Context-specific understandings of uncertainty:

A focus on people management practices in Mongolia

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Abstract

This paper addresses the link between local understandings of uncertainty and people management practices in the under-researched and uncertain context of Mongolia. It draws on a qualitative, interpretive study of 34 top and middle managers with people management responsibilities in Mongolian organisations. We put forward the concept of a 'mindset *about* uncertainty' for examining Mongolian practitioners' understandings of and responses to the uncertainty inherent in the country's institutional environment. We identify four elements of the Mongolian mindset about uncertainty: (1) belief that impermanence is natural; (2) consideration of uncertainty as normal; (3) framing of uncertainty as positive; and (4) emphasis on flexibility in adapting to changing circumstances. We discuss this approach to dealing with uncertainty as a potentially valuable source of learning for Multinational Enterprises (MNEs) and International Human Resource Development (IHRD) practitioners in unstable environments.

Keywords: IHRD, Mongolia, mindsets, uncertainty, institutional contexts, interpretive perspective.

Introduction

There is much to be learned about how organisations can remain resilient in unstable environments (Cunha & Clegg, 2019; Jordaan, 2019; Williams, Gruber, Sutcliffe et al., 2017). Attempts to measure uncertainty can help in this regard; however, a different, yet potentially insightful approach to this learning involves clarifying how uncertainty is understood, and what skills are deemed relevant for managers and employees (Buchanan & Hällgren, 2019; Dibben, Brewster, Brookes, et al., 2017; Williams et al., 2017). This is particularly important in relation to people management, as developing human resources supports organisational survival and resilience in crisis-fostering environments (Dibben et al., 2017; Hutchins & Wang, 2009; Williams et al., 2017).

Assessing which human resource management (HRM) approaches are appropriate is a context-dependent task (Budhwar, Varma & Patel, 2016; Pudelko, Tenzer & Harzing, 2015). HRM is embedded in country level institutions, be they regulative systems or culturally shaped norms and cognitions (Björkman, Budhwar, Smale & Sumelius, 2008; Björkman & Welch, 2015; Edwards, Schnyder & Fortwengel, 2019). Reciprocal interactions between institutional and cultural contexts shape values, behaviours and opinions about acceptable conduct and people management approaches (Reiche, Lee & Quintanilla, 2018). Nevertheless, making sense of the interactions between regulative, normative and cultural-cognitive institutional dimensions (Scott, 2014) is crucial to multinational enterprises' (MNEs') ability to devise appropriate HRM policies (Brewster, Wood & Brookes, 2008; Edwards et al., 2019).

This paper contributes to international human resource management (IHRM) research by addressing the link between local understandings of uncertainty and people management in the Mongolian context, through mobilising the concept of mindsets (see Stokes, Liu, Smith et al., 2016) as an analytical device. Rather than aiming to theorise

about mindsets *per se*, we extend the discussion of mindsets *about* multiple phenomena and specific management issues (Caniëls, Semeijn & Renders, 2018; Keating & Heslin, 2015; Wicks, Keevil & Parmar, 2012) by putting forward the concept of *mindsets about uncertainty* within the target research context. Following Murphy and Dweck (2010), we see individual and collective levels of mindsets as interacting with each other, and embrace a working definition of mindsets as composed of particularly relevant context-specific beliefs, assumptions and cognitive framings. We also articulate *mindsets about uncertainty* as incorporating behavioural rationales, predispositions, coping resources and repertoires (Andresen & Bergdolt, 2017; Stokes et al., 2016; Swidler, 1986).

Throughout the paper, uncertainty is conceptualised with reference to subjective meaning-making (e.g. Edwards, Ram & Smith, 2008; Magnani & Zhucchella, 2018; Rathbun, 2007). In line with Magnani and Zhucchella (2018), we consider organisations' ability to deal with uncertainty – or even leverage its positive aspects (Chen, Liu, Tang & Hogan, 2020; De Villa & Rajwani, 2013) – as linked to managerial cognitive limits and perceptions of risk, and as framed by complex socio-cultural and institutional contexts (Edwards et al., 2008). Therefore, rather than focusing on categorisations and measurement of uncertainty and associated responses, our main motivation is to generate knowledge of the more abstract underpinnings of people's responses to uncertainty within our research context (Lowe, Kainzbauer, Tapachai & Hwang, 2015). Drawing on an indigenous perspective (Lowe et al., 2015) on uncertainty allows us to complement extant body of research, and to draw conclusions for contextually-sensitive (I)HRM practice.

Although as yet an under-researched context (Demirbag & Wood, 2018), Mongolia provides a useful site for enriching the debate on coping with a highly uncertain institutional environment. Uncertainty in Mongolia is not rooted in extreme conditions – such as terrorism, violent disorder, crime or other physical risks. Rather, the country is

characterised by 'initially seemingly peaceful forms of uncertainty', which, nevertheless, create 'considerable ambiguity for businesses and how they manage their people' (Wood, Cooke, Demirbag & Kwong, 2018: 1365). Notwithstanding the economic growth since 2000, businesses in Mongolia have been exposed to political, economic and legal unpredictability (Authors; World Bank, 2020). Uncertainty in the country is reinforced by socio-economic disparities, an over-reliance on unexpected resource booms, a high risk of climate shocks, fluctuating foreign direct investment, and limited progress with banking sector and anti-money laundering reforms (Best's Country Risk Report, 2019; World Bank, 2020).

The above challenges render Mongolia's business context highly unpredictable. They also present a research opportunity for generating insights about how complexities of an uncertain context shape people's mindsets about uncertainly. Focusing on Mongolia contributes to building knowledge that is potentially applicable to MNEs' practices, especially with respect to developing a context-sensitive approach to international HRM. Moreover, conducting a study in an under-researched periphery country serves to address the issue of biased conclusions and generalisations that are often associated with studies based in Western and developed contexts (Garavan, McCarthy, Sheehan et al., 2019).

We draw on qualitative material gathered from managers in Mongolian organisations, to create insights into local understandings of uncertainty and their influence on practices associated with people management. There is value in identifying locally generated people management practices (Kutaula, Gillani & Budhwar, 2019). The companies in our sample, many of which are SMEs with weakly structured HRM systems, can be considered key 'learning sites' for MNEs interested in implementing contextually appropriate, sustainable and effective HRM policies and practices. The paper addresses the following questions: 1) How is uncertainty understood and

approached by people management practitioners in Mongolian organisations? 2) What lessons for IHRM emerge from our analysis of the Mongolian mindset about uncertainty?

The paper contributes to IHRM research and practice by showing how behavioural rationales and predispositions with respect to uncertainty in Mongolia influence prevalent people management practices. It also contributes to existing literature through putting forward the concept of a 'mindset about uncertainty' as a tool for analysing context-specific understandings and responses to uncertainty. It demonstrates the importance of understanding local mindsets about uncertainty, with a view to designing and implementing effective HRM practices in a particular institutional context.

The following section situates uncertainty as subject to context-specific understandings and responses. We then discuss the concept of mindset, and consider its implications for people management and HRM practice at an international level. Next, we introduce the Mongolian context and explain our research methods. Subsequently, we discuss our findings and their implications with respect to IHRM research and practice, and conclude with outlining directions for further research.

A context-specific understanding of uncertainty

We focus on exploring understandings of uncertainty at the level of individual managers, and how their interpretations of uncertainty are framed by their complex socio-cultural context (Edwards et al., 2008). Following other scholars (e.g. Keating & Heslin, 2015; Murphy & Dweck, 2010), we consider individual and collective mindsets as connected. Consistently with this, our analysis is informed by the understanding that explanatory accounts of general contexts depend on researchers' ability to make sense of the particular (Welch, Piekkari, Plakoyiannaki & Paavilainen-Mäntymäki, 2011).

This approach requires engagement with interpretations of unpredictability and associated subjective meaning-making (e.g. Edwards et al., 2008; Magnani & Zhucchella,

2018; Rathbun, 2007). For instance, individuals with a higher tolerance for ambiguity may perceive situations as less uncertain, or unpredictable situations as opportunities rather than threats (De Villa & Rajwani, 2013). Extending this logic over organisations, researchers have referred to productive affordances of unpredictable environments, such as enabling creativity and development of valuable competences (Edwards et al., 2019; McGaughey, Kumaraswamy & Liesh, 2016). There is also a growing emphasis on developing skills and competencies to increase organisational resilience under uncertainty (Cunha & Clegg, 2019; Jordaan, 2019; Teece, Peteraf & Leih, 2016; Williams et al., 2017). Importantly, improvisational capabilities originating within subsidiaries at the periphery may well be the source of MNEs' strategic renewal and innovation (Cunha, Gomes, Mellahi, Miner & Rego, 2020). Therefore, multinational corporations from emerging markets (EMNCs), which previously were assumed to suffer from the '*liabilities* of emergingness', are now also seen to potentially have 'adversity *advantages*' which they can use when expanding into various unstable contexts (Edwards et al., 2019; Ramamurti, 2009).

Although emerging economies can generally be described as highly uncertain and rapidly evolving, each of these contexts will necessarily have unique social institutions and configurations (Edwards et al., 2019; Kaynak, Demirbag & Tatoglu, 2007; Serafini & Szamosi, 2015). Arguably, this will pose different sets of challenges for international HRM practitioners. For instance, there may be specific implications of uncertainty for particular HRM practices, such as recruitment or training. There may also be more far-reaching consequences for HRM governance, including the degree of decision-making centralisation, as well as value-laden evaluations of who the legitimate stakeholders are and what the firm's social responsibility should be (Edwards et al., 2019).

Generating insights into understandings and responses to uncertainty also involves a departure from simplistic categorisations of cultural distance attributed to non-Western settings (Kaynak et al., 2007), and from the often binary assumptions embedded in Western frames of reference (Chen & Miller, 2011; Herdin, 2012; Lowe et al., 2015). In the HRM sphere, for instance, Ulrich's (1997) well-known framework conceptualises HRM roles as separated into *either* 'strategic' *or* 'operational', and *either* 'people' *or* 'process' oriented. However, such dichotomous rationales may be of limited value for developing appropriate mechanisms for people management in uncertain environments (see also Mamman & Al Kulaiby, 2015).

Context-appropriate approaches do not only require an understanding of historically developed social and political institutions (Edwards et al. 2019; Kaynak et al., 2007; Scott 2014). They also call for an awareness of the more abstract, fundamental dimensions of contexts and people's reactions to them (Lowe et al., 2015). For example, understandings of and responses to uncertainty may reflect the extent of uncertainty to which country-specific contexts are exposed (Schneider & De Meyer, 1991; Williams et al., 2017). Depending on the context they live and work in, people develop habitual and proficient responses to familiar stimuli and recurring situations (Gronow, 2008). This perspective also resounds with Swidler's (1986: 277) view of culture as a toolkit of habits, skills and styles which become increasingly persistent, as people start to 'value ends for which their cultural equipment is well suited'.

In building context-specific knowledge about how uncertainty is understood and responded to, it is necessary to avoid gross generalisations and remain cautious towards frames of reference which represent cultural systems as unified, homogeneous, enduring and deterministic (Kaynak et al., 2007; McSweeney, 2012). However, it can also be productive to identify regularities within specific contexts (Pudelko et al., 2015). To

accomplish this task, original insights can be generated through leveraging creative conceptual devices as tools for analysis. We consider one such tool to be the concept of 'mindset', which has already been used within organisation and international management studies (e.g. Meyer & Xin, 2018; Yari, Lankut, Alon & Richter, 2020). Below we explain how it can be helpful in capturing managers' understandings of and responses to uncertainty, with an emphasis on people management practices in organisations operating in unstable environments.

Mindsets and their impact on people management under conditions of uncertainty

The concept of mindset was introduced to the academic literature in educational psychology, through Dweck's (1986; 2006) conceptualisation of 'fixed' and 'growth' mindsets. 'Mindset' has been defined as a mental framework composed of what people believe in and how they think, feel and act, with direct implications for the quality of their more instrumental achievements and ongoing personal development (Keating & Heslin, 2015). Mindsets are understood to incorporate personal attributes, cognitive knowledge and skills, motivation, and resources for adapting behaviour (Andresen & Bergdolt, 2017), which help shape behavioural rationales and predispositions (Stokes et al., 2016).

In Dweck's original conceptualisation (1986), a 'fixed' mindset was manifested in a person's belief that their skills and competences in a given sphere are pre-determined and unchanging. People with a 'growth' mindset, on the other hand, would believe in their ability to develop and grow, and act accordingly. Research into mindsets has addressed 'growth mindsets' and the feasibility of changing original mindsets (Clapp-Smith & Lester, 2014). Additionally, it has explored the necessary conditions for the cultivation of talent and intelligence (Keating & Heslin, 2015; Murphy & Dweck, 2010). Research has also highlighted that growth mindsets have positive implications for performance at the individual, relational and organisational levels (Han & Stieha, 2020).

In contrast to Dweck's original view of mindset as a characteristic of an individual, the concept of mindset has been further developed to consider the link between the individual and the collective levels, in that certain individual mindsets are endorsed collectively (Keating & Heslim, 2015; Murphy & Dweck, 2010), for example at a nation's level (Sparrow & Hitrop 1997). Underpinning this collective-based understanding of mindset is the idea that specific environmental conditions – such as, in a nation's case, exposure to the same sociocultural, economic and political circumstances – will result in similar mindsets amongst members of the collective (Yari et al., 2020). The type of mindset dominant in a certain geographical and cultural context will affect organisational practices, including HRM and HRD (Han & Stieha, 2020; Sparrow & Hiltrop, 1997; Stokes et al., 2016).

In management-related sub-fields such as international management and international HRM, the concept of mindset has most often been applied with reference to the 'global mindset' (e.g. Andresen & Bergdolt, 2017; Storgaard, Tienari, Piekkari & Michailova, 2020; Yari et al., 2020). A cultural complexity interpretation of this notion argues against an ethnocentric and dichotomous mindset in the practice of international HRM (Andresen & Bergdolt, 2017), and with regard to differences between the East and the West (Herdin, 2012; Lowe et al., 2015; Vu & Gill, 2019).

Another helpful concept for addressing managerial understandings of uncertainty and how they influence people management practices in a specific country is that of 'mindsets *about'* (Caniëls, Semeijn & Renders, 2018; Keating & Heslin, 2015; Wicks, Keevil & Parmar, 2012). In this respect, researchers have begun to discuss how individuals may have multiple mindsets, each one relating to specific phenomena, managerial issues (Wicks, Keevil & Parmar, 2012) or skills and abilities (Caniëls, Semeijn & Renders, 2018; Keating & Heslin, 2015; Williams et al., 2017).

Acknowledging the existence of a multiplicity of mindsets about a variety of phenomena reinforces the need for more detailed and differentiated explanations of particular national context features in relation to the object of study. For our analysis, we put forward the concept of *mindset about uncertainty* and draw on it in studying, with a focus on people management, Mongolian managers' understandings and responses to uncertainty. This enables us to address the specificities of uncertainty-associated mindset features.

A further idea that contributes to the moderation of the characterisation of mindsets as ideal types emerges in Andresen and Bergdolt's (2017) discussion of dimensions of mindsets. In their view, the dimensions comprising a mindset may carry different weighting. Such conceptualisation can allow for drawing conclusions regarding the degree to which there are regularities and context-specific beliefs, emotions, proclivities, personal attributes, cognitive knowledge and skills, motivation, and resources for adapting behaviour in response to uncertainty. Through our methodological approach, we did not aim at measuring mindsets and attributing weightings to their dimensions. Rather, we sought to identify different elements that comprise the Mongolian mindset about uncertainty in order to develop a fine-grained understanding of how this mindset impacts people management practices in Mongolian companies. Below, we provide background to the Mongolian context, highlighting the key factors that contribute to it being an uncertain and unstable business environment, before discussing the methods applied in the empirical research.

The Mongolian business environment

The Mongolian business environment is characterised by political, legal and economic uncertainty, with fluctuating foreign direct investment (Bumochir, 2020; CEIC Data, 2020), and marked disparities in health, education, social welfare and income distribution (Best's Country Risk Report, 2019; World Bank, 2020). Political party-

motivated decision-making, corruption in the public sector and money laundering activities within the country have led to decreased trust in formal institutions and sparked civil society protests (authors; World Bank, 2020).

Despite being underpinned by democratic principles, Mongolia's political system has been lacking stability throughout the transition period, ever since the country's first democratic elections in 1990. Whilst the Mongolian People's party recorded a solid victory in the June 2020 elections, between 1992 and 2017, Mongolia had 15 different government cabinets, each lasting an average of 1,5 years (Edwards, 2017). Mongolians exhibit a high level of interest in getting involved in formal political institutions: at the time of writing, over 20% of the population are members of one of the 32 political parties registered in Mongolia (DeFacto, 2019). Ongoing tensions and shifts in the political arena are fuelled by the co-existence of competing ideologies: ideals of modernisation and neo-liberal reforms contrast with the embedded nationalism and pastoralism which shape relationships in the country (Bumochir, 2020).

Notwithstanding the uncertainty characterising Mongolia's business environment, there is scope for MNEs wishing to operate there. Most local companies are family-run SMEs, but there is a drive to attract MNEs with a view to boosting economic growth and diversification, the development of more complex products and services, access of local production to external markets, and new employment opportunities (ILO, 2019). Furthermore, MNEs can recruit talent from the new generation of well-educated employees for whom professional growth is a priority (Authors).

Research methods

There have been repeated calls for more qualitative studies investigating emerging market contexts and employees' reactions to critical events, towards a more holistic understanding of how HRM practices are developed (Chen et al., 2020; Kutaula et al.,

2019; Serafini & Szamosi, 2015), and towards achieving non-essentialist, more complex and 'differentiated culture-specific' explanations (Pudelko et al., 2015: 86). Within qualitative methods, interpretive analysis is particularly well suited to the exploration of unique circumstances, and to the development of theoretical abstractions, analytical generalisations, implications and theory building that are different from and complement the type of knowledge obtained through statistical generalisation (Halkier, 2011).

In responding to these calls, this study was guided by a critical realist frame of reference (Bogna, Raineri & Dell, 2020; Johnson & Duberley, 2000). Our approach embraces the view that knowledge about a context requires an understanding of the interactions between a relatively stable and independent reality, the embedded discourses and mechanisms that may contribute to stability, and human action that – intentionally or not – continuously reproduces or changes such reality in line with evolving interpretive frames, facilitators and, conversely, constraints (Johnson & Duberley, 2000).

To achieve this kind of understanding about the Mongolian context, we collected data through semi-structured interviews with Mongolian managers. Interviews offer an opportunity to explore, through face-to-face conversation, participants' lived reality of institutions and turbulent environments (Psychogios, Szamosi & Prouska, 2020), as well as the interaction of structures, events, human actions and contexts (Tsang, 2014), along with context-specific understandings and responses (Punch, 2014).

Sampling

We applied purposive sampling as it allowed us to reflect the study aims and questions to guide the research design, internal consistency and coherent logic (e.g. Punch, 2014). The interviews used for this paper were originally part of a broader study into understandings of management in Mongolia, which also addressed uncertainty. Since we wished to focus on local understandings of uncertainty, we reconfigured our original

sample of 45 to a modest extent. We selected 29 interviews – including three interviews completed during the pilot phase – with Mongolian managers, and also included five with non-Mongolian managers established in the country, given their valuable comments on the Mongolian context and approaches to uncertainty. Participants were chosen from companies operating in a broad range of sectors and organisational types. This approach is consistent with Garavan et al.'s (2019) suggestion that researchers use more diverse samples in terms of types of firms being represented. In total, 34 senior managers, including 12 CEOs/Founders and 22 mid- to upper-level managers shared with us their work experiences of managing within the Mongolian environment. We interviewed 20 managers from private SMEs, 10 from the public sector, and four from foreign-owned MNEs (see Table 1).

P. no.	Current sector	Current role	HR duties	No. of employees
**Table 1: Participants' profile**
P1	Telecommunication, private SME	Head of Department	Yes	200+
P2	Manufacturing, family-owned SME	Founder & Director	Yes	20-30
P3	Healthcare, family-owned SME	Founder & Director	Yes	20-30
P4	Trade, private SME	Marketing Director	Yes	50+
P5	Hospitality, private SME	HR Manager	Yes	100+
P6	Constructions, private SME	Head of HR	Yes	200+
P7	Logistics, family-run SME	Founder & CEO	Yes	20-30
P8	Hospitality, private SME	Head of HR	Yes	100+
P9	Manufacturing and trade, private SME	Head of Digital Innovation	Yes	500+
P10	Investment, SME	Founder & CEO	Yes	20-30
P11	Construction and banking, private SME	Head of Communication	Yes	200+
P12	Property development, private consultancy firm	Founder & CEO	Yes	15-20
P13	Insurance, private enterprise	Founder & CEO	Yes	100+
P14	Media and entertainment, private enterprise	Head of Division	Yes	100+
P15	Trading and property, family-run SME	Founder, Director	Yes	20-30
P16	Construction, family-run SME	Founder, Director	Yes	40-50
P17	Trading and property, family-run SME	Founder, Director	Yes	20-30
P18	Accounting consultancy, private SME	Founder & CEO	Yes	15-20

P19	Education, private	Head of HR	Yes	100+
P20	Hospitality, private SME	Founder & CEO	Yes	40-50
P21	Auditing, public sector	HR manager	Yes	30-40
P22	Finance, public sector	Head of Department	Yes	30-40
P23	Education, public enterprise	Head of School	Yes	100+
P24	Tax authority, public sector	Head of Department	Yes	100+
P25	Government Agency, Energy	HR Director	Yes	50-60
P26	Government organisation	Project Manager	Yes	20-30
P27	Finance and banking, public	Head of HR	Yes	20-30
P28	Post services, public entity	Head of PR	Yes	50-60
P29	Mining, public entity	HR Consultant	Yes	100+
P30	Banking and finance, MNE	Regional Director	Yes	30-40
P31	Automobile, MNE	Marketing Director	Yes	50+
P32	Mining, MNE	Head of HR	Yes	200+
P33	Mining, MNE	CFO	Yes	50-60
P34	Recruitment consultancy, private SME	Founder & Director	Yes	10-15

Within qualitative methods, it is accepted that data saturation mostly occurs after 12 semi-structured interviews, when examining common behaviour and views in groups of people who share the same culture (Guest, Bunce & Johnson, 2006). However, reviews of sample sizes in qualitative research practice have revealed a tendency towards somewhat larger samples, with an overall median of study participants found to be 32.5 (Marshall et al., 2013; Saunders & Townsend, 2016). Marshall et al. (2013) consider a range of 15-20 participants as an empirically justified size in cases of single group studies, while Saunders and Townsend's (2016) review quotes a median of 29.5 for the same type of study. Our sample size reflects current practice across qualitative projects, and has secured a solid amount of relevant and suitably rich data.

We saw local Mongolian companies as valuable 'learning sites' for MNEs wishing to develop context-appropriate practices of people management in Mongolia. Although Mongolian companies engage in people management practices such as hiring, training and promoting employees, they do not have a tradition of formalised, Western-style HRM systems employing professional HRM practitioners. To build knowledge about what Mongolian approaches to managing people involve – especially in response

to uncertainty – it was therefore crucial to include SMEs and governmental organisations in our sample, with a view to understand how employees are managed in Mongolia. This sample enabled us to investigate the impact of local cultural-cognitive and normative institutional processes on people management practices in the context of uncertainty. At the same time, ours was a single group study, as participants belonged to the same profession (Marshall, Cardon, Poddar & Fontenot, 2013; Saunders & Townsend, 2016). Not only were they all managers, but, regardless of their official title, all participants also had roles and responsibilities that included overseeing the HR function in their organisation. That, in itself, illustrates how people management is organised in Mongolia.

Data collection

One of the authors is a native Mongolian, who has well-established connections with local business communities and foreign investors. We identified potential interviewees through 'logging time', an approach to building rapport and trust with potential research participants via social and business events (Glesne, 2011). Interviews were conducted in English and Mongolian. Initially, participants completed a short questionnaire about their age, educational and career background, and their role with regard to people management. As mentioned above, Table 1 illustrates the profile of study participants including their current role, sector, involvement in HR practices and number of employees. Interviewees were asked: 1) to comment on their experiences of managing people and organisations; 2) to give examples of uncertainty and explain what it means to them; 3) to elaborate on how they handle uncertainty in their daily tasks, especially in relation to their own approach to people management practices; and 4) to discuss how, in their experience, uncertainty influences their employees. They were also asked to share views about the challenges and opportunities for doing business in Mongolia. Participants were given space to elaborate on topics they found particularly relevant to the issue of

uncertainty and people management in their practice. The questions asked during the interviews allowed for answering RQ1: How is uncertainty understood and approached by people management practitioners in Mongolian organisations? Each interview lasted between one and two hours, was recorded, transcribed and – in the case of interviews conducted in Mongolian – translated by the native speaking researcher.

Data analysis

Our analytical approach followed interpretive and emic rationales for exploring non-Western settings. An interpretive frame of analysis was helpful in fleshing out the more abstract, fundamental dimensions of the context at hand, with insights gained into managers' understandings of uncertainty, resilience and the way in which these influence their approaches to people management (Williams et al., 2017). To support this, an emic rationale connects the analysis to the local, historical, geographical and social context, and sensitises the researcher to look for particular ways in which familiar concepts are given novel, locally-bound meanings (Polsa, 2013). The inclusion of a native researcher in framing the research questions, collecting and translating data, interpreting the results, and deriving theoretical and practical conclusions has been crucial to our ability to develop a deeply contextualised set of conclusions (Holtbrügge, 2013).

All interviews were initially open-coded with the use of NVivo software to identify emergent and major themes. Data display, drawing and verifying conclusions followed analytical techniques for qualitative analysis (Glesne, 2011). A further step in the analysis focused more specifically on identifying a distinct Mongolian mindset about uncertainty. The identification and analysis of the empirical themes provided a solid basis for our exploration of the Mongolian context and mindset about uncertainty and its implications for HRM within a differentiated context-specific rationale. The next section analyses the findings of our empirical investigation.

The Mongolian mindset about uncertainty

Elements of the Mongolian mindset about uncertainty

The findings provide evidence of widely shared understandings, across the sample, of uncertainty and expectations regarding people management across our sample. Four elements of the Mongolian mindset about uncertainty were identified. The first was a belief that impermanence is *natural*, that it is in the nature of things to change constantly. This element was exemplified in both general statements such as '*the only certainty is uncertainty*' (P26, Government organisation: Head of Organisation), with implications for what Mongolians consider normal, how they frame the notion of uncertainty, and how everyday routines and people management practices evolve. For instance, uncertainty meant less stress in business-related contexts, since '*people have very relaxed attitudes towards last minute changes and often see* [change] *as a very normal thing to happen*' (P30, Banking and finance, MNE: Head of Region).

The second element was an understanding of uncertainty as *normal*, as something that Mongolians are 'used to'. This normalisation of uncertainty was explained with reference to both the contemporary circumstances of socioeconomic transition and the traditional nomadic Mongolian way of life:

> *You never know what happens tomorrow and have to be ready for any challenge. Some of the uncertainties are to do with the country being in a transitional period but I think that Mongolians are used to living with unexpected situations like herders.* (P34, Recruitment consultancy, private SME: Founder and Director)

The third element highlighted a *positive* framing of uncertainty, whereby uncertainty was considered a source of opportunities, rather than chaos and undesired instability:

You'd never have a same [sic] day in UB. There are lots of changes happening here, and yes it brings much uncertainties, but it also brings many opportunities, too. (P18, Accounting consultancy, private SME: Founder and CEO)

This echoes Gronow's (2008: 368) view that a regular exposure to the same type of stimuli leads to a 'proficiency of habituated action'. Having been exposed to the uncertainty of change as a community – across the centuries as a nomadic population, and throughout phases of economic and political upheaval – Mongolians value uncertainty and challenging situations, and have developed relatively well institutionalised competencies and orientations to deal with it (Chen et al, 2020; Swidler, 1986).

The fourth element of the Mongolian mindset about uncertainty was an outcome of the combination of the first three elements: a shared emphasis on the importance of flexibility in adapting to changing circumstances. Flexibility emerged as a typically Mongolian response in the face of uncertainty, as illustrated in the comment about Mongolians being '*very good at dealing with uncertain situations and able to think on their feet*' (P18, Accounting consultancy, private SME: Founder and CEO). As such, uncertainty came hand-in-hand with flexibility: the way Mongolians react to unexpected change and make decisions is supported by a repertoire of resources (Swidler, 1986) that make them well adapted to uncertain environments.

The acknowledgement of the ability to respond to changes and crises was coupled with the recognition that Mongolian solutions tended to be temporary, with a 'fluid' approach to time: plans are only made for '*a short-term period rather than the longer future*' (P26, Government organisation, Project Manager), and '*nothing happens on scheduled time*' (P30, Banking and finance, MNE, Head of Region). As observed by Whitley (2005), this fits well with an institutional environment characterised by low levels of trust in formal regulatory, legal and political institutions.

Influence of the Mongolian mindset about uncertainty on people management

It emerged that the Mongolian mindset about uncertainty influences a range of people management practices. We divide these into: *staff recruitment*, *training and development*, and a *paternalistic leadership style interwoven with extra-organisational network management*. As previously mentioned, the Mongolian business context lacks a strong, systemic approach to managing human resources. This is underpinned by the traditional understanding of leader as the key decision-maker (see Badarch, 2013) who operates in the absence of formal HRM procedures and processes, and is also a consequence of a weak employment framework:

> *Implementing Western HR techniques into [firms'] daily approaches is becoming a popular practice among local companies but it has proven ineffective […] People, including HR managers themselves, do not understand why it is important to have structured systems and control in place as management is still a new subject in Mongolia. Secondly, there is a huge gap between today's HR technique implementation and the supporting legal framework […] Much of employment law is still exactly the same as 50 years ago.* (P32, Mining, MNE: Head of HR)

Obviously, even if not officially carried out by HR departments and defined in terms of formal processes, a range of 'conventional' HRM practices can be identified. One of these is recruitment and selection of new staff. Approaches to *staff recruitment based on existing relationships and networks* emerge as a specific response to uncertainty. Hiring staff through networks – for example on the basis of reputation or origin from the same county as the manager – provides a way of reducing risk associated with the new hires. The excerpt below demonstrates that this approach to staff recruitment is also seen as 'normal' and is generally positively assessed:

> *Hiring people from the same locality is not just doing a favour to someone who I know. The nomadic tradition of hot ail [living and moving as a group of nomadic families] gives us the much-needed basis of reliability and trust in business. Because [Mongolians] have known people from the same county for generations it is hard to fail to do the personality checks.* (P26, Government organisation, Project Manager)

The home county functions as a 'buffer' to counteract nomadic lifestyle's uncertainties and to provide individuals with a sense of belonging and stability across generations. In addition, the practice of hiring *nutgiin hun* (people from the same county) – with its implicit assumptions about the reliability of personal networks, mutual trust and the obligation on the part of the hired employees to act 'appropriately' – mitigates uncertainty associated with the lack of effective formalised recruitment processes and services.

Staff development and training is also influenced by the Mongolian mindset about uncertainty. The interviewees' accounts stress the need for a non-formalised, flexible approach to learning and updating one's own knowledge, due to dynamically changing circumstances – a behavioural response which fits well with the Mongolian understanding of change and impermanence as natural and normal:

> *Learning and improving your personal and professional skills is the only way to stay balanced during changes, which occur daily [in Mongolia].* (P2, Manufacturing, family-owned SME: Founder and Director)

As explained above, these frequent changes are typically responded to flexibly, and Mongolian employees feel competent to go on learning what is required of them:

> *Mongolians are fast learners (...) They are quick to adapt to any situation and able to think on their feet. Perhaps, it is again back to their nomadic way of life.* (P31, Automobile industry, MNE: Head of Region)

The relationship between leaders and staff was another aspect affected by the Mongolian mindset about uncertainty. This manifested in several ways. First, since uncertainty is seen as natural and normal, a leader's flexibility towards uncertainty is accepted and valued by the employees. Generally, participants saw that flexibility as the managers' ability to change their mind comfortably in the face of circumstances beyond their control:

> *To be a good leader is about recognising what you can and cannot control, and being able to steer things in the right direction. Being able to change your mind is seen as a strength.* (P22, Finance, public sector: Head of Department)

This view of self-limitation in the face of uncertainty as a managerial virtue comes in stark contrast with a traditional Western management emphasis on managing risk and controlling uncertainty through data collection and analysis, thorough planning, and a decisive stance (Teece & Leih, 2016). In the Mongolian context, the leader's ability to change their mind is framed as a traditional societal value, part of '*the nomadic attitude*' that is '*accepted by the whole community*' (P33, Mining, MNE: CFO).

An understanding that it is the leader's responsibility to deal with uncertainty, and to take care of employees and the company, was also central to the Mongolian mindset's influence on people management. References to a 'parental' style of leadership, with expressions such as '*being a parent*', '*mother-like nurturing*' or '*father-like directiveness*' were often used. This parental leadership style was discussed with positive connotations, as an approach to managing people aimed at creating conditions for subordinates to feel protected, equitably treated and assured of what needed to be done to survive in an often unpredictable environment:

> *It takes a lot of work to make an employee. The manager has to do everything required including coaching, partying and telling them off. As a Head of the*

company you are expected to do what a father does to his kids, and in return, they

trust and respect you. (P13, Insurance, private enterprise: Founder and CEO)

From the perspective of present-day Western HRM practice, such an infantilising view of employees is likely to appear problematic. However, the Mongolian managers repeatedly praised the virtues of an approach that involves '*treat(ing) my staff like my own children*', and seeing as beneficial a situation where '*work colleagues become an extended family*' (P17, Trading and property, Family-run SME: Founder and Director). It was considered to provide a reliable basis for building trust as a foundation of management under conditions of uncertainty.

The emphasis on a paternalistic model of managing employees (see also Aycan, 2006) was coupled with a belief in the superiority of a top-down approach to decision making, both as an effective, pragmatic enabler of 'getting the job done' and an approach that, in the participants' view, staff preferred (see also Authors). A directive style of management was seen to align with local expectations:

Mongolians prefer having a strong leader, who knows the direction and provides

guidance. Our plan of setting up a Google-type company (…) confused the team.

As soon as we changed our approach to become stricter and blunter, they were

much happier. (P34, Recruitment consultancy, SME: Founder and Director)

Associated with the (self-)understanding of Mongolian leaders as 'parents' to their employees was an emphasis on the manager's role in building a broader 'family' and looking after a range of people that did not only include colleagues but also relatives, *nutgiin humuus* (people from the same county) and former classmates.

The cultivation of a broad network that, in the Mongolian context, extends beyond blood relatives, involves exchanges of favours. Here, just as uncertainty is seen as natural and normal, so is the ability to 'get things done' using modes of operating outside the

official systems – which, in any case, are often non-existent or do not function well. Order and legitimacy, therefore, are maintained through binding expectations over the leader's ability to fulfil social obligations rather than through regulative institutions (Scott, 2014). Being able to rely on favours from others, be it staff members or people outside the organisation, can alleviate potential adverse consequences of uncertainty, such as the lack of 'transparent and reliable information' (P31, Automobile industry, MNE: Marketing Director) and inefficient administrative processes. In this sense, people management practices inside Mongolian companies are interwoven with wider network management outside them, and is something that non-Mongolian managers have learned to appreciate:

> *I learn a lot from my staff. They know the local attitudes and preferences, which can be the total opposite of a Western mindset at times.* (P14, Head of Division, Private Enterprise: Media and entertainment)

Below, we discuss the implications of our study for IHRM research and practice.

Discussion

Through putting forward the concept of mindset about uncertainty, our research extends the literature on mindsets in management-related disciplines (e.g. Han & Stieha, 2020; Meyer & Xin, 2018; Yari et al., 2020). The empirical analysis has allowed us to identify four elements of the Mongolian mindset about uncertainty: (1) belief that impermanence is natural; (2) consideration of uncertainty as normal; (3) framing of uncertainty as positive; (4) emphasis on flexibility in adapting to changing circumstances. In response to the inherently uncertain conditions, Mongolian managers deploy a range of context-specific and often institutionalised repertoires of managerial practices (Swidler, 1986) and coping resources. These include the support, information and social sanctioning deriving from *nutgiin hummus* (people from the same county*)* and extended relationship networks. Specifically, with regard to people management practices, the

Mongolian mindset about uncertainty manifests in: (1) network-based recruitment practices; (2) a lack of reliance on planning and a reactive approach to staff learning and development, characterised by an emphasis on individual and ad-hoc 'learning what needs to be learned' to address immediate problems, and (3) a focus on managing staff in paternalistic and relational, but not systemic, terms.

The findings shed light on Mongolia's institutional context. On a more superficial level, understandings and responses to uncertainty seem specifically associated with a cultural-cognitive institutional dimension. At the same time, the analysis has also provided explanations of how regulative, normative and cultural-cognitive systems and effects have shaped each other recursively (Scott, 2014). This study has provided additional evidence that informal institutions can prove more influential than formal ones (Yan, Zhu, Fan & Kalfadellis, 2018). There was a clear overall engagement with a normative expectation that managers should honour a moral responsibility towards their *nutgiin hun* (people from the same county). Simultaneously, there was an underlying shared understanding that behavioural patterns also constitute a culturally-supported means to provide people in Mongolia with a necessary degree of certainty in their lives. Tight networks – between employer and employee, across and beyond organisations, and between specific leaders and political figures – were seen to provide organisations with the information, human resources and committed relationships they needed to maintain a healthy balance and survival on a day-to-day basis.

Our study also supports Andresen and Bergdolt's (2017) view that certain mindset elements are more impactful than others: an unwavering belief that impermanence is natural and an expectation of a parent-like people-management style, along with associated behaviours, came across as central to Mongolia's highly relational ethos. Where systems and regulative frameworks not only fail but also prove inept in

conditioning behaviour and enabling flexibility and fast responses to rapidly changing environments, line managers are deemed responsible for finding and implementing effective solutions. This role, rooted in the historical times of Mongols' nomadic way of life, continued to be re-interpreted and re-invented in light of the challenges of political and economic systemic changes over the years.

The idea of 'failing' regulative systems needs to be problematised with respect to the development of competencies for dealing with uncertain environments in Mongolia, and indeed to MNEs' opportunities for integrating into their repertoires a new 'cultural kit' (Swidler, 1986) for ensuring greater resilience in unstable environments (Williams et al., 2017). The fact that the regulative pillar in Mongolia has been weak throughout the nation's history has led to the development of flexibility of approaches, quick ad-hoc responses to crises, and a positive view of change and uncertainty. This recursive interaction between unreliable regulative systems, the dominance of pre-established social obligations and a well-institutionalised mindset about uncertainty have, in fact, generated adversity *advantages* (Edwards et al., 2019).

Implications for IHRM

Our analysis has granted further evidence to Björkman et al.'s (2008) argument that cultural-cognitive and normative institutional processes may play a central role in conditioning views of what constitutes appropriate HRM. Provided that MNEs' HRM strategies respect deeply embedded values of local cultures (Reiche et al., 2018), the resources and dispositions associated with the Mongolian mindset about uncertainty may potentially be leveraged. Assuming a growth perspective on mindsets (Keating & Heslin, 2015; Murphy & Dweck, 2010), the cultivation of competencies to deal with uncertainty, framed in positive terms, emerges as a promising avenue for MNEs open to engage in a reversal of learning flows. Consequentially, it makes possible the creation of new

dynamics in centre/periphery relationships, which can support the production of new mindsets and reference points for HRM decisions, towards leveraging the positive aspects of uncertainty (De Villa & Rajwani, 2013) across the corporation and its various sites.

Following from our study, we highlight five implications for IHRM scholars and practitioners. First, instead of imposing a conventional Western conception of HRM onto the Mongolian context, it is necessary for MNEs to understand how people management practices are linked to the Mongolian mindset about uncertainty. This will enable (I)HRM professionals to fulfil a valuable role in the Mongolian context. As Hutchins and Wang (2009) have argued, HRM professionals can play important future-oriented roles in crisis management, as an organisational problem solver, organisational change agent, organisational designer, organisational empowerer, and a developer of human capital. In Mongolia, HRD professionals could support the development of expatriate managers' skills in dealing with crisis and instability, and ensure that they adopt the locally required kind of mentality to effectively approach uncertainty and risks. Dealing with adversity, preparing leaders to do so and being able to unite employees with a view to surviving and prospering in periods of crisis, therefore, potentially provides HRD professionals with a strong, value-based platform for bringing about positive change.

Second, prior to introducing formal HRM systems and procedures in Mongolia, it is important for MNE leadership to develop an in-depth understanding of how the relational dynamics between managers and employees in Mongolian companies operates. Whilst our study concurs with previous analyses that have highlighted the prevalence of a relational ethos in Asian cultures (Barkema et al., 2015; Chen & Miller, 2011), it also points to the specificities of the Mongolian approach to people management under the unstable business conditions found in this context. One such feature of the Mongolian approach to people management is that although leaders are expected to practise top-

down decision-making, this does not equate with the subordinates' unconditional commitment or a lack of critical evaluation of those in power (see also Badarch, 2013). Local employees actively scrutinise whether their leaders' efforts are duly used in reinforcing resilience through a relational ethos in people management.

Third, in designing an HRM system that is going to be effective in the Mongolian context, it is important for IHRM practitioners to be aware that Mongolian leaders are expected to perform a protective role towards the employees. This aspect of people management needs to be understood in non-binary terms: it is simultaneously of strategic and operational importance. Mongolian leaders are expected to succeed in unifying people's efforts towards overcoming adversity (Badarch, 2013). Their flexibility in the face of uncertainty combined with relational skills and their role as an 'employee champion' come across as pivotal and value-creating (Ulrich & Brockbank, 2005) in securing organisational resilience.

Fourth, any effort at implementing a system-oriented approach to HRM in Mongolia must acknowledge an understanding of 'people management' that transcends organisational boundaries. Beyond recruiting and managing the company staff, it includes a key role in managing and relying on wider networks, which comprise leaders' own social connections with their *nutgiin humuus* and former classmates, and at times also the networks of other non-managerial personnel. As one aspect of uncertainty in Mongolia is the lack of professional recruitment and selection services, extra-organisational networks serve as a source of trustworthy staff and valuable information about potential employees.

The final implication for IHRM drawn from our study refers to the recognition of the skills and competencies which enable effective responses to uncertainty, and which Mongolian managers seem to possess. For example, uncertainty should ideally be approached with the help of improvisation capabilities (Cunha & Clegg, 2019), while

organisational agility depends on the development of a mindset that allows for the use of imagination, strong intuition, improvisation and flexibility to transform approaches (Jordaan, 2019; Teece et al., 2016; Williams et al., 2017). Our study has shown that Mongolian managers already exhibit the desirable people management competencies and an ad-hoc approach to decision-making that many Western authors and practitioners have been highlighting as important to acquire. Instead of aiming to curb uncertainty through intensive data collection and thorough planning, Mongolian managers follow a more equivocal approach to decision-making, and show fortitude to change their minds when and as deemed necessary. This adds to the growing recognition of the value of local Asian solutions as relevant not only in the context of their development, but also with respect to Western and global contexts (see also Lowe at el., 2015). As McGaughey et al. (2016) argue, context-specific institutional effects potentially enable the development of strategic competences that are appropriate both at a local and global level.

Conclusion

Managing people to accomplish greater resilience under conditions of uncertainty requires not only *respecting* local practices and values but also *recognising their value* and *leveraging* them for the benefit of the MNE globally. This means that the traditional flow of HR knowledge base, systems and best practices from the Western 'parent' to the rest of the organisation might not be the most effective or value-creating approach. It also means that IHRM professionals need to develop their own reflexive and analytical competencies, in order to challenge ethnocentric frames of reference, and be open to learning from local mindsets. This approach will grant MNEs and their HR practitioners the opportunity to learn from a multitude of different stakeholders and environments, and to develop their competencies in responding to uncertainty prone environments.

We close our paper with highlighting avenues for future research. Although we have identified relatively institutionalised features of the Mongolian mindset about uncertainty, we have not had the scope to explore the implications of differentiating features within our sample, such as the extent of management experience, educational background or gender. Neither have we had the opportunity to address employment relations in Mongolia through our study, or to compare people management practices between different types and sizes of companies. In future studies, through a more stratified approach to sampling which includes a broader range of stakeholders, additional insights into the impacts of uncertainty on local HRM practice could be obtained. This would potentially enable the generation of further contextual knowledge through a comparative analysis, with the application of quantitative or further qualitative research.

Through deepening our understanding of mindsets about uncertainty in different contexts, future research could also build on our work in bringing to the fore the complex ways in which risk is perceived in modern societies (Edwards et al., 2008). This would continue to inform IHRM researchers and practitioners in their effort to support the development of growth-generating competencies in an undeniably uncertain global sphere (Clapp-Smith & Lester, 2014; Edwards et al., 2019; McGaughey, et al., 2016).

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Data Availability Statement

The data that support the findings of this study are available on request from the corresponding author [Author's initials]. The data are not publicly available due to their containing information that could compromise the anonymity and privacy of research participants.