and first-line engineers of the international business department. Compared with senior managers, relatively young managers can speak and write better in English, which is essential for conducting business in Africa. Further, as a private enterprise that has transformed since the 2000s, the case company prioritises the recruitment and training of relatively young managers to speed up the process of internationalisation. These relatively young managers brought innovative ideas and more flexible management styles to help the construction company's expansion in Africa. The interview with multiple related individuals enables us to obtain a more holistic view and decrease subjective prejudice and judgment (Doz 2011; Bahn and Weatherill 2013).

In addition, before the interview, we communicated with industry insiders, collected information and data, and drafted an interview outline and research guide for the interview process. This interview uses a semi-structured protocol with open-ended questions based on our research, data collection, and theoretical framework. Five key questions constitute our main point of view during the interview process: (1) What are the reasons and motives for the firm's internationalisation? (2) What are the critical strategic decisions and implementation approaches in the process of corporate internationalisation? (3) How many stages can the company's internationalisation be divided into? (4) What difficulties did the company encounter when developing its national business? (5) How can an enterprise establish networks in foreign markets and radiate surrounding markets? The use of open-ended questions beginning with "what" and "how" enables interviewees to express their experiences and views openly and avoids the influence of interviewers' opinions (Bahn and

[Weatherill 2013](#)). Additionally, we also conducted more detailed interviews based on these five essential questions. For example, in the process of developing international business, how to integrate into the local area, how to conduct localised operations, and how to reflect the company's social responsibility to the local area.

**Table 2.** Profile of the interviewees.

Interviewee Pseudonym	Position of Interviewee	Age	Gender	Working Experience
Inter 01	Managing Director	40–49	F	11 years in the headquarter, 10 years in Africa
Inter 02	Head of Marketing Department	30–39	M	7 years in the headquarter, 2 years in Africa
Inter 03	Head of Trade Department	20–29	M	4 years in the headquarter, 1 year in Africa
Inter 04	Manager of Human Resource Department	30–39	F	4 years in the headquarter, 3 years in Africa
Inter 05	Supervisor of Human Resource Department	20–29	M	3 years in the headquarter, 1 year in Africa
Inter 06	Supervisor of Marketing Department	20–29	F	3 years in the headquarter, 2 years in Africa
Inter 07	Supervisor of Trade Department	20–29	M	2 years in the headquarter, 4 years in Africa
Inter 08	Deputy General Manager	30–39	M	5 years in the headquarter, 7 years in Africa
Inter 09	Regional Manager	30–39	M	7 years in the headquarter, 3 years in Africa
Inter 10	Regional Manager	20–29	M	3 years in the headquarter, 2 years in Africa
Inter 11	Regional Manager	20–29	F	2 years in the headquarter, 2 years in Africa
Inter 12	Deputy Chief Engineer	30–39	M	4 years in the headquarter, 6 years in Africa
Inter 13	Senior Engineer	30–39	M	3 years in the headquarter, 3 years in Africa
Inter 14	Engineer	20–29	F	1 year in the headquarter, 3 years in Africa
Inter 15	Engineer	20–29	M	2 years in the headquarter, 2 years in Africa
Inter 16	Engineer	20–29	M	2 years in the headquarter, 7 months in Africa

### 3.5. Data Analysis

A single case study based on a process requires a detailed empirical description of specific phenomena, which are generally based on various data sources ([Bandeira-de-Mello et al. 2016](#)). First, to interpret the interview results, we recorded and coded the interview content to find recurring information and participate in the process of understanding and refining the data ([Gioia et al. 2013](#)). In addition to this, during and after the interview, we checked the interviewees' opinions with the collected information and data to improve internal validity and data consistency through triangulation ([Luiz et al. 2017](#)). This study also established a database for this single case study, including collected documents and files, interviewers' hypothetical answers to the questions in the agreement, interviewers'

notes and interview records (Yin 2014). Moreover, after the interview in 2016, we have been continuing to collect information and data, such as the company's media reports, press releases, and texts on its official website. This iterative process ensures that the interpretations and propositions are under continuous monitoring and confirmation and once again strengthens the reliability of the results (Morse et al. 2002). We have been carefully considered in the sample selection process. Although the selected sample size is relatively small, the interviews are conducted by highly relevant individuals and have the most experience and knowledge.

#### 4. Presentation and Discussion of Findings

##### 4.1. The Company A's Internationalisation and the Global Construction Industry

Due to global economic integration, internationalisation has become an important issue that many construction companies consider when designing strategic plans (Hawk 2006). Based on increased international joint ventures and cross-border mergers and acquisitions, the global construction industry has experienced multiple integrations (Hawk 2006), thus has become a valuable case study for investigating and understanding the internationalisation of multinational companies. In this long-standing economic sector, although most of the large-scale construction multinational corporations come from developed countries, it is worth noting that construction companies from emerging economies are becoming more attractive and increasingly involved in the international construction markets (Pheng and Jiang 2004). Among the top 225 global contractors in the US "Engineering News Record (ENR)" annual surveys, from 1995 to 2000, the number of international contraction companies from emerging markets rose from 41 to 55. Their share of international bills from 5.3% increased to 7.6%, and the total amount of international invoices increased from USD 5.5617 billion to 8.8107 billion (Pheng and Jiang 2004). These phenomena support the perspectives of Bonaglia et al. (2007), who believe that despite being latecomers in the global markets, EMNEs are capable of catching up with their advanced rivals and even go beyond them in some cases.

As a latecomer to internationalisation, the Company A has also achieved great success in Africa and surrounding regions. As shown in Table 3 below, since the company entered the North Sudan market radically in 2006, it has been actively expanding to surrounding areas. For example, in 2014, it successfully won the Sudan National Club project bid with a total cost of USD 103 million. It contracted an Algerian affordable housing project with a total construction area of more than 100,000 square meters and a total contract value of CNY 600 million. Then, in 2015, the firm undertook the construction of 2000 photovoltaic power plant projects in Zambia with a total construction cost of approximately 200 million US dollars. In 2017, it contracted a total of 2000 affordable housing projects for the Zambian National Guard with a contract value of USD 247 million.

Further, in 2018, the Company A won the bid for 1272 affordable housing projects in Algeria, with a total construction cost of CNY 218 million. Jin Haiyang, chairman of the Company A, stated in 2018 that internationalisation should be the main direction of the conversion of new and old kinetic energy. The enterprise strives to be a leading position among thousands of construction companies worldwide and aims to enter the top 80 international engineering contractors within three years. Additionally, the company has been listed on ENR for three consecutive years. In 2019, it ranked 185th among the top 250 Global International Contractors and 53rd among Chinese companies. The firm actively participates in constructing the "Belt and Road" and vigorously cultivate the "blue momentum" driven by openness. As a result, the company started its international business from North Sudan, radiating the surrounding areas and opening up a wide range of African and Eastern European markets.

**Table 3.** Significant international activities of the case company.

Time	Activities
Pre-2006	Committed to opening up the international market and making national efforts
2006	Entered North Sudan through sporadic small construction projects
2007	Entered South Sudan through civil engineering, decoration and steel structure projects
2007	Entered Angola through small decoration projects
2008	Entered Congo through steel structure projects
2014	Entered the Algerian market through the affordable housing project
2014	Won the bid for the Sudan National Club Project with a total cost of USD 103 million
2015	Contracted a solar energy mill factory project with a total cost of USD 200 million and entered the Zambian market
2016	Entered Malawi, Uganda, Zimbabwe and Sierra Leone through solar mill projects
2016	Entered Burkina Faso through water supply equipment projects
2016	Entered Romania, Spain, and Cyprus in Eastern Europe through international investment and construction business
2017	Undertaken an industrial park project with a total investment of CNY 35 million in Zambian
2017	Signed a contract for a 50-kilometre highway project in Tanzania
2018	Signed a cooperation memorandum of economic and practical board houses with representatives of the Chamber of Commerce and Industry of Kenya, Tanzania, Ethiopia, Nigeria, and North Sudan
2018	Signed a memorandum of cooperation on solar energy mills and irrigation systems with representatives of the Chamber of Commerce and Industry of Ghana, Sierra Leone, Tanzania, Kenya, and North Sudan
2019	Signed a Trinidad and Tobago government resettlement housing project with a contract value of CNY 1 billion
2019	Won the bid for the Ghanaian solar mill and water supply facility project with a total contract value of CNY 960 million

#### 4.2. The Process of Internationalisation

North Sudan is the first market opened by the Company A in the international market, and the company entered the country in 2006. Initially, the company had no international experience when entering foreign markets and no existing ownership advantages. This phenomenon is consistent with the views of [Luo and Tung \(2007, 2018\)](#) views, who proposes that to seek foreign markets and opportunities, EMNEs may first adopt more radical and aggressive springboard behaviours to enter an overseas market with geographical and institutional distance. Subsequently, after accumulating international experience, the company increased its investment in surrounding areas and carried out more capital investment and business cooperation to achieve localisation and further expand the market. As suggested by [Johanson and Vahlne \(2009\)](#), with the host country as the centre, EMNEs can establish networks and gradually radiate the adjacent regions. The company has developed a wide range of African and Eastern European markets from the North Sudan market, and now has international business covering 16 countries and regions.

#### 4.3. The Impact of Distance on Internationalisation: Challenges and Opportunities

In the field of international business, how to define and measure distance is a controversial topic ([Dow and Karunaratna 2006](#)). The focus of this article is not a complete discussion of distance. Generally speaking, distance includes differences in cognition, norms, political systems, social culture, language, religion, geography, psychology, and in-

dustrial development levels between countries and regions (Malhotra and Gaur 2014; Dow et al. 2016; Chikhouni et al. 2017; Ilhan-Nas et al. 2018). The main focal point of this paper is the distance between geography, economy and psychology.

The Company A tried to go global at a pretty initial stage. As early as 2004, it had explored Russia and other neighbouring countries. The firm found it hard to enter these countries due to the relatively high level of local social development in these countries. Local constructors are relatively mature and have robust construction capabilities. The Company A failed to obtain the strategic assets needed for international expansion locally. One regional manager from the international department stated that:

*“Compared with China, the economic level of these countries may be lower, but the local companies have also developed more mature over the years, and they can do the projects that we can do. We do not have local management knowledge, political knowledge, and networks. If the cost of a project in our company is about 1 million Chinese yuan, these local companies can handle it within 700,000 Chinese yuan. We have no advantage at all, so we did not successfully expand into these markets”. (Inter 09)*

As pointed out by Jin et al. (2013), as latecomers to internationalisation, most developing construction companies lack an international reputation, have similar scale and organisational capabilities, and are subject to similar restrictions on international development and expansion. Hence, for Chinese EMNEs with a low international reputation, image and knowledge, many surrounding markets have become saturated and lack development opportunities and space (Jin et al. 2013). In this way, neighbouring countries with higher institutional similarities did not provide more opportunities for the Company A. On the contrary, local competitors have created barriers to entry, and it is difficult for the company to obtain the strategic assets needed for localisation.

Subsequently, the international business department of the Company A set its sights on the further overseas market and found that the level of local construction in North Sudan is relatively low. After entering, there is still a lot of room for development and opportunities to acquire strategic assets. One marketing representative commented on the company's entry into the North Sudan market:

*“North Sudan and South Sudan became independent only in 2011. At that time, we found that the situation in North Sudan was very bad. We thought that this country would have a lot of construction after independence. After investigation, we feel that the market in this country is accessible”. (Inter 02)*

At the beginning of the 20th century, North Sudan was undergoing political reforms. There were unstable factors such as weak infrastructure, weak institutions, and a low economic and social development level. However, regardless of how different cultures and languages are, the ability of multinational firms to travel through difficult socio-economic and political environments can be transferred to other markets (Luiz et al. 2017). Based on the analysis, we can observe that companies exhibit very different patterns in the process of internationalisation, depending on elements such as their business strategy, corporate development level, target market conditions, and the history of the host country (Pheng and Jiang 2004), which is demonstrated by the springboard perspective. Therefore, the company does not necessarily believe that the challenges brought about by these distances are insurmountable, but in the context of the local foundation and early development of North Sudan, it has seen the opportunity to acquire strategic assets and formulated a springboard strategy for this.

#### 4.4. The Process of Localisation and Sequential Expansion

After entering the overseas market (North Sudan) that is far away in geography, economy and psychics, the Company A began the process of localisation and sequential expansion. The company attaches great importance to localised management, mainly reflected in three aspects: human resources management, market operation, and corporate social responsibility.



First, the company hires many local employees, gives them the same benefits as Chinese employees, and increases training opportunities for local workers. One deputy general manager explained the process of human resources localisation and explained that:

*“What we call localised management is to use local workers as much as possible. But some technical work cannot be done by the locals. The Chinese try their best to lead the way in technology and teach the locals to do it”. (Inter 08)*

Regarding the localisation of the company’s construction operations in Africa, an engineer then added:

*“We have provided many job opportunities for local people and trained them. While working, they learned a lot from Chinese workers, such as driving forklifts and cranes”. (Inter 16)*

Second, in terms of market operation, the company has established a joint venture with many local companies to develop the Africa market jointly. It values the quality of products and services, starting from sporadic trade and small-scale engineering projects, gradually establishing stable cooperative relations and extensive networks with local African investors and governments. For example, in 2016, a solar energy plant contracted in Lusaka, the Republic of Zambia, was officially put into operation. The project delivered 250 sets of solar-powered surface grinding equipment, built two training service centres, trained more than 800 operators, and is expected to provide approximately 6000 long-term jobs.

One regional manager praised that:

*“The solar power plant project has established a good cooperative relationship between the Company A and the Zambian government, laying a good foundation for our long-term cooperation with the area”. (Inter 10)*

James Kilwa, general manager of Zambia Cooperation Alliance Co., Ltd., once stated that: “With the solar mills in remote areas, farmers can increase the output of cornflour. Enhance the added value of agricultural products and promote regional economic growth. The people of Zambia will benefit greatly from this”.

Through cooperation with surrounding countries, the company has discovered more potential customers and gradually established brand awareness and image in Africa. One deputy chief engineer further claimed that:

*“In the beginning, it was not easy to find projects, but after taking over, we did a good job. Many projects were done very well in the early stage, customers came back to us, and gradually expanded our popularity”. (Inter 12)*

Additionally, although the company already has considerable influence and reputation in China, its international department is a latecomer of the global market, lacks international experience and existing ownership advantages. The information network and experience accumulated in China have not contributed much to the international expansion of the Company A in Africa. One managing director commented that:

*“Although our firm seems to be very famous in China, it has no effect abroad. Although we went out in the name of the Company A, people don’t know what the situation is like in China. After going abroad, we need to reopen the market. Information networks and connections need to be accumulated bit by bit. Gradually get to know more people and collect more project information”. (Inter 01)*

Regarding the localisation process and strategy of the company, one supervisor of the trade department explained that:

*“We have some customers who work with us and help us find new potential clients. For example, in a country, we have some customers are large in scale and we are very satisfied with our cooperation. They will introduce us to another country through their networks. It’s like radiating through the business networks”. (Inter 07)*

One marketing manager further analysed that:

*“We basically follow this pattern to expand in Africa countries around North Sudan. Some former large customers and large companies also do business in neighbouring countries. In North Sudan, we cooperate very well, so they let us take over directly. We register the company in the target country and start the implementation directly”.* (Inter 06)

In this way, the Company A achieved sequential expansion after entering North Sudan. As Johanson and Vahlne (2009) put forward, business networks involve participants in various interdependent relationships. Firms need to strategically join the host country’s business networks to obtain network benefits and potential opportunities. Besides, in terms of assessing accumulated experience, the experience from a particular host country is more advantageous than the experience of other countries (Jung et al. 2010). The outcome confirms the strategy of the company to focus on a specific country in the initial phase of its international commerce rather than diversify and expand into multiple markets (Jung et al. 2010). In the process of pursuing internationalisation, a more effective way is to use the existing experience of the same country and then penetrate other countries that may be in the same cultural neighbourhood (Barkema and Drogendijk 2007).

Third, the Company A insists on fulfilling corporate social responsibility. Strive to be an “international citizen”, assist the local infrastructure construction to the best of its ability, and realise the institutionalisation and normalisation of social donations to local needy groups. For instance, the company has more than ten branches in Africa. Each donates between USD 50,000 and 100,000 per year for local bridge repairs, road paving, and charity activities such as helping out-of-school children.

*As one regional manager emphasised that: “We also combine projects with public welfare and subcontracted some small projects to local workers for contract management. The locals have more sources of income, and we have won the support of the local government and the public”.* (Inter 11)

Local governments and local people in Africa often hold negative views of foreign-funded enterprises. One senior engineer claimed that:

*“In recent years, Chinese firms have developed rapidly in the local area, but in general, Africans have a very poor impression of China and feel that Chinese people will only come to make money and grab their jobs. You can read such negative articles in the newspapers”.* (Inter 13)

To eliminate these negative opinions and establish a good image for Chinese enterprises, one manager of human resources said that:

*“Every time we enter a new market, not only does our company advocate the corporate social responsibility, but the local embassies and consulates also demand this aspect at the meeting”.* (Inter 04)

Another head of the human resources department added that:

*“Whenever we go to a new place, we strive to establish a good relationship with the local people, do some charity activities, and establish a good image of the Chinese from the national level”.* (Inter 05)

After the managers explained the company’s overall corporate social responsibility policy, two engineers then added specific details:

*“We attach great importance to participating in some engineering projects that improve the lives of local people, such as paving highways, constructing affordable houses, water supply plants and solar power plants”.* (Inter 14 and Inter 15)

One trade manager further explained that:

*“When we went out for the first time, we did not have this awareness. In the process of going global, some state-owned enterprises are taking some practical actions to deepen the relationship with local governments, organisations and people. This will leave a good impression on the company and also play a role in publicity”.* (Inter 03)

In this way, the fulfilment of corporate social responsibility has established a good social image for the Company A and created a sound external environment for the firm's development.

## 5. Conclusions

By exploring how EMNEs overcome the liability of outsidership through a sequential choice when attempting to internationalise, this research aims to make several significant contributions.

### 5.1. Theoretical Contributions

First and foremost, this research contributes to a new theoretical space that captures the connection point of the Uppsala model and the springboard perspective with regard to the sequential internationalisation of EMNEs. EMNEs, although they are multinational companies, they demonstrated typical features in the process of internationalising that are different from firms in traditional developed countries which pose challenges to the international business theories. If EMNEs do not follow the assumptions of the Uppsala model, then how EMNEs strategically make sequential internationalisation choices is a key issue in understanding the internationalisation process of EMNEs (Ramamurti 2012; Satta et al. 2014; Forsgren 2016). Based on this insight, we find that EMNEs could first enter one overseas market with relatively large geography, economy and psychic distance, use this entry as a springboard, and then start the sequential expansion in a radiating manner, through fulfilling corporate social responsibility, strategically managing international human resources, seeking legitimacy and expanding. By integrating the springboard perspective and the Uppsala model, our research theoretically expands the springboard perspective and new contextual discoveries, connects two theories that originally seem to be contradictory, and provides fruitful information to explain EMNEs' new path of globalisation.

Second, our study gears towards the springboard perspective (Luo and Tung 2018), and it contributes to the understanding of how to springboard and what steps it could contain for EMNEs. We have provided insights by investigating and analysing typical Chinese multinationals that combine the starting leapfrog with leapfrogging back and forth, followed by a global sequential expansion. In doing so, EMNEs have established their own rhythm on market entry and sequential internationalisation. Thus, our research theoretically extends the springboard perspective with a fresh and dynamic insight which suggests a three-stage process of sequential expanding for internationalisation by EMNEs.

Third, existing international business research on EMNEs has emphasised more about the liability of foreignness (Barnard 2010). In this research, we focused on the liability of outsidership (Li and Fleury 2019) as another challenge of pursuing internationalisation for EMNEs to tackle with. Specifically, our case shows a new strategy for going abroad to deal with outsidership and become insiders. Thus, we have contributed greatly to a more robust theoretical development by incorporating insights into our study from strategic management and international business literature of emerging literature.

### 5.2. Practical Implications

The findings of this study have several practical implications. First, the managers of EMNEs aiming to expand in international markets but facing the liability of outsidership need to make their sequential location choice strategically. A strategically configured localisation and sequential expansion process, especially the first entry, is usually the leverage for further expansion. Besides, the previous embeddedness in global activities will help EMNEs become insiders (at least partially) and overcome some disadvantages. Thus, managers of EMNEs need to make efforts to think carefully about their global layout and take the previous international activities as part of the layout and then step inside and move forward.

Second, the findings indicate that EMNEs need to accumulate knowledge and build learning capabilities to better cope with distance between home and host countries when

they enter into foreign markets. These capabilities could be enhanced when business networks are established, where learning from business partners by EMNEs will be critical. This is especially the case when EMNEs are in the process of pursuing internationalisation because the existing knowledge and experience will benefit EMNEs when they internationalise in the same country or other countries that have a similar cultural background.

Third, the findings of this research also have implications for policymakers. Since currently, all EMNEs face volatile and complex global environments, and they are doing business in different countries, where cultural values, economic situations and regulatory environments are unique and ambiguous (Bennett and Lemoine 2014). Thus, policymakers should preferentially support those talents and specialists who are capable of building up resources and capabilities for EMNEs adequate to address the complexity and volatility. Meanwhile, a large amount of information regarding the global environment and domestic environment could be collected and interpreted before new policies are released by policymakers to reduce ongoing uncertainty that has to be experienced by EMNEs in their process of internationalisation.

### 5.3. Limitations and Future Research Directions

Similar to all research, our study has limitations, which generate future research directions. First, we conducted an in-depth single case study, and the limited data were limited to one company from the construction industry. Future researchers need to be cautious when applying our findings to other contexts (such as the manufacturing industry). The robustness of findings might be reduced, and meanwhile, generalisations to other contexts should be made with caution. The reason for the data limitation partly comes from the emergent nature of this phenomenon we investigated. To address this limitation, triangulation was used with multiple data sources, including primary data and secondary data, to ensure the reliability of our findings. Although the merit of using small sample size cases to build up theoretical insights has been recognised in international business research (Tsui-Auch and Möllering 2010), we recommend that in future research, the sample size could be enlarged, while replicating our findings, a wider and more diverse category of EMNEs could be incorporated.

Second, although our findings create insights into how EMNEs overcome the liability of outsidership through a sequential choice given the condition that EMNEs face specific barriers when attempting to internationalise, there may still be additional dimensions or mechanisms unidentified. Variations of features may appear across a longer time span or comparison among different cases. However, our study was limited in generating all possibilities for EMNEs to overcome the liability of outsidership. Future research could investigate unidentified combinations of strategies to provide further insights regarding internationalisation for EMNEs.

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