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The European Migration Crisis as a Factor in Foreign Market Entry Decisions of German Multinationals

Part 2 – German MNEs and the Migration Challenge Corporate Interviews

Five semi-structured interviews are carried out, with standardised questions to ensure easy comparability of the answers. In the following, results from the qualitative analysis of the interviews are presented and linked together. After a broad overview of the interviews, the coding procedure is explained to substantiate the results about the influence of the media on public discourse, the occurring arguments, emotions and attitudes of the participants.

The overall impression of the interviews is that all participants react on most questions in a sober, business-like manner. The answers provided are largely similar. Returning patterns are the challenges and the need for integration of the refugees with 155 references. Special focus here lies on language skills, the role of institutions and the responsibility for integration. Most codes are linked to feelings with 340 references. There is a remarkable absence of facts, details or more thorough knowledge.

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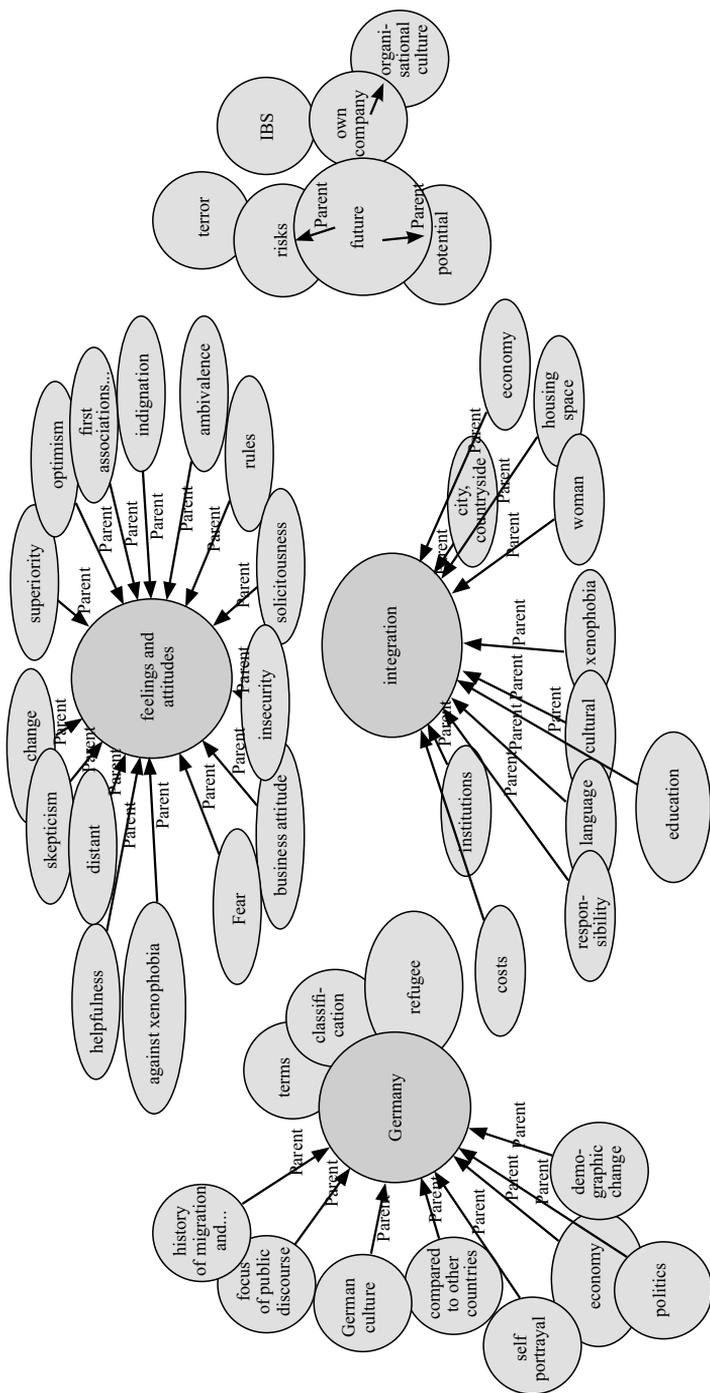


Figure 2. Mind map of codes in interviews

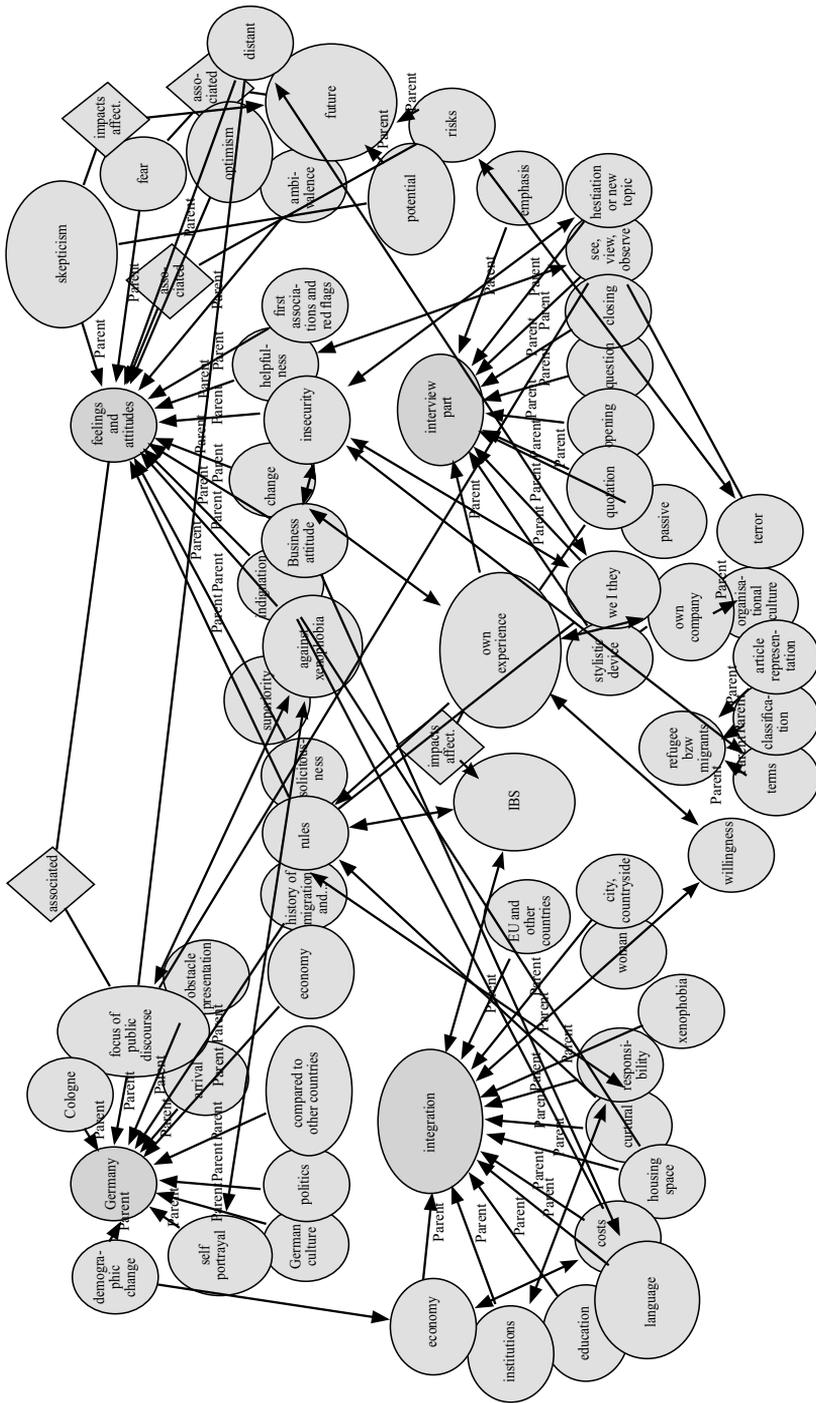


Figure 3. Mind map of codes and relationships in interviews

Participants' Attributes

The sample includes five participants, each of whom holds a leading position in a German company. The data below provides comparative background information on the participants. Further details are not specified to ensure anonymity.

Table 1. Participants' attributes

	D1	D2	D3	E1	D4
Age	over 35	under 35	over 35	over 35	under 35
German fluency	Yes	Yes	Yes	No	Yes
Academic degree	Non	Diploma	Master	Diploma	Bachelor
Place of birth	Germany	Germany	East-Germany	Netherlands	Pakistan
Place of residence	German village	American city	German town	Dutch village	German city
German company	Yes	Yes	Yes	Yes	Yes
Follow public refugee discourse	Sporadically	Sporadically	Sporadically	Regularly	Sporadically

Views on Long-term Economic Advantage

The first, surprising result is that no interviewee sees any international economic advantages or potential for Germany in integrating refugees and migrants. Vague potentials are only linked to migrants and refugees assimilating and learning the language so they fit the HRM requirements of German companies.

Table 2. Competitive advantage for Germany

Q: Do you think Germany has a competitive advantage due to the welcoming and integration of the refugees and migrants compared to other countries in International Business?	
D1	Glaube ich nicht, nein. (I do not think so, no.)
D2	Nee, das glaube ich nicht, dass es da Vor- oder Nachteile gibt. [...] Nee, das hat keine Auswirkungen. (No, I do not think it has any advantages or disadvantages, [...] no, it has no consequences.)
D3	So wird es vielleicht ganz gern gesehen [...] ich denke nicht, dass es ein Vorteil ist. (People maybe want to see it that way but I do not think it has an advantage.)

D4	Sehr schwierige Frage. Ich würde jetzt persönlich sagen, einfach mal ganz platt, Nein. (Very difficult question, I personally would say no, very simple.)
E1	No, I don't think so.

In contrast, later all participants mention that when investing in the Middle East and building a team for entering the market someone who helps and consults and speaks the language, someone who has lived there, who knows the mentality, culture, and religion is of greatest importance.

Table 3. Features and aspects to reduce risks

Q: Please name aspects that can minimize risks and costs in your eyes	
D1	Partner, who knows market: IJV
D2	Good local partner, good own preparation, hedging
D3	Extensive research, local help, consultancy, enough capital, partner to spread risks, Analysis of culture (Hofstede)
D4	Non
E1	Local partner, improving legal structure and change in business attitude in the market
Q: If you had to allocate a Team for entering a market in the middle East, [...] what would be important skills and features?	
D3	Als allererstes 100 prozentig jemanden, der Arabisch spricht, die arabische Kultur kennt, in der arabischen Kultur auch gelebt hat. [...] Die wirtschaftlichen Gegebenheiten, [...] der wirklich vor Ort einfach die Kenntnisse hat und weiß, wie Sachen funktionieren [...] auch hundertprozentig wichtig, die Kontakte zu haben... (first, 100 % someone who speaks Arabic, who knows the Arabic culture and lived in it. [...] Someone who has economic and local knowledge and understands how things work there, also 100% important to have the contacts there.)

The link between the person described and the migrants and refugees in Germany is not expressed. The participants do not expect refugees and migrants to make any impact on Germany's competitiveness.

Table 4. Consequences for own company

Q: Hat die Flüchtlingssituation lang- oder kurzfristige Auswirkungen auf dein Unternehmen? (Does the Refugee situation has long- or short-term effects on your company?)	
D3	...kurzfristig... nein und langfristig nur, wenn unser Wirtschaftssystem dadurch zusammenbrechen würde, dann natürlich, weil wir dann keine Basis mehr hätten, aber ansonsten auch keine langfristigen. (On the short term, no. Long term only if our financial system breaks down and we have no basis anymore, other ways neither long term effects.)
D4	Nein. Tatsächlich nicht. (No, actually not.)

In contrast to this, the advantages of a market entry into the Middle East are recognised by four out of five participants. Only the non-German interviewee sees no advantages but also mentioned that his company steadily supervises the local conditions to invest into Iran in the future.

Table 5. Advantages of market entry in Middle East

Please name general advantages of a market entry in the Middle East	
D1	Raw materials, new markets, educated work force
D2	Cheap raw materials and resources, market growth
D3	Cheap work force, Know-How in specific industries
D4	Little competition due to current situation, raw materials, reconstruction
E1	Non

In conclusion, the participants show awareness of potential markets in the Middle East. Knowledge and a partner with expertise or insight in culture, language and the market can reduce risks of a market entry. However, migrants and refugees coming from that area are not perceived as offering a competitive advantage for German business.

Emotions Towards Refuges and Migrants and the Role of Germany

The second aspect are the emotions expressed in the answers. The most coded feelings are shown below in figure 4. Scepticism is apparent. An average of 23,14% of the interviews is encoded with scepticism.

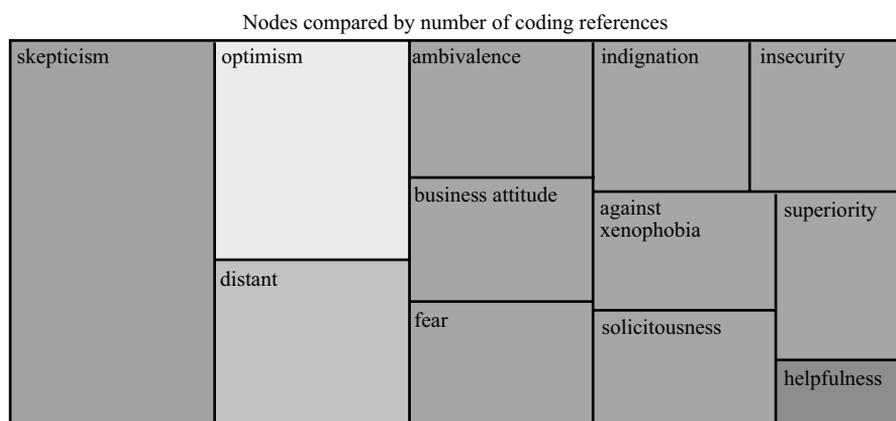


Figure 4. Coded feelings in interviews

Table 6. Quotes reflecting personal attitudes

Quotes personal attitude	
D1	Ich bin nicht euphorisch. Wie immer, sehr skeptisch die ganze Sache gesehen. (I am not euphoric, like always, seen it very sceptical.)
D2	Skeptisch, skeptisch (sceptical, sceptical)
D3	Sehr skeptisch, Ich sehe dem Ganzen, wie am Anfang gesagt, schon sehr skeptisch entgegen. (Very sceptical, I see the whole things, like I said, very sceptical)
D4	Es hat sich eher negative verändert, als dass es sich positive verändert hätte. (It more changed into negative than into positive)
E1	I was sceptical from the beginning.

Table 7. Quotes reflecting insecurity and doubt

Quotes expressing feelings of insecurity and scepticism	
D1	Und das ist jetzt eine andere Situation die, wie soll ich jetzt einfach mal sagen, das ist... ja macht einen auch betroffenen wenn da, was weiß ich, 500, 600 Leute auf so einem kleinen Schiff sind und man beobachtet das noch, aber es ist jetzt momentan nicht mehr an erster Stelle irgendwie. ...und jetzt kommen wirklich arme Leute, teilweise arme Leute... nur manchmal sehe ich auch in den Flüchtlingen ein Problem, dass ... das ist für mich.... Das ist auch so ein Ding, wo ich sag, denen muss es doch dann da sehr gut gegangen sein, bevor der Krieg da losging. Das ist natürlich schrecklich was dort passiert. Ich habe nichts gegen die... überhaupt die können alle (And this is a different situation now, how shall I say this, it ... yes ... makes me concerned if, i dint know, ...500, 600 people on a small boat and you observe it...but it is not in focus right now somehow...and now truly poor people come, party poor... but sometimes I see a problem in these people. That is for me.... That is again something where I say, they must have lived pretty well back home before the war started... I mean it´s horrible what happened there ... I don´t have something against them! Totally not...they can all...)
D2	Ich glaube einfach, dass unter diesen Flüchtlingen, also man muss diese Flüchtlinge, wenn sie aus Gefahrengebieten kommen muss man sie rausnehmen, aber unter diesen Flüchtlingen ist ein großer Prozentsatz, eben Wirtschaftsflüchtlinge. (I just think that between these refugees...Well one has to take them out of the areas where there is danger, but there is a big share of economic refugees.)
E1	I was sceptical from the beginning. I don´t say I´m not enthusiastic to be able to help people but my opinion has always been that we should have help them at their doorstep or at the border.

None of the comments expressed strongly negative feelings about the refugees and migrants. The interviewees' scepticism did not stem from hostility or prejudices but rather from feelings of insecurity about chal-

lenges ahead. Judgements seemed objective and merely based on costs and benefits, but displayed uneasiness. Ambivalence between, on the one hand, compassion, and on the other, a distant business attitude was apparent. All participants refuted that their feelings may be led by xenophobia and stress their solicitousness and willingness to help. Hesitation about how to name the people coming to Germany was present in all interviews in German. There was less insecurity and hesitation in the interview of the Dutch participant, which was held in English. This was the sole participant who, right from the beginning, clearly distinguished between migrant and refugee and did not struggle throughout the interview which terms to use, as can be seen in the quotes below.

Table 8. Quotes showing hesitations about which terms to use

Quotes with Insecurity about which terms to use	
D1	Die Migrations... in Deutschland“, dass man diese...in Anführungszeichen „boot people“, ...die aus... Flüchtigen“, „Kennen die alles nicht“, „solche Leute dann“, dieser (zögert) anderen Völker“, „diese (zögert) Schichten” (“the migration... in Germany”, ‘he’ in quotation marks denotes boat people” those from ... absconder” “they all do not know that” “such people”, “ these (hesitates) other peoples”, “these (hesitates) social layers..”)
D2	...das dann in der Masse kommt (...it then comes in this masses)
D3	„Masse an (zögert kurz) Migranten, ist nun mal derjenige, der... Gast und neu in dem Land.“ (The mass of (hesitates) migrants, is the one, who... is the guest and new in the country.) „,nem... nicht Migranten, der hier aufgewachsen ist.“ (a.... not-migrant who grew up here.)

‘One’, ‘he’, or ‘you’ is frequently used instead of ‘I’. This creates distance from the own answer. On average the word ‘man’ (one) is used 19 times in an interview. In addition, some questions are not answered at all. Participants just talk about something else or suddenly change the topic, especially when it is about their feelings and attitudes. A fear of saying something inadequate, or offensive, is noticeable.

Statements relating to the future are mostly linked to the word ‘if’. Words following ‘if’ are mostly they/these/him/you/one. Indeed, most sentences with ‘if’ point to others who have responsibility for the situation. Combined with other answers, it becomes clear that decision makers only see a future connection to the migrants and refugees once someone else will have taken responsibility to educate them. These demands are often linked to the willingness of the refugees and migrants to assimilate. When talking about these things the most recorded feeling

is distance, superiority and business attitude. In conclusion a strongly sceptical attitude is noticeable and stems from a feeling of insecurity. Confidence about right terms, reliable facts, future consequences and responsibilities is missing. A consequence is distance, ambivalence and avoidance.

The third aspect deals with the basis that helps evaluating strategies and making decisions. It was depicted that there is great uneasiness about the topic. Parts displaying more confidence are those where participants relate their own experience. Own experiences are used by the participants to gain reliable knowledge and form a base for valuation. However, only one participant mentioned having made a personal experience with refugees. The absence of personal contact and interlinkages with the refugees creates distance and evasiveness about reaching decisions. The quotes below support these findings.

Table 9. Quotes reflecting distance from the situation

Quotes distance towards the situation	
D4	<p>Ich sehe diese Leute gar nicht, Ich nehme sie gar nicht wahr muss ich ganz ehrlich zugeben. Wenn ich es nicht sehe, dann kann ich es halt auch einfach sehr schwer beurteilen...</p> <p>(I don't see these people at all, I don't recognise them, I honestly have to admit. If I don't see it, I hardly can evaluate it.)</p>
E1	<p>I am not sure yet. It is too early to tell. It is very difficult question to answer. I can't say.</p>

In many cases general rules that are taken for granted are mentioned. They substitute personal experience as a source for creating arguments.

Table 10. Quotes on rules

Quotes rules that are taken for granted	
D1	<p>Wenn du dann kein Deutsch sprichst, dann ist SIS, Schicht im Schacht. Das ist eine Grundvoraussetzung. Integration heißt ja im Grundsatz etwas geben und etwas aufnehmen.</p> <p>(If you don't speak German, then that's it, you've had it. This is a basic requirement. Integration means in general giving something and taking something.)</p>
D2	<p>Deutschland ist kein Integrationsland. Und die deutsche (Kultur) ist nicht tolerant*</p> <p>(Germany is no country of integration. And the German culture is not tolerant.)</p>

* In contrast to that, the interviewee who had to integrate her/himself says: „Ich nehme die deutsche Kultur als eine sehr, sehr offene und gebildete und vor allem auch sehr tolerante Kultur wahr.“ (I perceive the German culture as open, educated and very tolerant.)

A lack of reliable knowledge to substantiate arguments is evident. The basis for evaluating a market entry strategy shows similar results. The disadvantages of a market entry mentioned are of a general nature. Questions for details do not reveal further knowledge, to the contrary, knowledge about geography, culture, or politics seems limited. This is also apparent in the evaluation of recent developments since July 2015. The strategies chosen differentiate accordingly.

Table 11. Market entry in the Middle East

Q: Please name general disadvantages of a market entry in the Middle East	
D1	Politics, religion, stability, war!
D2	Politics, religion, currency
D3	Conflict, Infrastructure, stability, lack of experience, cultural challenges
D4	War, conflict, insecurity in the society
E1	Many pre-investments, expensive, time consuming, pay local partner for not doing anything, unfavourable contracts, no opportunity to get money back, bribes
Q: Did something change in the last 12 months, that influences your decision?	
D1	Politics and situation more stable and westernised
D2	Politics more unstable
D3	War, decreasing oil prices (?), needs more research
D4	The refuge crisis
E1	I met a potential partner who is trustworthy
Q: Which strategy would you choose?	
D1	Investment with local partner
D2	No market entry
D3	No market entry
D4	Only export
E1	Investment with local partner

A feeling of insecurity about facts and details is evident. This lack of confidence is reflected in the ranking of different aspects for market entry strategy. Of the highest importance for all participants is the legal safeguard at local level. In conclusion, lack of knowledge and the feeling of insecurity are also noticeable in the decision making process. The basis for evaluating decisions is not sound.

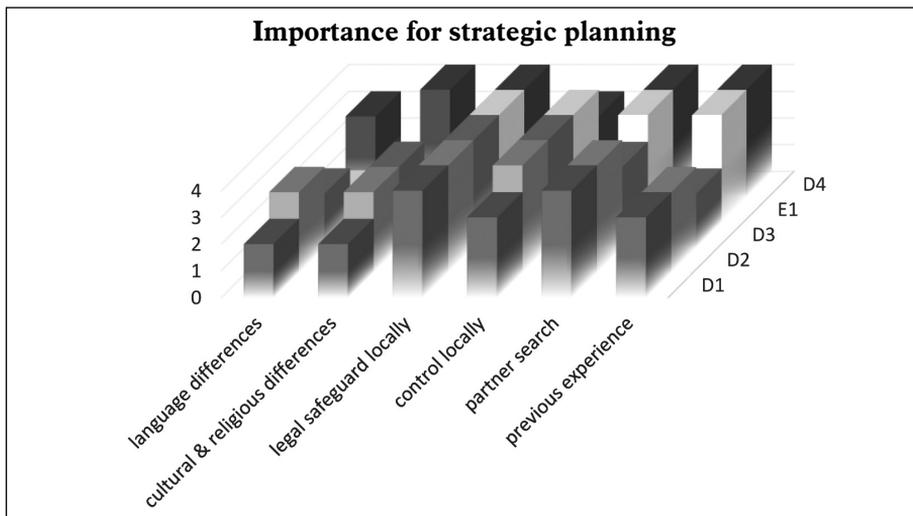


Figure 5. Different aspects for strategy planning and their importance

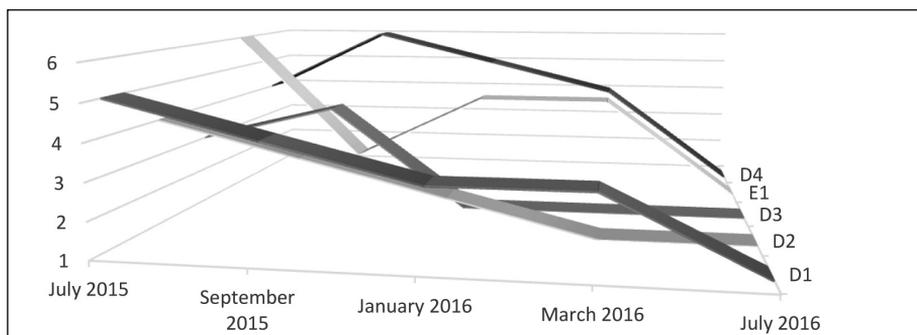


Figure 6. Evaluation of the public attitude

- 6: optimistic
- 5: welcoming and solicitous
- 4: sceptical
- 3: distant
- 2: indifferent
- 1: deprecatory attitude, indignation

Influence of the Public Discourse Represented in the Media

After analysing sources that create a basis for decision making the fourth point is the impact of the public discourse represented by the media. The evaluation of the public attitude by the participants shows a shift from a positive and welcoming approach to a more negative and indifferent attitude.

The evaluation of the personal attitude on the other hand varies significantly from the public attitude. The participants actively distantiate themselves from the public mood and show a rather stable sceptical attitude. These findings are supported by feelings coded to the answers during the interviews as shown in figure 4. The interviewee from the Netherlands (E1) is the only one who said his/her perception changed from euphoric to sceptical. Even after the incidents in Cologne the interviewees still argue that their attitude did not change. Only the interviewee with migration background (D4) said that the situation had worsened: „Dann in Köln war mir dann ganz klar, dass das jetzt noch schlimmer wird.“ (Then in Cologne I knew, from now it will only get worse).

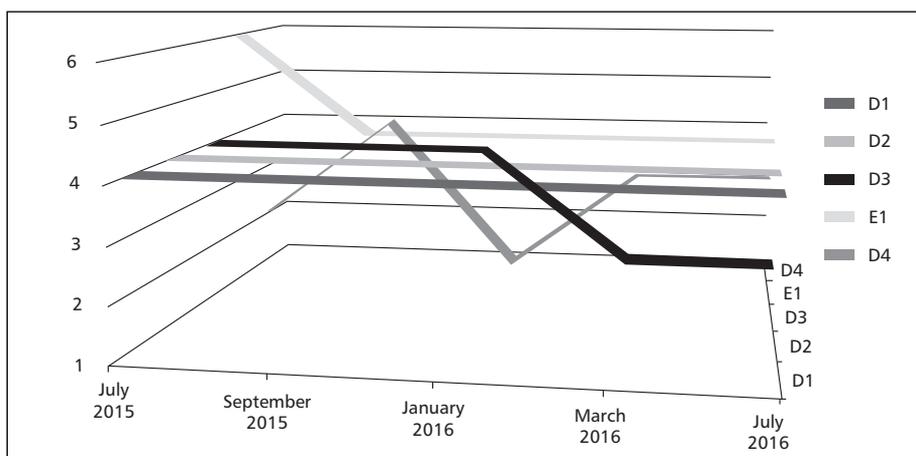


Figure 7. Evaluation of personal attitude

When there is an influence of the media to be seen, it is often with the use of verbs such as ‘see’, ‘watch’ or ‘observe’, and children are frequently mentioned: ‘Wenn man natürlich dann dieses persönliche Leid sieht von diesen Leuten, so mit den Kindern, die...’ (If you then see the personal suffering of these people, with the kids, who...).

In conclusion, there is a search for information but strong doubts in the public discourse as to how the situation is represented in the media. It can be seen that there is an attitude that distantiates itself from emotionalising media products. The influence of the media, considering that there is a general lack of information, is remarkably low in the interviewees, who do not see the media as a source of reliable information.

The findings from the interviews show that the opportunities offered by the arrival of refugees and migrants are not understood. The need for insight,

knowledge and consultation to seize opportunities in emerging markets in the Middle East is not linked to the resources brought by refugees and migrants originating from this part of the world. Prominent emotions are scepticism and insecurity. The basis for valuation is weak, lacks facts, and leaves way to emotionalisation. The media does not act as a reliable source of information.

Discussion and Conceptualisation of Findings

The above has highlighted, first, that public discourse in Germany on the migration crisis evolved in the context of the three key events discussed. Second, that decision makers in German MNEs are influenced by events linked to the migration crisis when planning foreign market entry strategies. In order to answer the questions we now need to conceptualise the results of the research. This calls for a discussion about the need to provide information and promote integration, and to review the impact of the situation on several institutions and international business.

In order to structure the results, we generate a model on the basis of Charmaz.¹ This model selects and organises results to increase the level of informative value. At this point the individual reflexion and selection of the analyst is part of the process of conceptualisation and shapes the discussion of the findings. Following the in-depth analysis of the interviews, the underlying patterns and the deeper level of feelings, experiences and attitudes reveal new insight into how the participants gain and create new knowledge of the world to construct their reality. A prescriptive model-

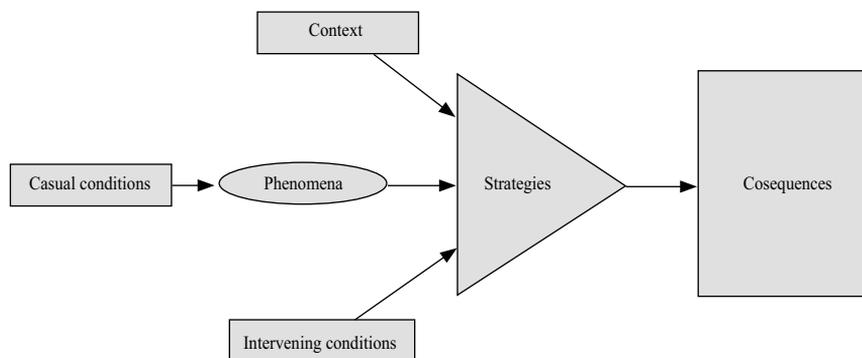


Figure 8. Conceptualisation model

Source: K. Charmaz, *Constructing grounded theory*, Vol. 2nd., Sage Publication Ltd., London 2014.

¹ K. Charmaz, *Constructing grounded theory*, Vol. 2nd., Sage Publication Ltd., London 2014.

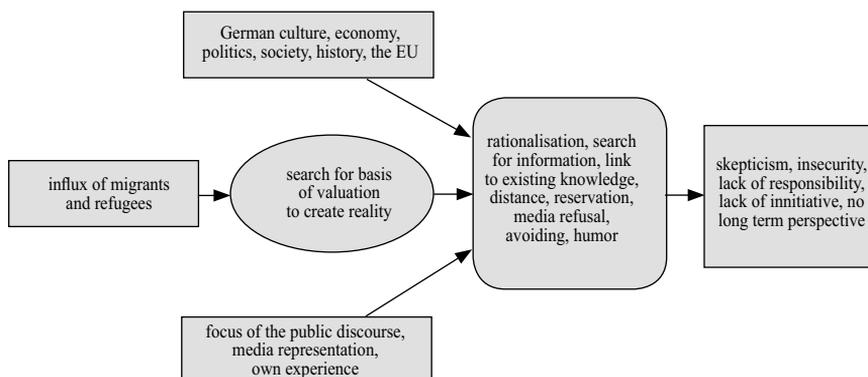


Figure 9. Conceptualisation of the findings

Source: own creation after: ibidem.

ling approach is used to deal with the complexity of the framework and the findings and to get closer to the crux of the matter.

The prescriptive model shows how the influx of refugees and migrants calls for a new basis of valuation for the business participants to update their reality. The strategies to do that are rooted in the context of the German society, culture, politics, history and economy. The EU and the member states' various agendas also interfere with these strategies. Interfering conditions are the public discourse, represented in the media and experienced by them. This specific context affects the participants' strategy in their search for information, linkages to existing knowledge, distance, rationalisation, and media avoidance. The consequence is scepticism, insecurity and a lack of responsibility, initiative and long term perspective.

The findings show how the tenor of the media changed from euphoric, to fearful and distant. A negative trend is evident. Furthermore, the content shows variance of different representation of German institutions and of refugees and migrants, but the level of information and content remains generally low. Decision makers of German MNEs do not appear to be influenced by the occurrences linked to the migration crisis when planning foreign market entry strategies, because they do not link their business to the migration situation or its consequences. Indirectly there can be an influence due to a feeling of rising insecurity.

The hypothesis to be evaluated is therefore that *decision makers in German MNEs overlook the long term potentials created by the influx of refugees and migrants due to a deteriorating perception and public mood in Germany facilitated by the media and which hinders integration.*

The hypothesis can partly be verified because the participants indeed do not see any long term potentials by the refugees and migrants and the media does indeed contribute to creating an increasingly negative mood. One part of the hypothesis cannot be verified. Not the deteriorating public mood represented in the media conceals the potentials in the eyes of the participants, but the absence of information. There are barely any valid facts that help creating a sound basis for valuation and decision making. Mostly emotions, anecdotic experience and existing rules shape the perception of the situation. The outcome is insecurity, distance, a lack of responsibility and initiative. There is no link between potentials in new markets in home countries of refugees and migrants and the refugees itself.

Gap Between Focuses

A basis of valuation is important when making sense of the reality and reaching decisions.² The context and the conditions in Germany (figure 9) do not support the strategy of finding a basis of valuation. In contrast, the public discourse as it is represented in the media does not provide reliable information in the eyes of the participants. They are rather distant from the emotionalising tenor. Personal experiences can barely create a basis for valuation either, since there are almost no connections with the refugees and migrants. The context of the German culture, economy, politics, society, history, and the EU seems to form a basis for sorrows and criticism rather than sound grounds for evaluation. The history of Germany as a migration country is barely linked to the current issues. The much bigger influx of refugees after the second World War is only remembered by one participant, who simultaneously showed most solicitousness and, also, lived in the countryside.

Only older generations link this part of German history with the current issues. Politics and the EU seem to have little leadership power. Angela Merkel represents the politics almost as an autocrat it seems. No compelling consequences seem to be drawn from the fact that Germany, together with a few other institutions like the EU and countries like Sweden, is the main actor in looking for solutions to the influx of refugees and migrants. A feeling of unity advocated by Angela Merkel is not noticeable in the findings. It is noticeable, though, that there is a focus on education in many projects and initiatives taken in various communities with a view to integrating refugees and migrants into the workforce. The strength of the German economy is seen as a solution, and some major companies such as Siemens have recently taken initiatives in that sense. However there is no

² Ibidem.

such sense of responsibility or initiative to be recognised among the participants interviewed. There is a lack of correlation between what should happen in Germany, what the participants themselves can do and what is important for their international business plans.

And yet, the participants agree on the findings of the following principles of International Business Strategy:

- Institutional environment and distance determines entry mode.
- Knowledge about the institutional environment helps reducing risks and costs.

In addition, the answers show agreement with the principles of cross-cultural management (CCM):

- A lack of cross-cultural awareness can hinder integration, acculturation, and economic utilisation of migration.
- The public migration discourse in Germany shows an increasingly narrow and negative focus.

But they fail to establish the link with the following, widely recognised principles:

- Migration can lead to institutional change and can lower institutional distance.
- Migration can lead to acculturation and knowledge about cultures and institutions.
- The perception of foreign countries, refugees, migrants and integration has a high importance for policy making, institutional change, and the public mood.

In conclusion it clearly appears that the benefits of migrations are not fully appreciated. The perception of migration in Germany in the environment of the interviewed business people shows a sceptical perception that neglects potentialities and does not leave room to initiate participation. The perception of migration influences decision making, policy making, integration, and economic utilisation. A lack of knowledge hinders a sober and educated perception of migration and integration. Hence, there is no sound basis for decision making. This leads to the question how the lack of knowledge, which was revealed in the research process, can be addressed. Further, who is responsible, who is failing and what are the consequences.

Responsibility for Information and Integration

An educated perception is the basis for informed strategic decision making. The question who is responsible for an educated view on current

affairs leads to different directions. The media, as previously illustrated, may have a responsibility but is not perceived as trustworthy or reliable. This is a most interesting topic for further research but exceeds the scope of this paper.

Furthermore, own experiences barely support an educated view due to insufficient personal contact. In further inquiries in rural areas on the countryside it was noticed that people there have more linkages and personal contact to refugees and migrants. Spontaneous, informal interviews with a developer and other members of the community show high levels of initiative and responsibility and successful integration. This phenomenon shows that there is a chance for almost every individual to seek insight beyond the fast moving focus of the media on the refugees and migrants. In some cases, it seems that the lack of knowledge and an indifferent attitude is no passive ignorance but can be caused by lack of interest and active alienation. The absence of own experience, the feeling of fear and the fast moving focus of peoples' daily lives may have created a form of denial which in general has little or nothing to do with xenophobia or lack of cultural awareness. High levels of individualisation that leave little focus for things that are not serving the own interest may lead to such denial and indifference.

Integration

An interview with a social worker in Cologne who has been dealing with refugees, migrants and integration issues for 30 years, points to the problems of such attitude. The lack of interest in parts of the society and in institutions leads to weak integration and exclusion. The consequences of failed integration, she points out, will be diverse and noticeable for the whole society. Politics allocate big amounts of refugees and migrants in areas of low income and education. This can lead to ghettoization, exclusion, and ultimately to radicalisation once the people concerned understand what was done to them.³ Integrating the refugees in the lowest milieus cannot lead to the diverse migrant milieus Germany apparently has so far shown in the right figure. It may lead to increasing numbers in the religiously rooted migration milieu and the uprooted migration milieu, highlighted in the figure 10.

The negative consequences, as Surges predicts, are lower and slower education, religious radicalisation and decreasing economic potentials.

³ D. Surges, *Interview about integration and acculturation of refugees and migrants and the challenges and consequences*, conducted the 19th of August from the author in Cologne, Germany 2016.

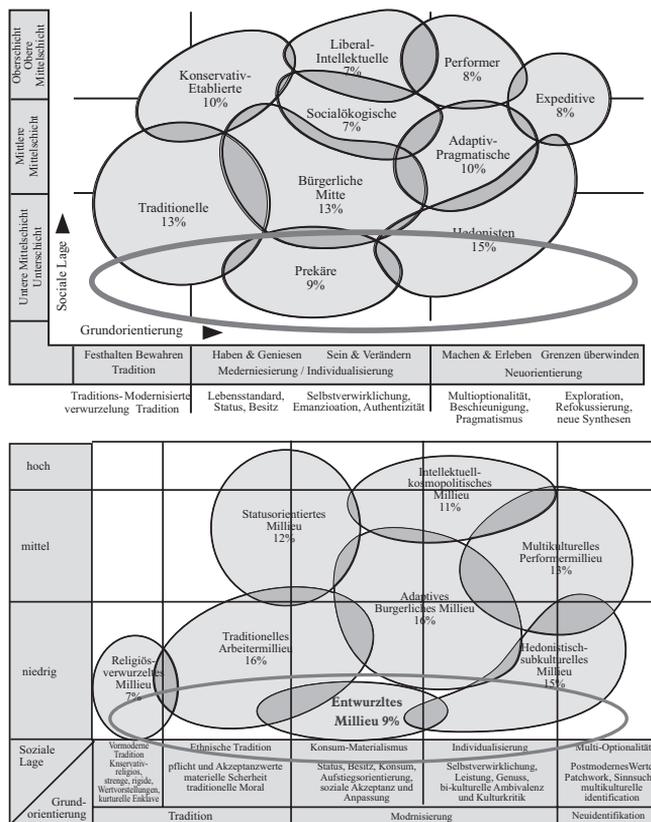


Figure 10. Milieus of integration

Source: edited using (Sinus, SINUS Migrantenmilieus. Heidelberg: SINUS Markt- und Sozialforschung GmbH, 2016, <http://www.sinus-institut.de/sinus-loesungen/sinus-migrantenmilieus>).

Many well-educated migrants and refugees will leave Germany. Many skilled migrants with high potentials may leave Germany if they are not being given a chance to develop and root. Failed integration hinders potentials of resources, tacit knowledge, and diversity. Advantages for international business are not utilized. The following section focuses on the implications of these findings for International Business.

Implications for International Business

Failing in utilising the potentials of the refugees and migrants impacts international business. The high value of knowledge and partner selec-

tion when entering foreign markets is crucial. Relationships, political resources and inside knowledge about formal and informal institutions can determine growth and success. Refugees and migrants often from the Middle East and Africa support building bridges to emerging markets in their home countries.⁴ This cannot only facilitate market entry but at some stage can support economic growth and development in these regions. Sustainable growth creates new markets, new trade partners and possible alliances. Economic growth can support a country's development, increase wealth, political stability, health conditions and security. Better living conditions often decrease migration⁵ and can support international security.⁶ These goals surely are multidimensional and most complex, yet it can be said that the pursuit of these goals is of high importance. Multiple ways lead there and integrating migrants and refugees may not necessarily lead to peace and economic growth in unstable developing countries, though successful economic integration of migrants would have positive long-term effects for these countries when it comes to reconstructing war-torn areas. Not integrating them, not opening up to knowledge, new input, and change surely does not lead there. Hence, beyond the personal responsibility to stay informed, there is a responsibility on the part of political and economic institutions that deal with long term economic potentials where individuals cannot oversee the consequences. Therefore, the question of responsibility additionally points to the EU.

The Role of the European Union

The EU is a global democratic role model for unity but currently struggles to find a united voice in the migration crisis.⁷ Similar to Germany, biased media and right wing populists create division, nationalism, and protectionism in many parts of Europe. Viktor Orban named the situation a "German problem"⁸ and shows that also politicians show the depicted

⁴ M.W. Peng, *The resource-based view and international business*, "Journal of Management", no. 27/2001, pp. 803–829; W.P. Wan, *Country resource environments, firm capabilities, and corporate diversification strategies*, "Journal of Management Studies", no. 42/2005, pp. 161–182.

⁵ N. Argent, M. Tonts, A. Stockdale, *Rural Migration, Agrarian Change, and Institutional Dynamics: Perspectives from the Majority World*, "Population, Space and Place", no. 20(4)/2014, pp. 299–302.

⁶ J.P. Burgess, S. Gutwirth, L. Koloriet et al., *A threat against Europe?*, "Security, migration and integration", no. 19/2011.

⁷ M.J. o. Rodrigues, E. Xiarchogiannopoulou, S. Borrás, *The Eurozone crisis and the transformation of EU governance: internal and external implications*, Ashgate, Burlington, Vermont; Surrey, England 2014.

⁸ <http://www.bbc.com/news/world-europe-34136823> (last visited 7.01.2017).

lack of responsibility, initiative, and view for long term potentials. Perceived insecurity and high levels of protectionism hinder international business. Migration and terror threats increase border controls. The free movement of goods, capital, and labour is disturbed.⁹ Protectionism and more sovereignty to seal off from the free movement of migrants to Britain has been one argument against EU membership and for Brexit.¹⁰ The aftermath for the EU can be severe.¹¹ The European Agenda on migration stresses the importance for involving EU member states, and to tackle the migration crisis together with third countries institutions, and local authorities.¹² Short-sighted solutions for costs and benefits influence the stability in Europe and the global standing of the EU in the long run.

To the contrary, solving the challenge can strengthen the economy and shape the competitive edge.¹³ The EU has capabilities to integrate five million refugees¹⁴ and thereby free the potentials that can increase power against global competitors and facilitate international business, development and security.¹⁵ Responsibility to take action and to inform the population should be in the own interest of the EU and its member states. Means of communication between and within the EU, institutions, and third countries also points into an interesting direction for further research.

The discussion puts the results into context and shows how the participants try to create a basis for valuation. A lack of knowledge supported by a lack of interest and initiative that gives responsibility away stands in the way of that process. A too frequently aversive attitude hinders integration. The direct consequence is a loss for the German economy and for international business. Growth potentials in emerging markets and international trade are not fully utilised. Sustainability and unity is missing,

⁹ *Shooting Schengen; Europe's migrant crisis*, "The Economist", no. 416(8956)/2016, p. 16.

¹⁰ *The Brexit delusion; Britain and the EU*, "The Economist", no. 418(8978)/2016, p. 16; M. Emerson, *The Economics of a Brexit*, "Intereconomics", no. 51(2)/2016, p. 46.

¹¹ *Exodus; Refugees in Europe*, "The Economist", no. 416(8955)/2015, p. 13.

¹² M. Mayer, M. Mehregani, *Beyond Crisis Management: The Path Towards an Effective, Pro-active and Fair European Refugee Policy*, Vision Europe Summit, Bertelsmann stiftung 2016; J.-M. Trouille, *From Mass Migrations to Sustainable Development – Re-thinking the EU-Africa Partnership as a Win-win Co-development Strategy*, in: 'Migrations' Jean Monnet Seminar Tunis 2016. Publication of the European commission DG Education & Culture, Luxembourg 2017.

¹³ T.R. Guay, *The Business Environment of Europe – Firms, Governments and Institutions*, Cambridge University Press 2014.

¹⁴ EU Parliament, Action Plan on the Integration of Third Country Nationals, 2016, COM(2016) 377 Final.

¹⁵ A. Adepoju, H.J. v. Noorloos, E.B. Zoomers, *Europe's migration agreements with migrant-sending countries in the global South: a critical review*, "International Migration", no. 48(3)/2010, p. 42; P. Sutherland, *We must harness the true strength of migration*. Organisation for Economic Cooperation and Development, "The OECD Observer", no. 32/2015.

especially in the EU. The agenda of development, free trade and economic growth would suggest a clear standing of the EU and strategic actions in informing the population and seizing the current challenges as a path towards pursuing these goals. Further investigations about the role and responsibility of the media and the EU and its institutions is highlighted.

Conclusion

This exploratory study shows how selected managers in German MNEs make decisions and how their perception may affect future strategies. A lack of information and knowledge was depicted that results in missed opportunities. If potentials are not properly identified, no decisions can be made to free and utilize them. For this to happen a sense for the bigger picture is required. The findings reveal new insights about how missing information, insecurity and indifference can hinder growth potentials in home and host countries of migrants and for international business and development. It highlights the responsibility of each individual and of institutions, notably the EU and its member states to inform about and guide migrations and integration. Negative consequences reach into fields of free trade, local development and international security. The implications are overarching and stress the need for engagement and cooperation of different sectors to pursue the goal of sustainable development.

The study focuses on selected articles from selected publishers. The results show biased and criticisable journalistic work, but it has to be said that during the research process many exceptions to these results were found that unfortunately often gained less public attention. Many of these actually tried to fulfil the values and aims of the media as the 'fourth power'. The same counts for the public mood that often was found negative or indifferent. Many examples show that individuals, communities and institutions put a lot of effort in remaining liberal, broad-minded, helpful, and united. The project points towards future research on how communication can lead to more engagement against the indifferent and aversive attitude of specially those in society who have the means and capabilities to lead change and development.

In August 2016 Angela Merkel invited top managers from the German industry to the Chancellery to talk about integration and the future for refugees and migrants. She called for more debate and involvement. By this she answered the call of the project to close the gap between the focuses of migration and business potentials and improve awareness, involvement, and initiative for migration and integration in the German

economy. This step might be a stepping stone for more actors taking responsibility in shaping the future. When, eventually, the Middle-East will be reconstructed, Germany and the EU could greatly benefit from having intermediaries and ‘bridge-builders’ able to establish fruitful co-operations, not just in business, but also in terms of stability and security. How the migration crisis will be evaluated when looking back in 10 years from now, is being shaped at this point in time. It can be the perception of a challenge that united and strengthened Germany and the EU.

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Key words: Cross-Cultural Management, Europe, Foreign Market Entry, Germany, Institutional Theory, Integration, International Business Strategy, Migration, Refugees, MNEs

Abstract

The largest influx of refugees since German unification has generated new challenges and opportunities in Germany's society, culture, politics and economy. Theory advocates the advantages for international business of institutional change, migrations and integration. However, a negative public perception can conceal and inhibit resources and opportunities for German multinational enterprises. How did the attitude of Germany towards refugees change in 2015 and 2016? How did formal and informal German institutions react on the EU refugee crisis? How has this affected decision makers in German MNEs in terms of foreign market entry choices? How do German MNEs evaluate the long-term consequences of this crisis?

This paper investigates in which ways the influx of refugees and migrants who arrived in Germany has affected the international business strategy of German MNEs. Part Two investigates how German MNEs are influenced by the migration context in Germany and Europe and how this affects their foreign market entry strategies in emerging economies.