

An Exploratory Factor Analysis of the Location-Specific Antecedents to Foreign Direct Investment in Post-Crisis Zimbabwe (2009-2015)

Tafadzwa Matiza*, Sandra Perks
Nelson Mandela University, Port Elizabeth, South Africa
*matizata@hotmail.com, Sandra.perks@mandela.ac.za

Abstract: While there are a plethora of studies based on the generic determinants of foreign direct investment, there is a discernible dearth of research into location-specific antecedents of distinct foreign direct investment typologies. This paper identifies the location-specific antecedents influencing foreign investors considering exploiting international business opportunities in post-crisis Zimbabwe. The literature provided the bases for the propositions advanced by this paper. Quantitative survey data was generated from a purposive sample of $n=305$ foreign investors. An exploratory factor analysis was conducted. The findings suggest that post-crisis Zimbabwe possesses the location-specific antecedents required by market-, resource-, efficiency-, and strategic asset-seeking FDI inflow. It is recommended that Zimbabwean policy-makers take cognisance of these nuances and implement appropriate market entry strategies to lure investors to Zimbabwe to grow the post-crisis economy.

Keywords: *Location-specific antecedents; foreign direct investment; behavioural finance; investment market entry decisions; Zimbabwe*

1. Introduction

Within the contemporary international business environment, the attractiveness of particular countries to foreign capital is premised on the availability of lucrative foreign direct investment (FDI) opportunities (Festervand, 2011; Musila & Sique, 2006). However, this paper argues that subjective location heuristics (based on specific location-specific antecedents) precede the attractiveness of any country-specific FDI opportunities, and influences the perceptions held by foreign investors of potential FDI locations, thus contributing to the competitiveness of certain countries in attracting FDI. While there is some literature (Browning, 2016; Simelyte, Peleckis & Peleckiene, 2015), to generally support this notion, little is still known about the potential influence of country-specific antecedents on FDI activity, more-so within the African context. This paper seeks to contribute to this emerging discourse in FDI theory, particularly within an African context, by establishing the location-specific antecedents of FDI in post-crisis Zimbabwe.

De Vries, Erasmus and Gerber (2017) advance the view that investor's behaviour in financial markets mimics that of consumer buying behaviour within the conventional product consumption context. Despite the increasing significance of investor perceptions to FDI location selection, a significant proportion of contemporary studies (Anyanwu & Yameogo, 2015; Etim, Onyebuchi & Udo, 2014; Kariuki, 2015), relating to the bases for FDI to the African continent have primarily focused on examining the generic determinants of FDI utilising panel data, albeit subject to its availability. Relatedly, while some studies (Du & Boateng, 2015; Mahembe & Odhiambo, 2013; Sikharulidze & Kikutadze, 2013), have explored the location-specific antecedents of specific FDI typologies in the African context, none of these studies, to the best of the researchers' knowledge, have generated comprehensive primary data-based empirical evidence of the location-specific antecedents of FDI by examining all four theoretical FDI typologies in the context of one specific African country. Therefore, a discernible gap exists with regards to the antecedents of FDI to specific African countries, particularly in relation to the FDI motives of Multi-National Enterprises (MNEs), based on primary data. More ominously, since experiencing a protracted economic crisis from 1998 to 2008, research into the determinants and/or nature of FDI to post-crisis Zimbabwe has largely been neglected by researchers.

This paper, thus extends behavioural finance theory to the foreign direct investment (FDI) decision-making process by advancing the notion that, foreign investors are influenced by certain location-specific antecedents as precursors to their FDI activity in post-economic crisis countries, such as Zimbabwe. Consequently, a critical query in the contemporary FDI discourse within the African context is centred on the antecedents of FDI activity within the African continent's individual economies. In the case of post-crisis Zimbabwe, beyond

the intention to exploit FDI opportunities in the country, the location-specific antecedents that exist to influence and motivate foreign investors to exploit certain FDI opportunities in the country becomes crucial. With this in mind, the aim of this paper is to identify the location-specific antecedents to FDI inflow to opportunities in Zimbabwe, in order to better explain the nature of FDI activities foreign investors have considered engaging in within the post-crisis Zimbabwean context.

This paper makes three significant contributions to the growing body of knowledge in the FDI discourse. Firstly, the findings of this paper represent the first empirical evidence of the location-specific antecedents considered to be influential to the attractiveness of FDI in post-crisis Zimbabwe (2009-2015). Secondly, this paper provides an empirical basis for the evaluation of the nature (market-resource, efficiency, strategic asset-oriented) of the antecedents of FDI in post-crisis Zimbabwe (2009-2015). Lastly, this paper advances a new theoretical basis for a novel evaluative scale for the determination of the antecedents for FDI typologies within the African context. To the best of the authors' knowledge, this is the first comprehensive Afrocentric explanatory framework for the location-specific antecedents of FDI inflow. With these significant contributions in mind the present paper is important in two aspects.

Firstly, the Zimbabwean government may gain important insights into the inherent subjective factors foreign investors considered to be germane to their motives to invest in post-crisis Zimbabwe. These factors may be managed by the Zimbabwean government as part of an investment promotion strategy to boost post-crisis Zimbabwe's competitive and comparative advantage within the global and regional FDI markets respectively. Secondly, the evaluative framework and results of the study make a novel contribution to the extent of the literature, potentially improving the understanding of the antecedents of FDI, particularly within a post-crisis African country context from the perspective of foreign investors – thereby contributing to both the FDI and behavioural finance discourses. The remainder of this paper is structured as follows: literature review, followed by an outline of the research methodology adopted for the study, the presentation and discussion of the empirical findings of the study, and finally the conclusions, their implications and avenues for future research.

2. Literature Review

Overview of the motives of internationalisation: The location aspect of the OLI framework lends credence to the dichotomous nature of the motives on MNEs for engaging in FDI. Within the location taxonomy of the OLI framework, investors typically fall into the four distinct categories which are based on the intent (motive) that the foreign investor has for engaging in FDI in a particular country. These motives are market-, resource-, efficiency- and strategic asset-seeking (Dunning, 2000; Eden & Dai, 2010). Each is discussed in more detail.

Investor motives for market-seeking foreign direct investment: Market-seeking investors are primarily concerned with internationalising for the purpose of market consolidation and/or expansion (Akpan, 2013). Kharwish and Siam (2010) advance that internationalisation based on the possibility of creating and/or exploiting existing marketing channels in a potential investment location could be considered as market-seeking FDI. While, Moghaddam, Sethi, Weber and Wu (2014), affirm that, market seeking FDI seeks to ensure access to new and larger markets outside of its own home country. By locating in certain foreign markets, the market-seeking foreign investor, may exploit opportunities which include exploitation of host country incentives, avoiding barriers to market entry, such as tolls and import quotas (Lintunen, 2011). Other market opportunities include more effective positioning in the foreign market; substantial labour and input cost-saving potential, as well as the effectiveness of promotion activities by government and quasi-government development agencies (Sikharulidze & Kikutadze, 2013; Wilson, Baack & Baack, 2014). Despite offering very little in terms of sustainable market demand due to Zimbabwe's largely unemployed population (up to 96% unemployment), Zimbabwe offers market-seeking investors many investment opportunities in its relatively diversified economy (Danha, Takaindisa, Mlotshwa & Simlet, 2015; KPMG, 2012; Zimbabwe Investment Authority, 2015). Zimbabwe's strategic location within the Southern African Development Community (SADC), offering market-seeking investor's access to the regional market being bordered by Zambia, Mozambique, Botswana and South Africa (World Bank Group, 2014). This makes Zimbabwe a potentially attractive location for market-seeking FDI. With this in mind the following proposition is put forward:

P₁: Zimbabwe possesses market-seeking antecedents that may influence FDI inflow into the country.

Investor motives for resource-seeking foreign direct investment: Resource-seeking foreign investors engage in FDI in order to legitimise and secure their acquisition of the often government-regulated desired resources (Cui, Meyer & Hu 2014; Dunning, 2000), as well as, secure stable supplies of the resources at a lower acquisition cost (Lintunen, 2011; Wilson et al., 2014). Resource-seeking investors also seek to benefit from government FDI incentives such as favourable tax, repatriation, capital gains tax allowances, and access to resource-oriented joint venture projects (Sikharulidze & Kikutadze, 2013). A government's policy on the beneficiation of resources prior to exporting to a country is a critical antecedent for resource-seeking investors (Mahembe & Odhiambo, 2013). Access to specialised advanced production-oriented technology is also critical for FDI (Udo and Obiora, 2006). The repatriation of resources by foreign investors is also a consideration for foreign investors (Dupasquier & Osakwe 2005; Hailu, 2010). Key to the extraction of natural resources is also the aspect of infrastructural logistics (Oyin, 2014). Zimbabwe is well endowed with factors of production such as mineral resources and primary agricultural outputs, and Zimbabwe's economy is considered by the World Economic Forum, as one of the world's thirty-seven factor-driven economies (Schwab, 2014). Zimbabwe is well integrated within the global value chain of a significant number of primary resources and has the capacity to extract and process gold, diamonds and platinum, as well as to grow, process and manufacture products from primary agricultural outputs such as cotton, sugarcane and tobacco (Monyau & Bandara, 2014). Zimbabwe also has substantial coal, platinum, diamond, gold, iron ore and copper nickel deposits, as well as large tracts of arable land suitable for agriculture (African Development Bank, 2013; Monyau & Bandara, 2014). All these factors are important to resource-seeking investors. With this in mind the following proposition is put forward:

P₂: Zimbabwe possesses resource-seeking antecedents that may influence FDI inflow into the country.

Investor motives for efficiency-seeking foreign direct investment: By locating in a certain foreign country, a foreign efficiency-seeking investor may take advantage of government local production incentives such as tax rebates and duty free importation of capital equipment, easing of market entry barriers, and the existence of linkages (Lintunen, 2011; Wilson et al., 2014). The location-specific advantages that appeal to efficiency seeking investors include exploiting an existing favourable business environment in the host country; achieving agglomeration of economies of product or process specialisation and agglomeration of economies of concentration in the production and distribution of products and services to the host market and other external markets (Lintunen, 2011; Muneer et al., 2011; Sikharulidze & Kikutadze, 2013). Achieving agglomeration economies is a significant consideration for foreign investors, as the close proximity of critical resources, such as factors of production or production processes and other foreign investors, allows investors to exploit the positive externalities associated with the streamlining of global value chain integration (Ajayi, 2006; Mabule, 2012; Sichei & Kinyondo, 2012). Foreign investors pursuing efficiency will invest in a host country with lower production costs if their motivation is cost reduction and improved efficacy (Jain, Kundu & Newbury, 2015; Moghaddam et al., 2014).

As a result of the Zimbabwe crisis, the country experienced subdued industrial development, and since 2013, Zimbabwe has been experiencing de-industrialisation (Monyau & Bandara, 2014). Zimbabwe may be considered to have the capacity to be more productive and integrate efficiency-seeking investors in the global value chain, while industrial underutilisation may be considered to be an FDI opportunity for foreign investors to exploit efficiency related infrastructure more effectively (African Development Bank, 2014; Chinamasa, 2014; KPMG, 2012; Monyau & Bandara, 2014). By adopting a multi-currency policy, the Zimbabwean government managed to arrest its hyperinflationary business environment while reducing the currency exchange risk for foreign investors who could use their local currency in investment transactions in Zimbabwe (Bertelsmann Stiftung's Transformation Index, 2014; United States Department of State, 2014). With this in mind the following proposition is put forward:

P₃: Zimbabwe possesses efficiency-seeking antecedents that may influence FDI inflow into the country.

Investor motives for strategic asset-seeking foreign direct investment: Strategic asset-seeking investors engage in FDI in order to achieve a competitive advantage and enhance their core competence by acquiring the strategic assets to boost their strategic position and competitiveness within the foreign market or globally (Cui et al., 2014; Dunning, 2000). Strategic asset-seeking investors will have a vested interest in investing in a

country as long as the host country offers the required technology transfer and/or organisational assets that will benefit the direct investor - particularly, access to unique, intangible and organisationally embedded assets such as corporate governance and brand equity (Lintunen, 2011). Other strategic considerations include cost-effective access to synergetic knowledge-based assets (know-how), as well as access to markets and institutions (Wilson et al., 2014). Vijayakumar, Sridharan and Rao (2010) observe a positive relationship between tax regimes imposed on international transactions and FDI inflows to developing countries. While, Moghaddam et al. (2014) affirm that foreign enterprises pursuing a strategic advantage will invest in host countries possessing distinct strategic assets. Opportunities to access the global value chain are also a consideration for strategic asset-seeking investors (Du & Boateng, 2015).

Zimbabwe offers the discerning strategic asset-seeking investor a myriad of investment opportunities (KPMG, 2012; Deloitte, 2012; Zimbabwe Investment Authority, 2015). As part of Zimbabwe's current Zimbabwe Agenda for Sustainable Socio Economic Transformation (ZIMASSET) economic blueprint, the government of Zimbabwe is seeking strategic partners for projects and partnerships in sectors that include the extraction of natural resources as part of their Private-Public Partnership Program (Zimbabwe Agenda for Sustainable Socio Economic Transformation, 2013). Albeit possessing lucrative investment opportunities, Zimbabwe has a controversial and unclear indigenisation and land ownership and appropriation policy which, to a large extent, serves as an impediment to strategic asset-seeking investment (African Development Bank, 2011; Kramarenko, Engstrom, Verider, Fernandez, Oppers, Huges, McHugh & Coatts, 2010). With this in mind the following proposition is put forward:

P4: Zimbabwe possesses strategic asset-seeking antecedents that may influence FDI inflow into the country.

3. Methodology

A quantitative cross-sectional deductive study was conducted, and employed total population sampling to select the study population from a database of foreign investors – investors who had invested, considered investing and had decided not to invest, or would consider investing in Zimbabwe in the future - during the period 2009 to 2015. This study was conducted in 2016, while the period under review 2009 to 2015 represents the post Zimbabwe crisis period after the protracted socio-political situation in Zimbabwe was addressed thereby arresting the economic crisis that had ensued between 1998 to 2008 (Chiumbu & Musemwa, 2012; Sena, 2012). The total sample population for the study was 1073 foreign investors on the Zimbabwe Investment Authority's database over the period of the study. An effective sample population of 640 foreign investors with valid e-mail contact details was established. From this effective sample $n=305$ investors participated in the online survey, resulting in a response rate of 47.66%. This sample was deemed to be adequate for the purposes of the study based on the empirical guidelines (Krejcie & Morgan, 1970; Sue & Ritter, 2007). An online survey was utilised to generate the data from respondents, with responses being recorded on an ordinal 5-point Likert scale (Toepoel, 2016). The ordinal scale solicited investor responses on the extent to which certain antecedents influenced their investment decision-making process when considering engaging in FDI activity in Zimbabwe. The scalar responses ranged from (1) not at all influential to (5) extremely influential.

Exploratory Factor Analysis (EFA) was applied to extract items (observed variables) from the data that correlate and group them together to constitute distinct factors (Field, 2009). EFA was deemed suitable as it is widely recognised as being appropriate in aiding in the development of new matrices in behavioural and social science related studies (Yong & Pearce, 2013). In this paper, EFA (at Varimax raw) was employed to identify patterns from within the set of data generated by the survey and make the necessary extrapolations (Norris & Lecavalier, 2010; Yong & Pearce, 2013). By doing so, the EFA managed to reduce the items into four discernible factors (Larsen & Warne, 2010). EFA was employed while adhering to the assumptions outlined by Yong and Pearce (2013) that: there is univariate/multivariate normality in the dataset; there is an absence of outliers; and that there is a discernible relationship between the factors and the items.

Principle Component Analysis (PCA) was utilised as a data reduction technique (Reio & Shuck, 2015; Yong & Pearce, 2013). PCA was applied to the data in order to explain the variance-covariance structure of the variables and generated eigenvalues. Eigenvalues are point estimates that are assessed to determine the optimal factors to retain from the EFA (Costello & Osborne, 2005; Larsen & Warne, 2010). Only the factors

that reported an Eigenvalue of more than 1.0 were retained (Costello and Osborne, 2005). A minimum factor loading coefficient of 0.50 was employed based on the conventional guidelines for practical significance (Hair, Black, Babin, Anderson & Tatham, 2006; Williams, Brown & Onsam, 2010), implying that variables with a coefficient less than 0.50 were disregarded. Relatedly, any variables considered to have cross-loaded (loading on more than one factor in the structure matrix) were also disregarded from further analysis (Williams et al., 2010). For factor stability, at least three items were expected to load to be regarded a valid factor (Costello & Osborne, 2005). In-order to establish scale reliability (how closely variables measured are related), the Cronbach's alpha test was employed to calculate the inter-item consistency of the measuring instrument at an acceptable cut off of $\alpha > 0.7$ for reliability (George & Mallery, 2003). In-order to confirm that the factors established by the EFA were cognate, Pearson product-moment correlation coefficients were calculated, with a coefficient of $r > 0.30$ being preferable as it implied that the factor association is not weak (Yong & Pearce, 2013).

4. Results and Discussion

Demographic profile of respondents: The majority (58.36%) of investors surveyed were male. The predominant age group were investors aged between 31-40 (37.05%) and 41-50 (36.06%) years old. Most of the investors (46.56%) possessed a postgraduate degree, while the least number of respondents (2.30%) were in possession of a high school diploma. Entrepreneurs (32.46%) and investors in senior management (30.49%) constituted the bulk of respondents. A significant proportion of the investor's surveyed were in the private (77.06%) and quasi-government sectors (11.80%), and were based in Africa (75.74%) and South-East Asia (7.45%) at the time of the survey - 2016.

Results of the exploratory factor analysis: Table 1 summarises the results of the Exploratory Factor Analysis (EFA) which extracted the items that loaded and their factor loading coefficients, the Eigenvalue of each factor, as well as the Cronbach's alpha (α) of each factor.

Table 1: Summary of the exploratory factor analysis results

Statements	Market seeking	Resource seeking	Efficiency seeking	Strategic asset seeking
There are opportunities for economies of scale for production of one product	0.804			
The input cost of production factors is low	0.738			
There are promising market growth prospects	0.725			
They are a member of the regional trading blocs	0.680			
There are multiple marketing channels to choose from	0.733			
Without much effort products can be distributed to many markets located close by	0.787			
Cost saving can be obtained through production of multiple products	0.554			
There are opportunities for cross-border acquisitions or mergers		0.561		
Government is transparent about technology transfer regulations		0.686		
All factors of production are available		0.699		
There are few restrictions in the local resource market		0.715		
A sustainable supply of production factors is ensured		0.605		
There is potential for joint ventures for natural resource extraction		0.652		
Their logistics networks are cost efficient		0.585		

Statements	Market seeking	Resource seeking	Efficiency seeking	Strategic asset seeking
There is a clear policy dictating the completion for process form prior to export		0.726		
There are many unemployed skilled labour available		0.613		
When leaving the country, foreign owned businesses have the right for repatriation of resources		0.553		
There is access to specialised advanced production-oriented technology		0.598		
Businesses related processes are located close to each other			0.520	
There is an opportunity for value chain integration			0.715	
There is the potential for economies of products/business processes specialisation			0.612	
Capital equipment can be imported for free			0.690	
It is possible to reduce business transaction costs			0.601	
They function on a multi-currency system			0.623	
Their exchange rate is in our country's favour				0.524
There are brand equity opportunities available				0.553
There are government private-public partnerships opportunities				0.525
Their capital gains tax rates are favourable				0.830
Their property tax rates are favourable				0.773
Their research and development (intangible knowledge-based assets) is complementing our country's				0.606
Eigenvalues	10.91	3.52	1.88	2.42
Variance explained	32.09	10.36	5.53	7.12
Cumulative variance	32.09	42.45	47.98	55.10
Cronbach's alpha (α)	0.885	0.884	0.819	0.849

Note: Loadings of <0.50 are omitted

The *Market-seeking* factor accounted for 32.09% of the variance in the original data set. Nine of the twelve items measured loaded onto the *Market-seeking* factor, with a loading coefficient above the 0.50. Factor loadings for the *Market-seeking* factor ranged between 0.725 and 0.804. It is apparent that Zimbabwe possesses the location-specific antecedents that may influence the inflow of market-seeking FDI to the country. Thus, **P₁** has a truth value. The *Resource-seeking* factor accounted for 10.36% of the variance in the original data set. All ten items measured loaded onto the *Resource-seeking* factor, with a loading coefficient above the 0.50. Factor loadings for the *Resource-seeking* factor ranged between 0.553 and 0.726. It is apparent that Zimbabwe possesses the location-specific antecedents that may influence the inflow of resource-seeking FDI to the country. Thus, **P₂** has a truth value. The *Efficiency-seeking* factor accounted for 5.53% of the variance in the original data set. Six of the eight items measured loaded onto the *Efficiency-seeking* factor, with a loading coefficient above the 0.50. Factor loadings for the *Efficiency-seeking* factor ranged between 0.520 and 0.715. It is apparent that Zimbabwe possesses the location-specific antecedents that may influence the inflow of efficiency-seeking FDI to the country. Thus, **P₃** has a truth value.

The *Strategic asset-seeking* factor accounted for 7.12% of the variance in the original data set. Five of the seven items measured loaded onto the *Strategic asset-seeking* factor, with a loading coefficient above the 0.50. Factor loadings for the *Strategic asset-seeking* factor ranged between 0.524 and 0.830. It is apparent that Zimbabwe possesses the location-specific antecedents that may influence the inflow of strategic asset-seeking FDI to the country. Thus, **P₄** has a truth value. Based on the EFA and PCA, it is evident from Table 1 that all four factors were retained as they returned Eigenvalues of more than 1, *Market-seeking* (10.91), *Resource-seeking* (3.52), *Efficiency-seeking* (1.88) and, *Strategic asset-seeking* (2.42). The location-specific antecedent

factors explained a cumulative 55.11% of the variance in the data. All the location-specific antecedent factors were deemed to be reliable. The *Market-*, *Resource-*, *Efficiency-* and *Strategic asset-seeking* factors returned a Cronbach's alpha coefficients of 0.885, 0.884, 0.819 and 0.849 respectively, indicating that the items to measure the factors were deemed highly reliable.

Descriptive statistics on the location-specific antecedents of FDI inflow to Zimbabwe: A significant proportion of the $n=305$ survey respondents (47%), indicated having invested in Zimbabwe at the time of the survey, while 38% indicated having considered investing in Zimbabwe and ultimately not doing so. The remainder of the surveyed foreign investors (15%) indicated possibly investing in Zimbabwe in the future. In general, Zimbabwe was perceived to be a market-oriented FDI destination by the majority (43%) of the foreign investors surveyed. While, the remainder of foreign investors, 25%, 22% and 10% perceived Zimbabwe to generally be a resource- strategic asset-, or efficiency-oriented FDI destination respectively. Table 2 summarises the descriptive statistics of the location-specific antecedents of FDI inflow to Zimbabwe.

Table 2: Descriptive statistics of the location-specific antecedents of FDI inflow to Zimbabwe

Factor	Number of items	Mean	Standard Deviation
Market-seeking	7	3.50	1.07
Resource-seeking	11	3.43	0.97
Efficiency-seeking	6	3.70	0.91
Strategic asset-seeking	6	3.24	1.06

Source: Author's compilation

As shown in Table 2, foreign investors seemed to view *Market-seeking* antecedents as quite influential (3.50)-mean score tending towards 4 on the 5-point Likert scale - when considering engaging in FDI activity in Zimbabwe. This is cognate with the prevalent (43%) investor perceptions of Zimbabwe as a market-oriented FDI destination. Interestingly, *Efficiency-seeking* antecedents scored the highest mean (3.70), considered as being quite influential (mean score tending towards 4 on the 5-point Likert scale) when considering engaging in FDI activity in Zimbabwe. This is despite Zimbabwe being generally considered to be an efficiency-oriented FDI destination initially by only 10% of the respondents. Foreign investors however, also appeared to be undecided (means tend toward 3 on the 5-point Likert scale) on whether *Resource-* and *Strategic asset-seeking* antecedents influence their consideration of FDI inflow in Zimbabwe. Foreign investors seemed to differ in their opinions (standard deviations that centred near 1 ranging from between 0.91 to 1.07) regarding how influential they perceived each of these factors when considering FDI inflow opportunities in Zimbabwe.

Correlation analysis of the location-specific antecedents of FDI inflow to Zimbabwe: Pearson product-moment correlation coefficients were calculated to establish the strength of the association between the factors identified. Table 3 presents the correlation matrix for the four distinct FDI inflow to Zimbabwe.

Table 3: Correlation matrix for the location-specific antecedents to FDI inflow to Zimbabwe

Factor	MKT	RES	EF	SA
Market-seeking (MKT)	1.000			
Resource-seeking (RES)	0.570	1.000		
Efficiency-seeking (EF)	0.564	0.752	1.000	
Strategic asset-seeking (SA)	0.464	0.650	0.491	1.000

Source: Author's compilation

The *Market-seeking* factor reported a moderate association with the *Strategic asset-seeking* factor ($r = 0.464$), and strong association with the *Resource-seeking* factor ($r = 0.570$), and the *Efficiency-seeking* factor ($r = 0.564$). The *Resource-seeking* factor also reported significant ($p < 0.05$) strong association with the *Strategic asset-seeking* factor ($r = 0.650$), and the *Efficiency-seeking* factor ($r = 0.752$). The *Efficiency-seeking* factor

reported a moderate correlation with the *Strategic asset-seeking* factor ($r = 0.491$). These results suggest that the four factors are cognate and may be considered to be associated measures.

5. Conclusion, Policy Implications and Further Research

The literature provided important insights into the distinct motives of MNEs for engaging in FDI, as well as the various location-specific factors considered prior to engaging in FDI. It appears that within the post-crisis Zimbabwean (2009-2015) context, Propositions one to four (**P₁-P₄**) have a truth value. In the absence of existing empirical evidence to support the novel findings of this paper within the Zimbabwean context, it can therefore, be concluded that, based on the EFA, foreign investors seem to consider Zimbabwe to possess the location-specific antecedents that may influence the inflow of market, resource-, efficiency-, and strategic asset-seeking FDI to the country. This conclusion is significant as it is based on a cross-section of foreign investors, those who had invested in Zimbabwe, those who had considered investing in Zimbabwe but had decided not to, and those who at the time of the survey would have considered investing in Zimbabwe in the future. The findings and conclusions of this paper imply that the Zimbabwean Government and its quasi-government agency responsible for the promotion of FDI to Zimbabwe, the Zimbabwe Investment Authority (ZIA), must take cognisance of the underlying factors influencing the attractiveness of specific FDI typologies in post-crisis Zimbabwe. While, the overarching macro-environmental determinants of FDI such as governance, human capital and infrastructure may be significant to FDI inflow to Zimbabwe, it may be hypothesised that the location-specific antecedents of specific FDI inflow typologies are significant to the distinct nature of FDI that ultimately flows to Zimbabwe.

This paper is a critical first step in the generation of new theory, since hypotheses may be generated from the propositions presented in this paper as part of broader study on the influence of afore-mentioned factors on FDI inflows to Zimbabwe. It is therefore, recommended that Zimbabwean policy-makers in government, quasi-government agencies such as the ZIA management adapt the location-specific antecedents as independent variables in an evaluation framework to establish the relationship between these factors and FDI inflows to Zimbabwe. It is also recommended that the aforementioned principals develop a logical approach to investment promotion that informs and guides investment promotion strategy formulation, implementation and evaluation respectively. This logical approach should be based on the location-specific antecedent factors that investors perceive as influential in decisions related to each FDI inflow typology (market-, resource-, efficiency-, strategic asset-seeking). An explanatory framework based on the factors presented in this paper may be tested further as part of an empirical study to generate data which may then be used to formulate an FDI image-building strategy, as an implementation blueprint, for the attraction of FDI to Zimbabwe. More significantly, this approach may be adapted by other African governments and/or quasi-governmental organisations for the same purpose. More significantly, given the recent political changes in Zimbabwe, a follow-up study on the locational antecedents considered by foreign investors in Zimbabwe is recommended. Such a study would be able to draw comparisons between the momentous shifts in regime against investor perceptions and the period preceding this political change.

Limitations of the study: The results of this paper are only generalizable to the perceptions of foreign investors within the Zimbabwean context, thus a similar study within the context of a different country may result in varying results. With regards to the primary data analysis approach, the authors acknowledge that EFA is exploratory in nature and is not suitable for hypothesis testing. To this end, EFA was only suitable for data reduction and the rationalisation of the latent factors, with no causal inferences being provided. Thus, only propositions were presented.

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