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„Dual organizational identification and knowledge sharing in MNEs“

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## Abstract

This qualitative case study investigates the influence of dual organizational identification on managers' willingness to share knowledge in the multi-national enterprise. Sharing knowledge successfully between local entities is still a major challenge multinational firms face up to date. In this study the knowledge-based view and social identity theory are used to explain the underlying relations. Units of a worldwide operating MNE in the DACH region were investigated. The analysis was done at the individual level, to sort the subsidiary managers into four groups according to their organizational identification, this was the basis to investigate their motivation towards knowledge sharing. Managers' identification influenced their willingness to engage in knowledge sharing in three different ways; in the way they trusted their international colleagues, the way they perceived and engaged with their knowledge sharing environment and their reasons to refrain or engage in knowledge sharing.

*Keywords:* knowledge sharing, dual organizational identification (DOI), MNE

## Kurzfassung

In dieser Masterarbeit wird der Einfluss von DOI (dual organizational identification) auf die Motivation von Manager\*innen ihr Wissen zu teilen untersucht. Der erfolgreiche Austausch von Wissen oder Know-How zwischen Unternehmenseinheiten ist bis heute eine der größten Herausforderungen für multinationale Unternehmen. In dieser Studie werden die knowledge-based view und die social identity theory verwendet um das Thema zu erforschen. Die Fallstudie untersucht die Filialen eines weltweit operierenden multinationalen Unternehmens in der DACH-Region. Die Analyse wurde auf individueller Ebene durchgeführt, um die Manager\*innen der Tochtergesellschaften entsprechend ihrer organisatorischen Identifikation in vier Gruppen einzuteilen. Diese Einteilung bildete die Grundlage für die Untersuchung ihrer Motivation zum Wissensaustausch. Die Ausprägung der DOI der Manager\*innen beeinflusste ihre Bereitschaft sich am Wissensaustausch zu beteiligen, in dreierlei Hinsicht: in der Art und Weise, wie sie ihren internationalen Kolleg\*innen vertrauten, in der Art und Weise, wie sie ihr Umfeld für den Wissensaustausch wahrnahmen und sich mit ihm auseinandersetzten, und in den Gründen, warum sie den Wissensaustausch ablehnten oder sich daran beteiligten.

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# 1 Introduction

*"The cross-border transfer of organizational practices, knowledge, and routines lies at the heart of how multinational enterprises (MNEs) generate and sustain their competitive advantage and manage their legitimacy across multiple national environments."*(Fortwengel et al., 2023, p.1)

Up to this day, how to induce successful knowledge transfer in organizations rests a core challenge for managers and researchers. Multinational companies face many challenges in a competitive world, where knowledge seems to get more and more important. One of these challenges is to transfer the unique knowledge of one business unit to another, this problem is inherent to the success of the multinational company (Kogut & Zander, 1993). Even though the field of knowledge transfer can be seen as mature, Fortwengel et al. (2023) suggest that there seems to be no finish line in sight, when talking about the challenges and facets of knowledge transfer in MNEs.

This master thesis will look at knowledge sharing in the MNE and link it to a well-known phenomenon of social identity theory. In particular at the phenomenon of dual organizational identification, which is a form of organizational identification. To represent the knowledge-sharing aspect as well as the phenomenon of dual organizational identification sufficiently the knowledge-based view and social identity theory will both be applied to this master thesis. Using both lenses will also take on the call of using multiple lenses, when analyzing International Business topics (Birkinshaw et al., 2011). This master thesis investigates how dual organizational identification influences knowledge sharing in the context of the MNE. On the following pages the research gap and the research question are defined and put into context. Then both theories applied to this master thesis are introduced. The knowledge-based view and here especially the process of knowledge transfer and its facets are described in chapter 2 coming from this the social-identity theory is briefly outlined before explaining in more detail how identification and its special form dual organizational identification are presented in the literature. As this study uses qualitative methods and in particular a qualitative case study, chapter 4 focuses on this and then goes on to describe in detail the case study design of this master thesis. The findings are then presented in chapter 5 at the beginning and ending with the discussion and the managerial and theoretical contribution of this thesis.

That knowledge sharing is such a core principle and factor for success of the MNE, is also reflected in International Business research. Although the phenomenon of knowledge sharing has been analyzed through many lenses,( e.g. Attachment theory) this master thesis will take on the lens of the knowledge based view (Jiang et al., 2022). Where Grant is believed to be one of the founders. This master thesis intends to look at a phenomenon, that is rooted in social psychology, dual organizational identification (DOI). In social identity theory, an important theory in social psychology, the concept of organizational identification is developed. Dual organizational identification is a form of it.

Vora et al. define the phenomenon of DOI as the following: *„refers to a sense of identification, or oneness, with two organizational entities.“* (Vora et al., 2007, p.598)

This phenomenon is interesting to research in the context of the multinational company, as managers are prone to experience identification with multiple organizational units in this setting. So managers identifying with their sub-organization and the overall organization experience dual organizational identification (Vora et al., 2007).In this chapter, the research gap and the hereinafter resulting research question are introduced. Furthermore, the intended contribution will be discussed. Afterwards the theoretical lenses are briefly introduced, and the methodology is explained, before the findings. The findings are put into context in the last part.

## 1.1 Research gap

The objective of this thesis is to show the effects of DOI on knowledge sharing behavior in MNEs. Multinational companies are a central point of interest in International Business research. There has been a development in what themes and theories were particularly popular in the MNE research, even though research on knowledge flows have been popular in International Business (Kostova et al., 2016) some parts are still chronically underrepresented. Table 1 gives an overview of texts that led to the research gap of this thesis.



Traditionally knowledge flows in the multi-national enterprise (MNE) have been analyzed in the direction of from the headquarter to the regional subsidiaries. Nevertheless, more awareness of different knowledge flows emerged. And other knowledge flows, like reverse HQ-Sub knowledge flows and HQs active knowledge seeking highlight the role and power of certain subsidiaries in the MNE. Subsidiaries should no longer be treated as sole receiver of knowledge. (Fortwengel et al., 2023; Kostova et al., 2016; Michailova & Mustaffa, 2012). The authors advocating for a multi directional look at knowledge flows in the MNE can be seen in column 1. Castellani et al. (2022) claim, that microfoundational approaches are very fitting to analyze intra-company knowledge transfers, as these processes are greatly impacted by individuals' actions and behaviors. Foss and Pedersen emphasize this further: *"In MNC knowledge sharing processes, ultimately, it is individuals and not the subsidiaries that are the agents of knowledge sharing."* (Foss & Pedersen, 2019, p.1617) However even though several authors describe, that knowledge sharing is happening *on* the individual level, very few studies decide to incorporate the individual level into their analysis (Foss & Pedersen, 2019).

Knowledge flows in the MNE are multi directional and should be treated as such	Knowledge sharing on individual level (microfoundations)	Borrowing Theories from other fields and contributing to them	Dual Organizational Identification	Qualitative methods are neglected in IB
(Michailova & Mustaffa, 2012)	(Castellani et al., 2022)	(Arikan & Shenkar, 2022)	(Ma et al., 2022)	(Meyer et al., 2020)
(Foss & Pedersen, 2019)	(Meyer et al., 2020)	(Pant & Ramachandran, 2017)	(Smale et al., 2015)	(Michailova & Mustaffa, 2012)
(Song, 2014)	(Foss & Pedersen, 2019)	(Fortwengel et al., 2023)	(Vora et al., 2021)	(Prasad, 2017)

Table 1: overview research gap

Authors calling to include more individual level analysis into the research of knowledge sharing can be found in column 2. The third column is concerned with the eclectic character of IB, Arikan & Shenkar (2022) as well as Pant & Ramachandran (2017) highlight, that IB

should continue to include theories being native to other disciplines and conversely also contribute to their development. Fortwengel et al. (2023) highlight that with combination of different lenses promising insights into IB phenomena might be made. This thesis will take from two theoretical lenses, one being the knowledge-based view and the second being social identity theory, which is a theory rooted in the discipline of social psychology (Brown, 2000). In the fourth column the authors outlining opportunities for further research of the phenomenon of dual organizational identification are listed. I want to highlight Vora et al. (2021), who suggest, that further research of the consequences of forms of dual organizational identification are needed. The last column is to illustrate, how the choice of qualitative methods, for this thesis, is in line with calls of IB scholars, for more in depth analysis and more heterogeneous methods concerning the qualitative vs. quantitative difference in IB (Meyer et al., 2020; Michailova & Mustaffa, 2012; Prasad, 2017). Smale et al. (2015) is listed in the DOI column, although they also call for qualitative work, particularly on the DOI phenomenon.

So, this master thesis has the ambition to contribute to the closing of these gaps in taking the phenomenon of dual organizational identification and looking at the consequences of it regarding knowledge sharing on the individual level. This will help to better understand the influences of identities in the organizational environment. The practical relevance is not to be neglected as MNEs and managers may profit of findings in this area. Because measures on the individual level and their consequences for knowledge management in the whole organization can be interesting for them.

## 1.2 Research question

There is already research showing that the organizational boundaries of the MNE can inhibit successful knowledge sharing between organizational entities (Dasí et al., 2017). In combination with the established **link between the individuals motivation** and the **success of knowledge transfer** (Minbaeva et al., 2018; Noorderhaven & Harzing, 2009) and the link between **organizational identification** and role fulfilment as well as **motivation** to work (Reade, 2003), the relationship between identification and motivation to engage in knowledge sharing suggests itself. Therefore, I propose the following research question:

*How does DOI influence manager's motivation to share knowledge in the MNE?*

In the following chapter the theoretical background, which led to the research question will be discussed. First the knowledge-based view and its origins are introduced then the chapter will

focus on transfer of knowledge and why this is crucial for organizations. Afterwards the second theoretical lens, which is important for this master thesis; social identity theory is introduced. Here the focus is on organizational identification and how dual identities emerge.

### 1.3 Theoretical contribution

This master thesis looks at the link between dual organizational identification and knowledge sharing and therefore connects an individual level phenomenon to an organizational level problem. As all actions and decisions in an organization are ultimately made by individuals (Foss & Pedersen, 2019) this is going to help further our understanding of organizational life and how individual phenomena impact it. Precedent research has shown that dual organizational identification impacts organizational life in multiple ways, namely by influencing individuals role fulfilment (Vora & Kostova, 2007), how easily managers adapt to their working environments (Ishii, 2012; Lee et al., 2022) and it helps to induce healthy competition between organizational subgroups (Hornsey & Hogg, 2000). So, the effects of dual organizational identification on the organizational life are well established. However, to the authors knowledge, the effects of dual organizational identity on knowledge sharing between organizational entities is not yet researched. Therefore, a typology of 4 identifications is used to show in which ways dual organizational identification impacts knowledge sharing between organizational entities in this master thesis.

## 2 Knowledge-based view

The knowledge-based view and its assumptions will be relevant to this thesis, therefore in this chapter the basics in regard to knowledge sharing are introduced.

### 2.1 How the knowledge-based view emerged.

The knowledge-based view emerged from the resource-based view.

To give a brief overview of the resource-based view, the same division as done by D'Oria et al. (2021) is used. They say that the resource-based view has mainly four different stages until today. Starting with the Foundations and Early Development stage from 1959-1990, going on to formalization and growth in the 1990s, the maturity stage from 2001-2010 and the integration phase from 2011 until today. In the first period mentioned here organizations get characterized according to their resources and the literature starts to specify different types of

resources, which the firm needs. However, also the managers' roles in using these resources strategically is developed. In the formalization and growth period the possession of resources becomes more important. Furthermore, other theories and viewpoints start to emerge from the resource-based view. D'Oria et al.(2021) mention dynamic capabilities and the specific role of knowledge as a resource, here the 1996 text of Grant is mentioned as well as Spender, also in 1996.

In his 1996 text Grant directly mentions the link of the knowledge-based view to the resource-based view, as he states, that the resource-based view is not able to sufficiently explain the existence of firms and their behavior. With the exception of their striving for profitability through the collection of superior resources (Grant, 1996). So, the split between the knowledge-based and the resource-based view is starting to emerge in this period. This is when Barney published his famous 1991 article; *Firm resources and sustained competitive advantage*. By linking the firms' resources to competitive advantage and defining clear characteristics for a resource to generate competitive advantage he significantly influenced the development of the resource-based view. In a later article he talks about other branches of the resource-based view, which emerged later, namely with regard to neo-classical microeconomics or evolutionary economics. Even though their approaches are different he points out that, in all of these positionings the heterogeneous character of resources is emphasized as well as the durability of resources (J. B. Barney, 2001).

As Barneys 1991 text is credited to have formalized and brought together the resource-based view, it is summarized briefly in the next paragraph. Considering that it later evolves into the knowledge-based view.

The characteristics of resources, to enable sustained competitive advantage are;

- value
- rareness
- non-imitability
- non-substitutability

Competitive advantage is when potential competitors do not implement the same lucrative strategy and the competitive advantage turns into sustained competitive advantage when the competitors are not able to copy this value adding strategy. Barney wants to evolve from accrediting most of the firm's success to the selection of environments and focusing more on the internal capabilities of the firm. To establish a resource-based view of the firm, Barney

introduces two prerequisite assumptions; one being that organizations have a heterogeneous character, even when operating in the same industry; the other assumption being, that resources are not transferred or spilled over easily across firms, so the resources can be durable. For Barney three main categories of resources exist physical capital resources, human capital resources and organizational capital resources.

*"Human capital resources include the training, experience, judgment, intelligence, relationships, and insight of individual managers and workers in a firm. Organizational capital resources include a firm's formal reporting structure, its formal and informal planning, controlling, and coordinating systems, as well as informal relations among groups within a firm and between a firm and those in its environment."*(J. Barney, 1991, p.101)

Knowledge can fulfill all requirements for creating a sustained competitive advantage, namely if it is valuable, rare, imperfectly imitable, and non-substitutable (J. Barney, 1991).

Even though knowledge is already mentioned in the resource-based theory, Grant (1996) wanted to highlight its role in creating competitive advantage even more. So, the knowledge-based view accentuates the importance of knowledge as main resource for the firm.

Nonetheless that the knowledge-based view has its roots in the resource-based view, other theories had also a notable impact on the knowledge-based view. Grant and Spender (1996) mention management technology, economics of innovation and organizational learning theory.

So, starting in the 1990s several authors developed the knowledge-based view by emancipating from the resource-based view;

For example, Spender (1996) states, that when knowledge is only seen as a resource, the notion of internal knowledge residing in the collective part of the organization, cannot be fully explained in the resource-based view. Also, the act of knowledge producing and handling in the closed system of the organization, can be expressed better in the knowledge-based view. Spender notes, that the evolution from the resource-based view to the knowledge-based view also has practical implications. The organizational and managerial design needed to change, insofar that an environment, where employees can improve their practices and learn, should be prioritized over a bureaucratic management style with strict hierarchies. Furthermore, he criticizes that knowledge is underestimated in the resource-based view, because knowledge created within an organization might be much more difficult to imitate by competitors than an advantage created through tangible resources originating outside of the organization. Nonaka

(1994) attributes the development of the knowledge-based view to changes in the society. Because the society as a whole evolved to become a society of knowledge. Therefore, also the organizations should be analyzed through a lens focusing on knowledge.

Another stream of authors, explaining why knowledge is the resource, researchers should focus on are Conner and Prahalad (1996). They state that the organization itself only exists, because of knowledge based transaction costs, however, these are not a product of opportunism. Opportunism is the reason for the establishment of the firm in other theories. Because, even when all individuals in a market contract situation act truthfully, frictions will appear. Conner and Prahalad attribute this to the character of knowledge and bounded rationality of the individuals, due to this, some knowledge will always stay private. They give the example of an individual suggesting a new way of completing a task, which results in lengthy discussions and problems of implementation. Not because the actors act opportunistically but because of insuperable differences in the knowledge base of the individuals. Kogut and Zander (1993) also argument in line with that, as they state that knowledge is easier transferred within an organization, because the firm has an advantage in coordinating knowledge over the market situation. Kogut and Zander also point out that organizations should be analyzed, in the light of “*what they know how to do*”(Kogut & Zander, 1992, p.383).

## 2.2 Definition of Knowledge:

There are numerous definitions of knowledge in the literature. However, Polanyi’s work *The Logic of Tacit Inference*, is seen as influential in the knowledge-based literature and widely used. He states that knowledge is not the same as information. The knowledge is created inside an individual via the process of personal judgment. “*knowledge is personal*”(Polanyi, 1966, p.13) Furthermore, learning and gaining knowledge is inseparably connected to actions through which individuals try to gain insight into other individuals mental processes and behavior (Polanyi, 1966).

Nonaka takes the path in defining knowledge even further into personal and individual directions, as he defines knowledge as “*justified true belief*”(Nonaka, 1994, p.15). He explains that it is important to include the part of beliefs into the definition of knowledge, to indicate the human dimension of it. He then points out, that knowledge cannot be separated from its human part. The human individual tries to justify its own beliefs on the way to finding the “truth” which is where knowledge is created (Nonaka, 1994). These definitions make

knowledge more distinct from the definition of pure information and add a personal dimension. Even though the terms information and knowledge are often used interchangeably in everyday life they are inherently different when used in the knowledge-based view. Kogut and Zander (1992) use this distinction between information and knowledge and introduce the word know-how, to distinguish between pure information and a notion of knowledge similar to the knowledge described by Nonaka above. The distinction is furthermore made according to the transferability characteristics of know-how and information. While information is easy to transfer in its completeness, this is not always the case with know-how. In this master thesis Nonaka's definition of knowledge will be used. As well as the distinction between tacit and explicit knowledge made in the table 2. Table 2 summarizes differences between tacit and explicit knowledge, a term first introduced by Polanyi in his 1966 text "The Logic of Tacit Inference". Polanyi describes tacit knowledge as a knowledge with a part, which *"cannot be explicitly stated"* (1966, p.4)

*Table 2 Tacit vs. Explicit knowledge based on (Kogut & Zander, 1992, 1993; Nonaka, 1994; Noorderhaven & Harzing, 2009; Polanyi, 1966; Spender, 1996; Szulanski, 1996; Tsoukas, 1996)*

	Tacit knowledge	Explicit knowledge
Codifiability	Difficult to codify, sometimes even impossible	Easy to codify, coded knowledge can be understood without knowing the sender and the person who coded it
inertia	Difficult to transfer, sticky, inert	Easy to transfer, low levels of inertia
separability	Difficult to separate parts of it	Can be split up into sections
teachability	Difficult to teach	can be taught easily

The first row of the table 2 deals with differences in terms of codifiability. Knowledge can be coded to different degrees and when it is coded completely it can be easily communicated. The transfer and communication of coded knowledge is independent from the person who coded it. This may be in forms of formulas, written language, or also verbal codes. Coded knowledge may assume forms, that do not resemble the nature of the original knowledge (e.g., know-how to operate a computer with a software is inherently different from knowing the technical processes behind the work). This is the difference between knowing how to operate something vs. knowing how to create something (Kogut & Zander, 1992). Which also translates to the explicit- tacit comparison. Polanyi (1966) uses the example of trivial skills

like swimming; even if people have the skill of swimming, they might be unable to explain the underlying processes in the human body, needed to swim. He calls this subsidiarily awareness of the process. This makes the individual unable to sufficiently code the knowledge for transfer. Which leads to the second row of the table. This illustrates another phenomenon touched upon in classic texts; the inertness as Kogut and Zander call it, or the stickiness of knowledge as named by Szulanski. Which is a term to describe, how difficult it is to transfer the knowledge and how knowledge more similar to already mastered knowledge is easier to adopt (Kogut & Zander, 1992; Szulanski, 1996). Tacit knowledge is more sticky than explicit knowledge (Szulanski, 1996). In the third row the separability of knowledge is shown. Because explicit knowledge can be put into clear instructions and split into smaller sections it is easier to manage (Tsoukas, 1996). However, because tacit knowledge cannot be split easily the transfer is again made more difficult. The last row is concerned with the teachability of tacit knowledge. Teaching tacit knowledge is more difficult and therefore requires more resources (Kogut & Zander, 1993).

Polanyi (1966) says that there is no sharp line between tacit and explicit knowledge, every form of explicit knowledge is rooted in tacit knowledge, so it can be put into context and applied. No knowledge is 100% tacit. Here he gives the example of learning to drive with a manual. The text of the manual is explicitly written down knowledge, describing many of the underlying steps of driving. This text has to be converted into the tacit operations, in which the many steps become absorbed in the main act of driving. Only the conversion process makes the explicit manual useful. Many authors agree with Polanyi here and further accentuate, that the categories of tacit and explicit knowledge are on a continuum, there are no clear lines or distinctions and some tacit knowledge might be more explicit than others and vice versa. It follows that, tacit and explicit knowledge is inseparable (Nonaka, 1994; Spender, 1996; Tsoukas, 1996). And it can be converted along a continuum, for example explicit knowledge can be turned into tacit knowledge (Nonaka, 1994; Spender, 1996). This process of transformation is complex, therefore individuals need to be motivated and able to successfully complete this task (Noorderhaven & Harzing, 2009). So, the main distinction between different forms of knowledge made in this master thesis will be the one of tacit and explicit knowledge.

Nonaka (1994) also takes the personal factor into account in his text he ties knowledge closely to the beliefs and commitment of its owner and gives it a subjective notion through this process. He also uses the distinction between knowledge and information; however, he sees



information as a vehicle for knowledge. Through the interchange of information knowledge is created. So tacit knowledge is personal and linked to the individuals' experiences. Tacit knowledge is therefore easier to pick up when sender and receiver share similar experiences (Turner & Makhija, 2006).

### 2.3 Why knowledge is transferred within the firm and why this is difficult

When the knowledge-based view emerged, several authors were interested why knowledge is transferred more successfully within an organization than in a market situation and why knowledge transfer is a problem worthy to discuss. These points are subject in this chapter.

There are two main reasons, why internal knowledge transfer might be more beneficial. The first one is the difficulty to convey tacit knowledge and the second one is the danger of competitors appropriating the knowledge (Grant, 1996). This creates a special dilemma, as by coding or simplifying the tacit knowledge, to make it easier to transfer, the danger of appropriation increases (Kogut & Zander, 1992). Szulanski (1996) also points this out in his 1996 study, where he found, that knowledge related factors pose major barriers to successful transfer of best practice in organizations, even in the absence of goal conflict.

Grant (1996) doubts that tacit knowledge can be efficiently transferred through infrequent market transactions. For an organization to be able to successfully transfer and code tacit knowledge the members have to share experiences and rules (Zander & Kogut, 1995). Additionally, the knowledge-based view points out, that different objectives of organizations members are not the main problem, that even in the absence of different goals, the application and transfer of tacit knowledge is difficult. The focus of the lens shifts away from opportunistic behaviors of organizational members and concentrates on coordination (Grant, 1996; Kogut & Zander, 1992). Members of the organization need to be socialized in the organization to understand the already existing knowledge and contribute to the creation of new knowledge (Spender, 1996). In his 2000 text Szulanski criticizes antecedent work, to not include the cost of knowledge transfer adequately. In line with (Grant, 1996) he points out that the cost of the transfer is an inherent characteristic of knowledge transfer and is especially pertinent in transfer of complex knowledge. To showcase the process of knowledge transfer and illustrate where in the process difficulties occur, Szulanski (2000) created a model. The model shows the transfer of an organizations best practice and proves that along this process the stickiness of knowledge is observed in all stages of the knowledge transfer.

### 2.3.1 Knowledge creation in the organization

A major advantage the organization has over market transactions is the ability to create knowledge internally. This process of organizational knowledge creation will be subject of this paragraph.

Before knowledge is transferred it has to be created. In this creation process the interaction between individuals already plays a vital role, because it furthers the production of new knowledge. Although the process of knowledge creation starts within the individual (Nonaka, 1994). The organization creates it's knowledge through its experiences and through comparison with competitors. On the one hand side, the organization might want to copy the competitor's innovation and on the other side, the organization might gain motivation to innovate themselves due to competitive pressure (Zander & Kogut, 1995).

As described above the origin of the knowledge is within the individual. Nonaka describes the process, how the organization can make use of the individual's knowledge by turning it into organizational knowledge. The antecedents for this process are a space, where open communication is valued, and that the co-workers share some experience. This shared experience is described as forming through so called communities of practice. When co-workers exchange information and help each other out with daily processes often, they build communities of practice. By communicating back and forth and allowing constructive criticism and dialogue the tacit knowledge is created. In the next phase the knowledge is internalized and spread in different parts of the organization. Again, through criticism and dialogue the practice will be finetuned or discarded because of impracticability. This repetitive spiral is described to be more effective, when functions and roles of employees overlap, so the individuals have more points of connection. This process of knowledge creation is cyclical and does not have an end, however, at one point the organization will need to justify this new best practice outside of the organization. How the new knowledge and best practice will be evaluated may be based on directly measurable factors, such as ROI or cost, but also on their perceived fit with the organization's image. The perceived fit with the organization's image should not be underestimated, when the environment does not find specific skills or products proper for an organization, it might discard them. This environment of knowledge creation is called the organizational knowledge network (Nonaka, 1994). For knowledge acquisition and creation, it might be necessary to frequently monitor the environment. These tasks can be given to boundary spanners or gate keepers, whose knowledge is more similar to the environmental knowledge and who are able to translate the

outside knowledge into a form, that is easy to process for the organization. These roles are likely to emerge, when only few organizational members have the capacity to acquire outside knowledge easily (Cohen & Levinthal, 1990). So organizational knowledge is created within this network by increasing the knowledge of the individual and connecting it to the already existing organizational knowledge. The individual being socialized and integrated in the organization is a precondition for this process (Nonaka, 1994; Spender, 1996).

### 2.3.2 Role of individual/ employee in the knowledge sharing process

As described in the chapter above the knowledge creation process starts with the individual. As this master thesis takes on Nonaka's definition of knowledge as inherently personal and also discusses a phenomenon on the individual level in this paragraph the role of the individual in the organizational knowledge sharing process is further illustrated.

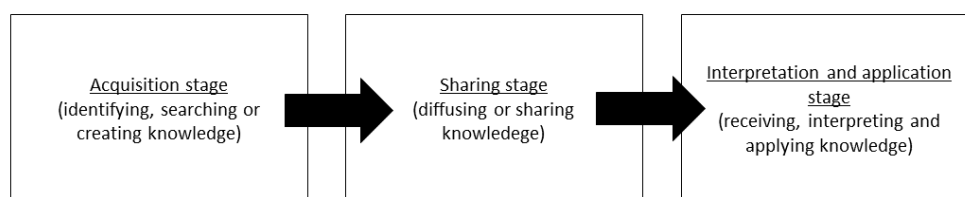
Grant sees the firm as a way to integrate the knowledge created and residing within individuals. In this form of the knowledge-based view, the knowledge is not created by the firm itself. Both Grant and Nonaka (1996; 1994) point out, that knowledge originates in the individual's mind. Assuming that, the firm itself can create the knowledge, undermines the role of the individual in the process of knowledge creation and utilization (Grant, 1996). Nonaka points out, that individuals own more information than they need, this so-called redundant information is key for the knowledge creation in organizations. The individuals share their redundant information and through this process they also promote the sharing of tacit knowledge of other organizational members (Nonaka, 1994). All distribution of knowledge is done by individuals and managers. The organization itself cannot transfer knowledge. However, during the process of knowledge transfer the coordination of the firm is needed, because the knowledge which individuals contribute may be very specific or dispersed (Grant, 1996). Tippmann et al. (2014) also emphasize the role of individual managers in knowledge processes in the MNE. They can be the main actors in all parts of the knowledge sharing process, the preparation of the process as well as the aftermath.

So, the knowledge-based view, assumes that varying forms of specialist knowledge, residing in different individuals are needed, to create value for the organization (Grant, 1996; Kogut & Zander, 1992). The firm and the employees make contracts over the allocation of this knowledge, through their work contracts. Transfer of ownership, of the employee's knowledge is difficult to grasp and can sometimes only be done partially. The sole process of transferring the knowledge is not enough for it to be useful. More precisely the firm's goal should not be, to maximize sole transfer of knowledge, which is costly, but to minimize it,

while simultaneously focusing on successful integration. Knowledge transfer without knowledge integration is not a completed transfer (Grant, 1996; Szulanski, 2000). The process of the transfer needs to ensure, that the quality of the knowledge is preserved throughout the transfer, or again the transfer is not useful (Grant, 1996; Kogut & Zander, 1992).

### 2.3.3 The process of knowledge transfer

This chapter is describing the steps of the knowledge transfer in more detail. The process of knowledge transfer is very context dependent and varies severely. Turner and Makhija (2006) used the following three steps to describe the basic process of knowledge sharing within an organizational context. These basic steps are found in practically all forms of knowledge sharing processes. The first step is the acquisition stage, where an individual gains new knowledge through experience or from outside the organization. When the new knowledge stays within the first individual, the profit of the new knowledge may not be maximized for the organization. Therefore, it should be shared with other members. Sharing is the second step. The third step is the interpretation by the receiver. The stages of the process are illustrated in figure 1.



*Figure 1: Process of knowledge transfer, own illustration based on (Turner & Makhija, 2006)*

The stages of Turner and Makhija can be seen as a version of the sender and receiver model, which is often used implicitly in international business research. The sender-receiver model assumes that information is transferred from source to recipient through a channel and in the given context (Noorderhaven & Harzing, 2009). With this approach the characteristics of the sender and receiver and their abilities to transfer knowledge can be analyzed conveniently. The literature researching absorptive capacity and disseminative capacity often use this approach (Cohen & Levinthal, 1990; Martin & Salomon, 2003). The transfer of knowledge is not completed when the recipient receives the knowledge but when the receiver puts the know-how into practice successfully (Martin & Salomon, 2003; Zander & Kogut, 1995).

In the following two paragraphs the concepts of absorptive capacity and disseminative capacity are briefly introduced to underline the importance of discussing the characteristics and motivations of sender and receiver in the knowledge transfer process.

Prior knowledge is crucial for the knowledge acquisition process, as the organization or the individual can only identify useful knowledge with sufficient prior related knowledge. Cohen and Levinthal (1990) call the ability to recognize, understand and use new knowledge **absorptive capacity**. The individual can better memorize and use new knowledge, when they already have prior related knowledge. The more a human knows, the more the brain is able to store and recall new information. Absorptive capacity is beneficial for the firm, because prior established absorptive capacity in one sector helps with developing new absorptive capacity in another one. Therefore, the organization is better prepared for unforeseen situations and to exploit new beneficial knowledge quicker, as well as recognizing potentially beneficial knowledge. The cumulative and self-enforcing character of absorptive capacity might lead to organizations being left behind, when not investing early on in their absorptive capacity. Cohen and Levinthal (1990) link the lack of absorptive capacity with the *Not invented here syndrome*, due to rising skepticism and distance to new knowledge.

Katz and Allen state that: "*the Not-Invented-Here (NIH) syndrome is defined as the tendency of a project group of stable composition to believe it possesses a monopoly of knowledge of its field, which leads it to reject new ideas from outsiders to the likely detriment of its performance.*" (Katz & Allen, 1982, p.7)

Furthermore, firms with high levels of absorptive capacity will strive towards higher goals proactively, that they detect in the evolving environment. While organizations with lower levels are more reactive (Cohen & Levinthal, 1990). Martin and Salomon (2003) define a similar capacity, they call it RTC recipient transfer capacity, which focuses on the ability of the recipient to retain and assimilate the received knowledge. However, they distinguish it from absorptive capacity in stating, that it is only for voluntary knowledge transfer and not for spillovers of competitors knowledge. Cohen and Levinthal(1990) suggest, that the organizations absorptive capacity is built upon its members absorptive capacity, but not the sum of it. Because it is not cumulative and the organizations' ability to use the knowledge is also dependent on the organizational structures. When outside knowledge is acquired the success of this acquisition is not only dependent on the boundary spanners or gatekeepers (individuals who frequently acquire new knowledge because of their prior knowledge) absorptive capacity, but also on the organizations capacity to receive this information from them. If an organization concentrates its absorptive capacity on internal acquisition of knowledge, it's called inward-looking absorptive capacity for outside acquisition vice versa outward looking capacity. One orientation dominating the other one can create difficulties in

using all available knowledge sources. Thus, the organization needs to establish a solid common knowledge base, to enable its members to communicate knowledge internally, while also promoting knowledge diversity, so new outside knowledge can be acquired and utilized .

**Disseminative capacity** is the ability of the knowledge sender to teach the receiver the knowledge in question (Minbaeva et al., 2018).

Minbaeva et al. (2018) found that the sender's willingness to share knowledge has an effect on interfirm knowledge transfers in International Joint Ventures (IJVs). Furthermore, the abilities of the sender to use a variety of communication channels has been found to be relevant too. However, they did not find articulation and codification abilities of the sender to have direct effects on the knowledge transfer. Nevertheless, codification abilities increase the use of communication channels. Martin and Salomon defined STC (source transfer capacity) which includes an analysis of the recipient; is the recipient ready to get this knowledge and in what form does the recipient need the knowledge, before the knowledge transfer process. Similar to the above described corresponding RTC, this capacity is defined for voluntary knowledge-transfer processes (Martin & Salomon, 2003).

#### 2.3.4 Motivations to share knowledge

As knowledge is factually shared by individuals their motivation to engage in this process is relevant to the success of the sharing process. *"To be motivated means to be moved to do something. A person who feels no impetus or inspiration to act is thus characterized as unmotivated, whereas someone who is energized or activated toward an end is considered motivated."* (Ryan & Deci, 2000, p.54) This definition of motivation will be used, in this thesis. So, not only the senders' abilities to transfer knowledge but also their willingness to engage in knowledge sharing plays a role in the effectiveness of the process. A more motivated sender will not be set back by obstacles and difficulties in the transfer process. More motivated senders were also found to use more diverse communication channels to transfer knowledge (Minbaeva et al., 2018). Why managers motivation is crucial in the knowledge sharing process is inherent to the task of it. Objectives of sharing knowledge are difficult to formulate, and the completion of the sharing is not easily attributed to a particular employee. Therefore, organizations need to rely on their manager's motivation to complete this task. Managing a person's intrinsic motivation is again a very hard task to do. However, if an organization is able to successfully manage their members motivations to share knowledge, this might be a source of competitive advantage (Osterloh & Frey, 2000).

## 2.4 Knowledge flows in the MNE

The MNE is in a special position in the knowledge-based view, due to the difficulties of managing knowledge in its diverse setting (Foss & Pedersen, 2004; Raab et al., 2014).

Even if a firm has a knowledge-based advantage in one region, this does not necessarily conclude, that the firm will profit of this advantage in all of its subsidiaries. This highlights, that taking knowledge abroad is not a matter of course (Martin & Salomon, 2003). The MNE is a particular case in the knowledge-based theory. This is because of its dispersed units. Knowledge flows have to cross larger geographical distances than within national firms. Another aspect is the heterogeneous character of the knowledge within the MNE, which adds another difficulty for successful transfer (Foss & Pedersen, 2004). Furthermore, the formal organizational separation between organizational entities creates boundaries for knowledge sharing in the MNE (Dasí et al., 2017).

The characteristics of the sender and receiver are crucial for the knowledge transfer process, as mentioned above this is certainly also true for the MNE setting. Whether the receiver is another subsidiary or the headquarter makes a big difference for the knowledge sharing process in question (Noorderhaven & Harzing, 2009). The next paragraph discusses these different knowledge streams of the MNE.

### 2.4.1 Directions of knowledge flows within the MNE

In general, the MNE has vertical and horizontal knowledge flows. To better differentiate between these knowledge flows Tippmann et al.(2014) call top-down knowledge flows deliberate knowledge flows and lateral or bottom-up knowledge flows emergent knowledge flows.

*Table 3: Emergent vs. deliberate knowledge flows based on (Tippmann et al., 2014)*

Emergent knowledge flows	Deliberate knowledge flows
Not induced by top management	Induced by top management
From younger or less developed subsidiaries	From superior or HQ
Knowledge search by subsidiaries	Knowledge provided for subsidiaries

As described in table 3, emergent knowledge flows are not directed by top management intentionally, while deliberate knowledge flows are. In practice the differences between emergent and deliberate knowledge flows are not always distinct and they are found on a

continuum. Deliberate knowledge flows usually are from developed or superior subsidiaries or from headquarter to younger and less developed subsidiaries. With deliberate knowledge flows, the main task for the subsidiary managers is, to make sure that the new knowledge is integrated and implemented. When the subsidiary managers search themselves for knowledge, without the directives to do so from headquarters, the knowledge flows are characterized as emergent knowledge flows, even if these practices lead to inflows from superior or higher ranked entities of the MNE. Sometimes these emergent knowledge flows happen without the headquarters noticing at all (Tippmann et al., 2014). These terms are useful to describe the active role subsidiaries can play in the knowledge sharing processes of the MNE. In the 20th century MNE's main knowledge flows were often from the headquarters in developed countries to the subsidiaries in less developed countries or regions, here subsidiaries were only considered to be recipients but not sources of valuable knowledge. Since then, MNEs and their structures have been in a state of constant change and development. Their development from hierarchical organizations into more complex networks of knowledge flows is also seen in empirical findings. Noorderhaven and Harzing compared the results of their 2009 study with Gupta and Govindarajans 2000 study. In that time period, they found that the lateral inflows from peer subsidiaries as well as outflows from subsidiaries to headquarters have increased. Nevertheless, inflows from headquarters to subsidiaries are still the major knowledge stream in MNEs (Noorderhaven & Harzing, 2009).

#### 2.4.2 Benefits and barriers of knowledge transfer in the MNE

As knowledge is seen as the main source of competitive advantage for the organization in the knowledge-based view, the significance for superior knowledge and knowledge sharing within the MNE is evident and subject to further explanation in this chapter. So, this chapter's aim is to highlight the benefit for headquarters to look into subsidiaries knowledge resources.

Subsidiaries' problem-solving process and the resulting findings can be beneficial for the whole MNE because their successful best practices can be used to improve the respective processes on a global scope. This is a form of decentralized problem solving in the MNE and can be of advantage for the global MNE structure over locally operating organizations. When solutions to local problems get implemented globally, they can be used to anticipate later occurring problems in other locations, where these problems have not occurred yet e.g. due to business cycle differences.

However, in some situations, subsidiary managers decide to pursue a local problem-solving approach, knowing that the problem is truly global. This is called a veiled global problem.



Reasons for this behavior of subsidiary managers can be that, creating a global solution can be more time consuming and intense and that the managers need to have detailed prior knowledge of global processes to solve problems on a global scope. Furthermore, Tippmann et al. (2012) found that creating global solutions also requires geographically more diverse search for knowledge, as well as a more long-term general orientation. These dimensions mentioned here are reasons for managers to hesitate in sourcing and creating globally applicable solutions.

## 2.5 Creating an environment for successful knowledge sharing

As all knowledge originates in the individual the individual needs to be in an environment, which enables them to share their knowledge. Nonaka (1994) suggests that there are several environmental factors enhancing the organizational knowledge creation. In the chapter below creative chaos, building up redundant knowledge, minimizing the felt distance between units and increasing absorptive capacity are discussed.

### 2.5.1 Common knowledge

All forms of coordination for knowledge sharing are highly dependent on the basic common knowledge, which resides in every member of the organization. Without the existence of common knowledge like, language, symbolic communication, commonality of specialized knowledge, shared meaning and recognition of individual knowledge domains the transfer of tacit specialized knowledge cannot exist. After successfully integrating specialized knowledge, the firm develops (distinctive) organizational capabilities, which enable the firm's growth and may be the foundation for a competitive advantage (Grant, 1996; Kogut & Zander, 1992). The ways of combining and creating organizational knowledge is infinite, because new individuals operating in the firm mean new knowledge stocks and new ways of creating knowledge. The firm's knowledge is permanently going through the process of different social practices. That means that organizational knowledge is never complete and always changing (Tsoukas, 1996). Differences in common knowledge or prerequisite knowledge leads to problems in the transfer process (K. L. Turner & Makhija, 2006; Zander & Kogut, 1995). Minbaeva et al. (2018) have found that regular exchange between sender and receiver, only has a positive impact on the success of knowledge transfer, if both share a certain level of common knowledge. This underlines the importance of establishing a common organizational knowledge base.

### 2.5.2 Creative chaos

Creative chaos is one way to create an environment for successful knowledge sharing. It can induce knowledge creation. When organizations face a crisis creative chaos emerges, as the organization tries to respond to the crisis (Nonaka, 1994). This means that problems can even hold a certain value for the organization, because they force the organization to search for new and unique solutions and adapting itself to the new situation. Non-routine problems can show hidden weaknesses in daily processes and be the motivation for improvement (Tippmann et al., 2012). However, the organization can also induce the crisis itself, for example by setting demanding goals. The organization and its employees will then respond to this crisis by focusing on their problem-solving skills and finding new ways to do things. This process requires a constant back and forth dialogue of the employees. The members have to reflect on their antecedent and current behavior to develop these new best practices. If they fail to do so, the organization is only left with the chaos, without the new knowledge. Nonaka (1994) points out that in a situation of competing groups, this chaos is also created in a safer way for the organization. In this situation the members can better share their redundant information.

### 2.5.3 Redundant knowledge

Spender and Nonaka (1996; 1994) both point out, that individuals possess more knowledge, than they need to complete their tasks, this knowledge is in backlog. Only organizations possessing this backlog of knowledge can master unforeseen situations of chaotic crisis. Nonaka speaks of redundant knowledge, while Spender calls it organizational slack. Individuals with a more diverse knowledge background, grasp new knowledge easier, because they can better locate, where to get useful information and there is a higher chance, that they can link new knowledge to what is already known (Cohen & Levinthal, 1990). When employees rotate between departments or teams, they can better link knowledge to different functions in the organization. So rotation creates an environment of knowledge sharing and creation (Nonaka, 1994).

### 2.5.4 Minimizing felt distance

Geographic distance is a barrier to knowledge flows in MNEs, even if managers are globally connected thanks to the development of communication technologies, which helped to break down physical barriers. Nevertheless, distance in the MNE can be a subjective feeling of managers which is not necessarily proportional to geographic distance. When personal ties between managers exists, a feeling of closeness is established, and the feeling of distance

diminishes. This works for geographic distance as well as cognitive distance and is a way of improving communication and knowledge sharing in organizations (Raab et al., 2014; Tippmann et al., 2012). Flat hierarchies are also a form of minimizing felt distance but in the vertical direction. Creating an environment of trust with flat hierarchies is a way of making the organization more knowledge sharing friendly (Nonaka, 1994).

### 2.5.5 Increasing absorptive capacity

Another way to increase the effectiveness of knowledge sharing is to improve the absorptive capacity. Absorptive capacity can be increased by focusing on common traits and common language use. Overlapping redundant information is needed to create so called cross-functional interfaces of absorptive capacity (Spender, 1996). However, a certain degree of diversity is still needed so members can detect new knowledge. Organizations engaging in intense task specialization may face difficulties in unforeseen situations and reduce their organizational absorptive capacity. On top of that, the members must be aware of the location of specific knowledge and expertise within the organization, to make use of it. Organizations adopting a network character and linking their different functions increase their absorptive capacity. Cohen and Levinthal (1990) mention, that developing absorptive capacity through buying consulting services or through corporate acquisitions is limited. This is because of the specificity of organizational knowledge, which often requires long-term integration processes. Quick fixes through acquisitions, consulting services or hiring new personnel might not be fruitful.

## 3 Social identity theory

The second theory, that this master thesis considers is social identity theory. This chapter will give a brief overview of some key concepts of social identity theory and will introduce the phenomenon of dual organizational identification.

Social identity theory is a theory of social psychology, which explains the relationship between the individual and the group (Brown, 2000). The individual experiences a form of self-concept which is the cumulation of the personal identity and the social identity. The personal identity is made of physical attributes, personal characteristics and abilities.

Social identity is defined by Ashfort and Mael as: “ *the perception of oneness with or belongingness to some human aggregate*” (Ashforth & Mael, 1989, p.34) The social identity

is a cumulation of the different social categories, the individual feels part of. In general individuals try to categorize themselves into positive categories, as they try to enhance their self-concept (Tajfel et al., 2004).

Two key terms of social identity theory are identification and identity. There is no universally valid distinction between them, some authors even use them interchangeably. Nevertheless, identification can be seen as the “*attachment that an individual makes to a role, team, organization, or other entity*” And “*identity refers to the meaning of a particular entity (i.e., role, organization) that is internalized as part of the self-concept*” (Miscenko & Day, 2016, p.217) This distinction will also be applied to this thesis.

In social identity theory, the individual perceives him or herself as part of a group, or as a symbolic member of a group. The destiny of the group and the individual's destiny are intertwined and failures as well as successes can be experienced together (Mael & Ashforth, 1992). Over time social identity theory has managed to explain several group phenomena; two of them will be explained further in this thesis. The first is ingroup bias and the second is group homogeneity.

**In-group bias** means, that members of a group ideologize the differences between their group and other groups. They believe that their way of doing things, is not only different, but superior to others. This phenomenon, that individuals favor their own group is called ingroup bias (J. C. Turner, 1975). The mere fact of being a member of a group, already leads to ingroup bias and discrimination of outgroups. This could also be seen in the so-called minimal group experiment. In this experiment, group membership is randomly assigned, and the groups do not share any history or economic advantages. Even in this setting ingroup bias was found to happen, this showed how powerful membership in social groups really is (Hogg & Turner, 1985; J. C. Turner, 1975). The self-esteem hypothesis claims that individuals try to enhance their self-esteem through belongingness to certain groups and elevating this group (Ashforth & Mael, 1989; Dutton et al., 1994). So part of the ingroup bias can be explained through this hypothesis, as finding the own group superior will have an self-esteem enhancing effect (Abrams & Hogg, 1988; Brown, 2000).

Assumed **group homogeneity** means that being part of a social group changes how the individual is perceived by the environment. The image of a person changes with the mere perception of a person's belongingness to a group. Even when group membership is known to be randomly assigned, like in the minimal group experiment, similarity between group

members is assumed. Also in situations, where group members had no possibility to discuss and reconcile, similar opinions of group members were assumed by spectators. Furthermore, deviation of the assumed group behavior, is seen different. When a person disagrees with the prevalent opinion in a group setting, the deviance from the group opinion, is seen as more internally caused, as in a setting without group memberships (Wilder, 1978). Assuming members of groups to have similar attributes or opinions leads to categorizations and stereotyping of the social environment. This process can help the individual find a place in society and organize their social environment. The assumed categories and similarities are not necessarily trustworthy, but allow the individual to locate him- or herself in the social environment (Ashforth & Mael, 1989; Tajfel et al., 2004).

Social identification and belongingness can be experienced along a continuum, individuals might feel different degrees of belongingness to various groups (Mael & Ashforth, 1992). Identification is also not a constant state. It can occur temporary and is situation dependent (Ishii, 2012).

### 3.1 How identification works

In the following chapters the elements and the process of identification will be described. Furthermore, reasons for group identification are suggested and the groundbreaking experiment of minimal groups is explained to showcase how little logical reasoning people need to discriminate against out-groups and favor their in-groups and to offer the basis of the other explanations.

#### 3.1.1 Identification through comparison

In-group identification cannot happen without any comparison. Individuals constantly compare their own identity perceptions and expectations. The hereinafter resulting gap influences the individuals level of commitment to the group (Foreman & Whetten, 2002; Mael & Ashforth, 1992). The example given by Mael and Ashforth (1992) is the following: the category of the male gender cannot exist, if there are no other genders, such as female. The comparative character of identification is especially salient, when individuals try to enhance their self-esteem through identification. Tajfel et al. (2004) mention that, individuals try to achieve a positive social identity, mainly based on making comparisons between the individuals in-group and seemingly fit for comparison out-groups. An out-group is only fit for this kind of comparison if it is, to some extent, distinct from the in-group. When an individual finds their social identity unfavorable, they try to enhance the identity of the groups they

belong to or leave the groups. To go into the process of evaluation the individual has to feel a strong sense of belonging to the group and has to deem the situation and actors fit for comparison. Some group characteristics are not seen to be appropriate for comparison and this evaluation can vary in different contexts. Competition between groups can arise easily, Tajfel et al. (2004) distinguish here between social competition and instrumental competition for instrumental competition a goal conflict or a self-interest has to be present. For social competition there has to be no conflict, it can arise from only comparisons between groups.

### 3.1.2 Why does identification occur

All humans have the need to belong to groups and social collectives. The first reason for identification is, that humans need this to define their self. There are three forms of self. The personal self, the relational self which is developed in interpersonal connections and relationships, and the collective self, which is discussed in social identity theory. The social self contrasts with the personal self, the personal self is the one distinguishing an individual from all other individuals. The social self on the other hand shows the belonging and adaption to others or social groups (Brewer & Gardner, 1996). So, the first reason for identification is the need to define the social self. The second reason is to enhance this form of self. However, Abrams and Hogg (1988) suggest using self-esteem enhancement carefully, when trying to explain certain group behavior. In their text, they explore this so-called self-esteem hypothesis in more detail. The self-esteem hypothesis proposes, that individuals try to enhance their self-esteem in: *“making an ingroup psychologically positive distinctive from an outgroup”*. (Abrams & Hogg, 1988, p.318) Abrams and Hogg (1988) suggest, that discrimination against an out-group and favoring of the in-group is not always self-esteem enhancing. They claim that the self-esteem enhancing part of discrimination in the minimal group setting is overestimated.

### 3.1.3 Consequences of identification

The consequences or results of identification with social groups are described to be the following;

First individuals choose and do activities, which are in line with the institutions of their social groups. Second identification leads to enhanced cooperation and altruistic behaviors within the group. Third the identification also comes with the identification of stereotypical attributes of the social group (self-stereotyping) and fourth the belongingness to a group enhances the perceived distinctiveness of the group (Ashforth & Mael, 1989). Fifth identification also leads to uncertainty reduction, as group identification provides guidance for the individual (Vora &

Kostova, 2007) and sixth identification gives a quick and easy explanation of a part of the individuals self (Abrams & Hogg, 1988).

### 3.2 Organizational identification

As this master thesis explores identification in an organizational environment, this chapter will offer the basis for understanding this type of group identification. To begin with three definitions of organizational identification are given.

Ashforth and Mael are seen as prominent authors in the organizational identification literature, their texts in the late 20<sup>th</sup> century have been influential throughout the following decades.

In their 1992 text Ashforth and Mael define it as follows: *“Organizational identification is defined here as the perception of oneness with or belongingness to an organization where the individual defines him or herself at least partly in terms of their organizational membership.”* (Mael & Ashforth, 1992, p.109)

Another definition of organizational identification can be found in the 1994 text of Dutton et al.: *“Organizational identification is the degree to which a member defines him-or herself by the same attributes that he or she believes define the organization.”* (Dutton et al., 1994, p. 239)

Vora and Kostova defined it; *“as a cognitive state of psychological attachment whereby individuals define themselves in terms of the organization and personalize its successes and failures.”* (Vora & Kostova, 2007, p.331)

Nearly all definitions of organizational identification focus on the incorporation of the organizational attributes or image into the individual’s self-image (Riketta & Nienaber, 2007) which is also the case in the three definitions offered above. Organizational identification of members comes with sensemaking of the individually perceived past and anticipated future of the organization. This process of sensemaking is inherently personal to the individual and is always trying to harmonize with the individual’s self-concept (Bednar et al., 2020).

Organizational identity is characterized by the organization’s unique and distinctive attributes, which are linked to the personal identity through identification. Identification with an organization is not absolute, there exist various levels of identification, which indicate the level, that people consider the organization as part of themselves. When the organizational identity overpowers alternative identities, the authors call it a strong organizational identity

(Dutton et al., 1994). Furthermore, organizational identity is not a stable factor existing in a stable way during a long period of time. It is rather dynamic and unstable. Parts of this dynamic character is due to the fact, that values and statements do not carry the same meanings over time. Identifications and interpretations of values, past experiences, and the anticipated future change. Also, when changing the context, the identity adjusts (Bednar et al., 2020; Gioia et al., 2000).

### 3.2.1 Organizational identification and similar terms

To further refine organizational identification this paragraph will differentiate it from terms, that are often linked or confused with organizational identification. First organizational commitment, second shared values, and third occupational identification will be defined and the differences from organizational identification are highlighted.

To start with; **organizational commitment** can be result or prerequisite of organizational identification (Ashforth & Mael, 1989). To explain the difference between organizational commitment and organizational identification, one can see that in organizational commitment, the organization is not believed to be a part of the individuals self-concept. However, in organizational identification the incorporation into the self-concept is a core characteristic (Ashforth et al., 2008). Also **shared values** with the organization do not equal identification with the organization in the definition of Ashforth and Mael. Shared values might exist, due to the fact that organizations have convenient values for the career of the individual, however the individual might find these values in many different organizations and might change organization gladly. If the organization is interchangeable without any experience of loss, there was no identification to begin with. Therefore, shared values cannot be used as sole measure to determine organizational identification (Ashforth & Mael, 1989). Nevertheless, a form of organizational identification is called values-based identification, which focuses on perceived congruence of values between an individual and an organization. This form of identification is less centered around outgroup discrimination compared to classical social identification. The values-based approach sees itself as focusing on a core characteristic of organizational identification (Smale et al., 2015). Dutton et al. (1994) add that pride in the organization and its characteristics is also not the same as identification. However, pride in being part of an organization can be an indicator and part of an individual's identification (Reade, 2003). Furthermore, organizational identification is not to be confused with **occupational identification** (Mael & Ashforth, 1992); a potential example to illustrate the difference between organizational identification and occupational identification would be " I



am a doctor" vs "I am member of hospital XY" whereas the first term illustrates occupational identification, the second shows organizational identification.

### 3.2.2 What influences organizational identification

The following antecedents were found to contribute to organizational identification; organizational distinctiveness, organizational prestige and self-enhancement; less intraorganizational competition and tenure. (Mael & Ashforth, 1992).

An organization, that is obviously different from others offers their members a clear definition and typically "*attracts a passionate following*" (Mael & Ashforth, 1992, p.107) Thus **organizational distinctiveness** can be an antecedent for organizational identification, as a clear and distinctive identity and strategy enables the members to identify themselves easier, and to a higher degree. However, Dutton et al. (1994) also warn to use organizational identification, that is relying solely on distinctiveness and becoming an unique individual. As this theory might not be applicable in all cultural contexts, as this way of thinking is prone to western societies.

Dutton et al. (1994) see **self-enhancement** as an important factor for identification. For them increasing the positive characteristics of oneself through an organization is a major motivation for individuals. When the organization offers possibilities to enhance the individual's self-esteem, their identification increases. Especially very **prestigious** organizations offer these opportunities to elevate the individual's self (Mael & Ashforth, 1992).

When conflicts in the ingroup are salient the cohesion in the group decreases, and the members tend to focus more on the internal problems and their internal differentiation. So **intraorganizational competition** and conflicts can **hinder identification**. However, interorganizational competition was not found to have a significant effect on organizational identification (Mael & Ashforth, 1992).

**Tenure** is often believed to be a proxy for identification. And indeed, longer tenure in a company or organization, increases the chances for members to habituate and internalize the organizational identity. Therefore, individuals may experience stronger forms of identification when being part of an organization for a longer time (Dutton et al., 1994; Mael & Ashforth, 1992). However, the exact relationship and the causality between identification and tenure is disputed (George & Chattopadhyay, 2005).

### 3.2.3 Consequences of strong organizational identification

The reason why organizational identification is relevant for research and for organizations are the various benefits it can have for organizations and individuals. These benefits are not mutually exclusive but complementing (George & Chattopadhyay, 2005).

There are several **benefits for the individual**, through the process of identification, the new member can orientate themselves towards the organization and develop feelings of loyalty and belongingness. Belongingness to groups is a basic need of social beings. Furthermore, the identification process can enhance and speed up the internalization of organizational values through socialization in the organization and therefore also the process of acclimatization in the new workplace. This is beneficial for the individual and also for the organization (Ashforth et al., 2008; Ashforth & Mael, 1989). Organizational identity can act as a magnet for people desiring a certain identity. People feel attracted to organizations, presenting an identity matching with their self-concept. Individuals like to join organizations, where they can continue to express their identities, so they can feel continuity in their self-concepts (Dutton et al., 1994). Additionally, the identification with an organization with a positive image can be used as form of self-enhancement, as the positive features of the organization are passed on and projected on the individual member (Ashforth et al., 2008). Whetten (2006) states, that organizational identity helps decision makers to act in favor of the organization by imposing some features, that are seen as character traits. So as representatives of the organization, the decision makers know which options to choose and which decisions to make according to their organizational identity. Here organizational identity takes on the function of a guideline for decision makers, which may reduce their personal stress.

Also, the **organization can benefit of organizational identification**. Not only do new employees consider organizations with similar values, but current or former members of an organization also advise their children or people in their environment to join a certain organization more often, when experiencing stronger organizational identification (Mael & Ashforth, 1992). Strong identification with the organization can also be a factor for intrinsic motivation of the employee (Ashforth et al., 2008; Reade, 2003). Members with strong organizational identification might display work efforts exceeding the role fulfillment of their role. This effort beyond the job description has a positive effect on the overall enterprise performance. And is another benefit for the organization (Reade, 2003). Ashforth et al. (2008) argue that most benefits of strong organizational identification found so far are related to

higher employee involvement and extra-role performance as well as a form of self-sacrifice for the greater good of the organization.

Nevertheless, there are some **downsides**. Organizations might not want, that all their members, especially temporary members identify themselves to a high degree with the organization. In these special cases strong identification might make it more difficult for temporary members to leave the organization. (Ashforth et al., 2008)

In some situations of crisis, the organizational identity is especially salient. Such a situation might be, when important members showcase behaviors contradicting with the organizational identity. The authors mention the example of a social service agency, who buys luxurious office furniture. In this contradictory situations, members of the organizations are faced with a challenge of their collective identity, and they must arrange their identity according to the new situation (Dutton et al., 1994).

### 3.3 Dual organizational identification

The individual's social identity is multilayered, as individuals belong to many groups and categories. The fact that multiple identities can coexist is the condition for the dual organizational identification phenomenon to occur, which is the subject of research in this master thesis. Therefore, this chapter will give an overview of the peculiarities of dual organizational identification.

The values and norms of individuals multiple identities might differ in their requirements and demands for the individual (Ashforth & Mael, 1989). In the organizational context these multiple identities, can stem from multiple value sets defining the organization. These value sets might even be contradicting in some form. Foreman and Whetten (2002) use the example of an university influenced by traditional normative values as well as utilitarian values from modern science. To define this form of organizational identity they use the term hybrid-identity organization. In the broader sense also a MNE can be seen as a hybrid-identity organization, especially when subsidiary identity and MNE identity differ. However, the identity construct by Ashforth et al. (2008) is probably more fitting in the MNE context. They use the term of nested identities. These identities are similarly layered to an onionskin. An example in the workplace context might be the job identity, which is part of a department identity, which again is part of the organizational identity. Additionally, also so call cross-cut nesting identities exist. Continuing the example above this might be cross-team friendship cliques or local unions. When an individual has multiple identities at the same time, they

should not be analyzed separately but should rather be seen as a combination of identities (Vora & Kostova, 2007). This master thesis will follow the approach of Vora and Kostova from 2007 and will incorporate multiple identities but will focus on duality nevertheless.

*"DOI refers to an individual's sense of identification with two organizational entities, which could be at various levels, such as department, division, subsidiary, or overall organization."* (Vora & Kostova, 2007, p.331)

George and Chattopadhyay (2005) found that workers could identify with two entities (example of contract workers, so client organization and sending organization) at the same time. Even if they were on the same level of abstraction, which was assumed to hinder simultaneous identification before. Normally, the individual arranges its dual identification in a manner as such, that the different identities are maximal self-enhancing and uncertainty reducing. So Vora and Kostova (2007) assume that the level of identification relies on self-enhancement and uncertainty reduction, rather than on just choosing the lower level or more proximate identity, which is a common assumption in Social identity theory (Barker & Tompkins, 1994).

DOI can take various forms, Vora and Kostova differentiate between distinct, compound, and nested. This differentiation was introduced by Hornsey and Hogg (2000), when developing an integrative model of subgroup relations, to showcase different forms of embedded subgroups. A distinct DOI is experienced by individuals, who actively distinguish between the two identities, and see them as unrelated. In general, an individual with a distinct dual identity will switch between both of them and not feel them at the same time. With the compound DOI the individual feels, that the two identities share some features and overlap in certain attributes. The individual might experience the two identities at the same time and have some difficulties distinguishing them both. The nested DOI is experienced by individuals, who believe that one identity is subordinate to the other identity. In this case the individual cannot distinguish between the two identifications and sees them as one (Vora & Kostova, 2007). The different forms of are illustrated below in figure 2.

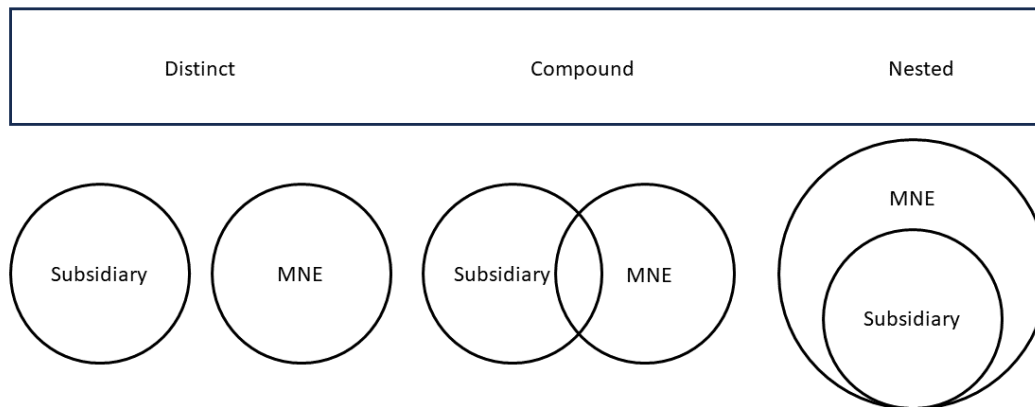


Figure 2 Forms of DOI own illustration based on (Vora & Kostova, 2007, p.333)

As dual organizational identification is a phenomenon often occurring in the MNE context. Fortwengel (2021) suggests, that between the subsidiaries and the headquarter a meta-identity is formed over the course of internationalization. The meta-identity is shared by many different parts, but all of them interpret the identity and its meanings differently. This means, that the MNE meta-identity is used and interpreted in different situations and for different purposes in the different subsidiaries. This overarching MNE identity is not primarily formed top down by the headquarter through the introduction of symbols and corporate speeches, but rather in a continuous exchange between the different units. From the subsidiary perspective, it is embedded within the international MNE as well as the local context. To navigate the duality, subsidiaries go back and forth between the overarching MNE identity and the local subsidiary identity and find their position as a global and local player simultaneously. These shifts are not occurring in a fixed order, but rather as a general dynamic process with simultaneous development of both identities (Colman et al., 2022).

When looking at the MNE to research multiple identities, the individuals working in the MNE are of course the next to be researched in light of multiple identities. Ma et al. (2022) suggest exactly that, that individuals in the MNE should not be analyzed, with only one identification in mind, as it underestimates the diversity of identifications individuals can choose even within the same organizational setting. The term identity duality then describes how in the MNE context, the subsidiary and the MNE serve as basis for an organizational identity simultaneously (Pant & Ramachandran, 2017). Subsidiary managers are especially interesting to study DOI, because they often experience this phenomenon. Due to their situation with frequent contact to both the subsidiary as well as the MNE headquarter they are most likely to develop a sense of oneness with both entities. (Vora & Kostova, 2007) "*subsidiary members*

*engage in organizational identity work that involves rejecting and embracing a global MNE identity.*"(Colman et al., 2022, p.20) Subsidiary managers switch constantly between including the overarching MNE in their organizational identity and positioning themselves against this MNE identity. The switch between rejecting and embracing the MNE character is to enable a form of self-enhancement for the individual manager (Colman et al., 2022). Managers of domestic firms, with only the domestic nationality do not face identity conflicts concerning nationality and work organization. Whereas subsidiary managers have a certain discrepancy between their foreign owned workplace and their nationality. Which again makes the situation of subsidiary managers prone to identity conflicts (Lee et al., 2022).

### 3.3.1 What influences dual organizational identification

There are numerous factors, that give rise to dual organizational identification , therefore MNEs do not have to choose between boosting only one way of identification or implementing measures that might even be conflicting with one way of identification (Smale et al., 2015).

**Personal relationships with co-workers** can play an important role in establishing identification, however identification with an organization does not purely rely on personal relationships. George and Chattopadhyay (2005) examined different antecedents of identification in the contract worker situation. They use the distinction between personal and impersonal bonds introduced by Brewer and Gardner. Personalized bonds of attachment and impersonalized bonds are social connections. However, the impersonalized bonds are mainly derived from identification with collectives. These collective identities do not even require a personal relationship to provide some sort of identification. With personalized or relational bonds, the opposite is true, here the connection and identification is developed through the interpersonal contact (Brewer & Gardner, 1996). George and Chattopadhyay found that contract workers preferred different bonds and connections to identify with their sending organization vs. with their client organization. As most of them believed the sending organization to be their main organization, and they tried to further the sending organizations goals and were more sensible to its impersonal attributes. However, personal attributes were found to be important for the identification with the client and the sending organization simultaneously. Especially high-quality relationships in the daily work-life could be found to be important contributors to the identification of the workers with the client organization. Because the contract workers had less daily and physical contact with their sending organization, personal bonds were not the main factors furthering their identification with

them (George & Chattopadhyay, 2005). This aligns with the results of Smale et al. (2015) who also found social interaction across organizational boundaries to be crucial for dual identification, here in the classic MNE setting. Because social interaction across organizational boundaries, for example international projects and participation in international intraorganizational trainings and conferences, helped to reduce negative perceptions about other entities, they enabled the managers to see their subsidiary as part of a bigger group. Managers with more international teams were more exposed to this international climate and therefore also more likely to develop a stronger dual identification.

When the two organizations in question had many differences, the individuals tended to identify with one organization more than with the other. However, when their **values were congruent** and they had similar preconditions of impersonal and personal bonds, the workers were able to identify with both organizations simultaneously (George & Chattopadhyay, 2005). Riketta and Nienaber (2007) call this the condition of harmonious fit of attributes perceived compatibility. Perceived compatibility between the nested organization and the overall organization in terms of congruent goals and norms increased the identification with the overall organization. This also includes having similar communication methods and joint organizational codes, which helps to communicate the common norms (Riketta & Nienaber, 2007; Smale et al., 2015). This finding is in order with Besharov's discovery. When members of the same group have diverging identities, a potential threat for the individual's identity arises. Vice versa, when a member's identity is confirmed by other members their identity is strengthened. Aligning different organizational identities is linked to fewer disidentification. When individuals feel that their version of the organizational identity is violated by other members constantly, they distance themselves and their identification decreases. Here an alignment of the identities and subsequent identity conversion is needed (BESHAROV, 2014).

George and Chattopadhyay (2005) could not find **tenure** to be an indicator for stronger organizational identification. Opposing to Dutton et al. (1994) who theorized that longer tenure in an organization gives the member more opportunities to identify with the organization. However, tenure has been found to be an indicator of identification by Mael and Ashforth (1992) in their study in the school alumni context. George and Chattopadhyay (2005) suggest that tenure may not be linearly related to identification but having a step function and that tenure over a certain threshold is necessary to have an impact on identification.

Vora et al. (2021) found that the simultaneous dual identification with MNE and subsidiary was higher with individuals possessing a **history of mobility** in the MNE. They mention expatriate assignments or within firm mobility.

Also, the structure of the subsidiary and its place in the MNE are relevant for dual identification. Managers working in subsidiaries with greater **interdependence** with other entities of the MNE are more prone to develop a coupled identity, where the managers identify with both entities together (Vora et al., 2021). In the international MNE being seen and respected by the headquarter, as well as future career opportunities in the MNE, were found to be important for the level of identification (Reade, 2003; Smale et al., 2015).

Another factor influencing dual identification is **language** use. Because identification with a group or organization is often expressed through language, language use and proficiency of the corporate or local language are important for managers identification. The abilities to engage in intercultural communication, so language proficiency as well as skills to adapt to local communications styles, were found to be crucial for identifying with an organization (Ishii, 2012).

### 3.3.2 Consequences of dual organizational identification

The benefits and downsides of a specific identification vary, Reade (2003) found that, managers local extra effort and motivation was linked more strongly to the managers local identification, while their global effort was also more strongly linked to their global identification. The managers did differentiate between projects and assignments of the local subsidiary and the global MNE and also their motivations varied accordingly. This aligns with the results of Richter et al. (2006), who found that dual organizational identification is the best form of identification when looking at boundary spanners between teams and organizational groups. Only when managers experienced a form of dual identification, was a higher level of identification with their specific work group beneficial for the intergroup relations and productivity. These findings from organizational groups are seen to be transferable to the MNE context up to a certain point, because identification in the MNE context is found to be similar to identification with nested sub-units. Where the subsidiary is in a somewhat similar position as for example a work group in a national organization (Reade, 2003).

Hornsey and Hogg (2000) introduce some **benefits of dual identification** in subgroups in general, which they suggest to also be translated to the DOI in the MNE situation.



Individuals might lean towards their subgroup identities and negative stereotypes of outgroup members might be established (Ashforth & Mael, 1989; Dutton et al., 1994). Group members tend to think, that their own group deserves the successes more, than the out-group deserves their respective successes. However, for failures it is the opposite, they think that their groups failures are inappropriate, while their out-groups' failures are more appropriate. They downplay their own groups failures and overestimate their achievements. When the overall organizational identity is strong and subgroup differences are perceived to be legitimate or institutionalized, less competition and differentiation takes place. So other subunits are seen as less threatening and cooperation is easier (Ashforth & Mael, 1989). Hornsey and Hogg (2000) suggest explicitly to not abolish the subgroups to foster harmony between them. But to further identification with the subgroup as well as a newly introduced superordinate group. Through dual identification with a shared overarching group pride in common values and attributes should be established. Both superordinate and subgroup identification are encouraged at the same time. Furthermore, conflict should be turned into healthy competition and discrimination into differentiation. This is because the former out-group becomes a new form of ingroup. Despite this, the dual categorization retains the original group and does not erase the distinctiveness of it. So in a situation of conflict between two or more entities by introducing an overarching new identity the conflict is eased without introducing an identity threat (BESHAROV, 2014; Hornsey & Hogg, 2000; Riketta & Nienaber, 2007). Another benefit of introducing an overarching second identity is that it can help to overcome temporary difficulties in the subgroup (Ashforth et al., 2008).

It does not only help to establish healthy competition but furthermore also fosters effective cooperation. Richter et. al (2006) found that dual organizational identification has effects on intergroup relations and intergroup work efficiency. They found that dual organizational identification is more preferable than all other forms of identification when looking at boundary spanners between work and organizational groups. So dual organizational identification is found to help establishing **effective cooperation between subgroups**. Only when the managers experienced a form of dual identification, was a higher level of identification with their specific work group beneficial for the intergroup relations and productivity. This overarching MNE identity can furthermore help to coordinate actions between headquarter and subsidiaries (Fortwengel, 2021).

Riketta and Nienaber (2007) further develop the construct of the identity threat regarding distinctiveness of the organizations in question. When the distinguishing attributes of a group

are threatened by an outgroup. This threat can be from an outgroup operating at the same level or also on a different level. For example, when an organization is integrated into a bigger group structure this becomes salient. This perceived **threat is reduced** with identification with the overall organization.

Another benefit of dual organizational identification is the effect on managers adaptability. Ishii (2012) found that expatriates who had strong dual identification **adapted better to the work environment** of the subsidiary they were sent to and also the local projects and assignments. Additionally, they turned out to be more successful in their new positions. In their study, expatriates with a more headquarter oriented identification displayed almost no identification for their local subsidiary. These expatriates with their almost single identification had more difficulties adapting to the new local environment and were also more stressed in their position, then their counterparts with dual identification. The stress resulting from working in a multiple nationality environment or in the subsidiary manager case in a foreign owned firm, is called acculturative stress. Which was found to be decreased or even cancelled out by strong organizational identification (Lee et al., 2022).

As Vora and Kostova (2007) discuss the roles of the subsidiary managers introduced by Bartlett in 1985, namely the bi-cultural interpreter, national advocate and defender, and front-line implementer of corporate strategy, they suggest that the role of the bi-cultural interpreter is best fulfilled by high comparable levels of DOI, because they are in touch with the subsidiary and know its needs and with their simultaneous identification with the MNE they will be willing and able to explain the subsidiaries situation to the headquarter, and will be accepting of rules and measures of the MNE. In another article Vora et al(2007) then analyzed the role fulfillment empirically. They found that dual organizational identification indeed **affects role fulfillment**. And could confirm their suggestion, that comparable levels of DOI were linked to higher role fulfillment of the bi-cultural interpreter then disparate ones. In general individuals with high comparable levels of dual identification scored higher in role fulfillment of all three subsidiary manager roles. Their identification with both entities helped them to understand the needs and concerns of both entities and motivated them to act in favor of both. Although for the role of the subsidiary advocate and defender, they could not find a direction of identification, which was more favorable to role fulfillment. Both disparate MNE oriented and high comparable levels as well as subsidiary-oriented levels could aid in role fulfillment. However, low comparable levels did not score as high. Different levels of dual identification did not trigger different levels of role conflict. Therefore it is suggested, that

some identification with an entity already benefits role fulfillment, so the impact of different levels is minimal on role fulfillment. Identification with the suborganization as well as the overall organization motivated the individuals to act in behalf of the overall organization and management should try to value both identities and give the members the opportunity to embrace this duality (Colman et al., 2022; Riketta & Nienaber, 2007).

However, there are also some **downsides of strong organizational identification**. Ishii (2012) found that expatriates exhibiting strong subsidiary identification, had more adverse feelings towards headquarters and were sometimes unsatisfied with headquarters support for their local subsidiary. Which might influence their future positions back in the headquarters as well as their benefits for being a boundary spanner between subsidiary and headquarter. These identity conflicts are the main downside of dual organizational identification "*An identity conflict is an inconsistency between the contents of two or more identities, such as a clash of values, goals, or norms*" (Ashforth et al., 2008, p.354) Inconsistent goals with subgroup and overarching group can hinder joint identification (Ashforth & Mael, 1989). When managers aligned all versions and aspects of their employees organizational identities, they could strengthen the identities and prevent disidentification resulting from identity conflicts (BESHAROV, 2014). In general individuals tend to order their identities in hierarchical orders to minimize goal conflicts, or separate the identities and roles completely, so the conflicts are not detected (Managers complain about their subordinates about the same acts they themselves display when interacting with their respective bosses). Sometimes individuals also act out different roles sequentially, they "put on the hat" of a certain role and after a certain time "put on another hat". Most people change their identities and roles frequently, however in some situations the distinctiveness of the different identities resurfaces and can cause problems. Ashforth and Mael suggest, that individuals tend to deal with identity coordination problems by : "*ordering, separating, or buffering them*" (Ashforth & Mael, 1989, p.30) they often hesitate to integrate them completely, because this would cause problems in situations with goal conflicts of their identities (Ashforth & Mael, 1989). However, Ashforth et al. (2008) suggest that convergence of identities can happen. This means that with increasing identification with the direct team may also increase the general identification with the organization or the department of the individual. However, this is under the premise, that the identities are harmonious. The combination of these identities may vary and sometimes the identities may even merge to one identity, or one set of identities grouped together.

## 4 Methodology

This section will give a detailed report on which methods are used and why. The methods used in a research project, should be stated clearly and before the findings are presented. This is to give the reader information on how to interpret the data presented (Rynes & Gephart, 2004). The research question and topic led towards qualitative research methods; within these a qualitative single case study was chosen. In qualitative research often texts, words and similar documents are analyzed (Rynes & Gephart, 2004). Qualitative researchers themselves shape new insights by continuously comparing the rich qualitative data to already existing theories and concepts (Doz, 2011). In this master thesis the description of qualitative research in organizational research by (Rynes & Gephart, 2004,p.455) is used : ” *qualitative research has potential to rehumanize research and theory by highlighting the human interactions and meanings that underlie phenomena and relationships among variables that are often addressed in the field.* ” The focus on the human part of all organizational actions levels is also the approach used in this master thesis. Here the individual interpretations and actions are used to find out about organization wide actions.

In the following paragraph I will provide a brief insight into qualitative methods, however as mentioned above, this master thesis is subject to a single case study, so the focus will be on this topic. The next paragraphs briefly describe the role of qualitative research in International Business and here specifically the role of the case study. There is also going to be an introduction to the research philosophy applied in this study. Later on in this chapter, the specific methods of data collection used in this case study, interviews and observations are presented.

### 4.1 Qualitative vs quantitative methods

Qualitative research is a way of analyzing and conducting data as well as a specific state of mind. However, there are no absolute definitions to when a project falls into the category of qualitative research. In general the methods used in qualitative research are nonstatistical methods (Prasad, 2017).

Qualitative research can be a very time intensive process. Also Dyer and Wilkins emphasize the personal involvement of the researcher in qualitative research, as the researcher should have an open mindset and ;”*let their analyses emerge over time.*”(Dyer & Wilkins, 1991, p.617) This time intensive process can be justified by the fact that not everything can be presented in a quantitative way. When detailed descriptions and underlying meanings of

social actions are investigated, quantitative methods might fail to do so (Rynes & Gephart, 2004).

## 4.2 Qualitative research in IB

International business is an eclectic discipline (Birkinshaw et al., 2011; Doz, 2011). One can compare the heterogeneous origins of International Business to different individual perspectives on the same phenomenon. The various perspectives integrated in International Business will ultimately lead to several interpretations of the same phenomenon. But this is not the only point, which makes qualitative research an excellent fit for International Business. In the following paragraph the fit of qualitative research in terms of being able to deliver context sensitive (Doz, 2011) analysis and being open to explore human actions, culture (Prasad, 2017) and processes (Rynes & Gephart, 2004) are discussed.

Adopting qualitative approaches in IB can account for various context rich perspectives and not neglect them under generalizations (Birkinshaw et al., 2011). Furthermore, they state that International Business' typical features are very much fitting for qualitative research, as they are very context driven and often multi-dimensional and dynamic. They state; *"thick description, exploratory research and comparative case analysis that focus on inductive theory building and hypotheses generation may be more suitable."* (Birkinshaw et al., 2011, p.573) for research in the International Business field than quantitative methods. Additionally some special topics often found in International Business topics such as languages and cultural norms are particularly suitable for qualitative methods, as those call for context based methods (Doz, 2011) which are primarily found in qualitative research. Additionally, qualitative research offers an opportunity to describe phenomena over time and not only evaluate their outcomes, which is very much needed in International Business, to really understand the processes making this field special (Rynes & Gephart, 2004). Also, the beginning of International Business as a stand-alone discipline was based on many influential qualitative research works. However, quantitative approaches have gained more popularity and seemed to overpower their qualitative counterparts. This is in line with the growing interest of researchers in social sciences to gain legitimacy, which is often done through focus on quantitative work (Birkinshaw et al., 2011). Prasad (2017) attributes this trend towards quantitative work in social sciences partly to the ambitions of being treated the same way as natural sciences. Although the environments and phenomena investigated in social sciences are deeply rooted in human actions and culture, which may call for more interpretative approaches often found in qualitative work. The authors mentioned in this paragraph all

highlight the need to enhance qualitative research in the field of International Business, to gain a more refined perspective on already well developed and established concepts, as well as to develop new theories and encourage researchers to use qualitative methods in International Business (Birkinshaw et al., 2011; Doz, 2011; Prasad, 2017). Furthermore, there is also the suggestion to free the researchers from the above-mentioned pressure to use methods established in natural sciences, which often leads researchers in International Business and Organizational Studies to develop a positivist stance. However, this limits the richness and diversity of ways to enhance existing theories and build new ones (Rynes & Gephart, 2004; Welch & Piekkari, 2017).

### 4.3 Research philosophy: Interpretivism

This call led me to conduct my research with the interpretive research tradition in mind. Interpretivism makes relativistic assumptions about reality, so the ontological stance of interpretivism is relativism (Rynes & Gephart, 2004; Scotland, 2012). In interpretivism knowledge is inherently subjective and objects become specific objects because of the worlds knowledge of the object (Scotland, 2012). In this tradition the researcher makes relativistic assumptions about reality, “*Local intersubjective realities composed from subjective and objective meanings: represented with concepts of actors*”(Rynes & Gephart, 2004) (p.456: Table 1) The researcher is aware, that various meanings exist. These different meanings compete and create a version of reality (Rynes & Gephart, 2004). In this philosophy three realities exist;

- External stimuli
- Individual interpretation of external stimuli
- Embedded interpretation of the individual’s own reality

Concerning the first reality, the external stimuli, we as humans can only know the interpretations thereof. The second and third realities are the ones, that can be researched (Stake, 1995). By allowing multiple also contradicting stories and perspectives to emerge, this form of qualitative research paints a diverse picture (Welch & Piekkari, 2017). The various interpretations can even touch upon physical objects. As they are also interpreted in a cultural way (Patton, 2015; Prasad, 2017). To illustrate this, I will use the following example from Patton: The sun is a real object. However, it is interpreted and framed to take on different forms. In some cultures, the sun is seen as a deity. And its gender is assumed. Patton (2015) proposes, that which form is assigned to the object is not necessarily dependent on the object,

but on the group, that constructs this reality. But also, the context shapes the construct. In another cultural context or at another point of time, individuals could give the object a completely different meaning (Prasad, 2017). This philosophy focuses on the social actor, their acts and statements (Rynes & Gephart, 2004) which makes it promising to apply to this master thesis. As it also allows to take the social actors' non-verbal actions as subject of analysis. The objective of this research is then to; "*understand the actual production of meanings and concepts used by social actors in real setting*" (Rynes & Gephart, 2004, p.457) Despite the social actor being at heart and the individual interpretations being emphasized, there is sort of a common explanation of the same objects or phenomena (Prasad, 2017). This worldview comes in handy when looking at big organizations as it is done in this case study, as it permits the researcher to emerge in the intraorganizational reality created by organizational members. Humans tend to resort to common explanations, and this will then resort to it becoming an overarching shared reality. Even though these phenomena are constructed by the social actors, through their permanent retelling, they are treated as naturally occurring. The human individual forgets that they themselves created these "*facts*" they forget their own "*authorship*", how they have set up and shaped this truth (Prasad, 2017). The interpretivist goal to understand and emerge into the individuals' interpretations of situations and discover their personal motivations is fitting to this case study. As this case study intends to discover how an individual level phenomenon, dual organizational identification, influences an individual's actions and hereinafter the communication in the organization. So the task is to look at the individuals view of the organization and how they engage with it. Furthermore, with the interpretive research tradition the researchers themselves play an important role in this creative process and have to be aware of their own position in the project. They even enhance the data with their own experience, as they play an active role in the production and analysis of the data (Welch & Piekkari, 2017).

#### 4.4 Case Study in IB

The case study is a method often used in qualitative research in International Business and is also applied in this master thesis.

In general, the case study is a very versatile method, it offers insight into the dynamics within single settings. But it can be combined to illustrate more cases. Also, to the levels of analysis, there is no restriction. The case study can use quantitative and or qualitative data. There also might be use of archive data or observations (Eisenhardt, 1989; Rynes & Gephart, 2004). Case studies can be used to test theory, provide description of a situation, or build new theory

(Eisenhardt, 1989). The goal of the case study is illustrated by this statement made by Stake: *"Our first obligation is to understand this one case."* (Stake, 1995, p.4) This statement shows that, the main goal of the case study is not to generate insights, which are transferred to many other cases, but to dive deep into one specific case and its peculiarities (Stake, 1995) and getting insights into the human interactions and understanding the underlying meanings (Rynes & Gephart, 2004), this was the main reason for me to choose a single case study for this master thesis, as it provides the framework to really uncover the problems and peculiarities of one organization without having to erase its special situation to make it transferable to all MNEs.

In general, Eisenhardt and her case study method are often used for reference in International Business research. In her influential article Eisenhardt takes a positivist stance and aims for: *"development of testable hypotheses and theory which are generalizable across settings"* (Eisenhardt, 1989, p.546) This approach is not without critics. Dyer and Wilkins (1991) are one of them. They emphasize the role of the single-case study, in their critique of Eisenhardt's article, who calls for researchers to include four to ten cases in one case-study, to better compare and contrast the cases. However, Dyer and Wilkins argue, that the core of case study research is not quantitative, but rich insights into a specific organizational context. So, they even argument against using different cases with very heterogeneous contexts, when engaging in comparative case studies. To include the tacit aspects of the organization they advise to concentrate on fewer cases (Dyer & Wilkins, 1991; Eisenhardt, 1989). As already mentioned above, in this master thesis one case will be discussed thoroughly and not the generalizability but the exploration and understanding of this one organizational situation is the objective.

When sampling for qualitative research or in this case a qualitative case study, the goal is not to get a potential realistic image of the population, but one fitting to the theory. The quantity of the sample or their comparability with the whole population should not be the primary concern (Welch & Piekkari, 2017). In case studies the context plays an important role, and the environment is not hidden but involved. This makes them fitting to explain complex International Business phenomena (Rynes & Gephart, 2004; Welch et al., 2022). Welch et al. (2022) argue that the case study's focal point is to integrate the phenomena and theories into the context. Furthermore, they point out, that the main goal of the research project should not be, to find causal relationships that are universally applicable, but to also embrace the variety.

*"A central paradox of the IB field is that its raison d'être is to understand how differences in context affect business; yet, as IB researchers, we tend to do our utmost to control for,*



*exclude, and restrict the coverage of the very context we are supposedly studying."* (Welch et al., 2022, p.6)

As dual organizational identification is highly dependent on how an individual judges their specific organizational environment to contribute to their own self (Vora & Kostova, 2007) erasing this specific context would not be constructive. In this master thesis a special form of the case study will be used, the so-called single case study. The logic behind the single significant case is, if one group or organization is having these kind of issues, likely other similar groups will also have similar issues. Or the other way around, if a theory is not applicable to this significant case, it might not be applicable in general, because it does not fulfill the purpose of being universally applicable anymore (Patton, 2015). And the single case study again is in line with the objective to learn more about one specific case (Stake, 1995) and uncover the underlying mechanisms of a phenomenon. With all this in mind, using a single case study to understand the phenomenon of dual organizational identification and its influence on knowledge sharing in MNEs seems very fitting.

## 4.5 Data Sources

In this chapter the methods to collect data are presented. Beginning with qualitative interviews and a quick excursion to visual methods in qualitative interviews and then going on to the observation.

### 4.5.1 Qualitative Interviews

The main empirical part of this case study are the semi-structured interviews, which were conducted with managers from different entities of the company. When preparing the interview guideline I divided it into two main parts, to have a better overview during the interview. One part is about getting to know the participant and their relationship to the company, while the other dives more specifically into knowledge sharing and the participant's attitude and behavior concerning knowledge sharing. This division helped to cover both parts, however, due to the nature of the semi-structured interview, the conversation did often shift back and forth between the parts. This is normal in qualitative interviewing. The participants do not always get the same questions, as this does not match the individual experiences they have, which is exactly what the researcher aims to capture (Stake, 1995).

In general, interviews are a popular method of data collection. The benefits of interviews over other methods are, that the interviewee can directly show, which part they find the most important. The personal experiences and impressions of the phenomenon can be captured

(Alvesson, 2003). This makes it a fitting method for the purpose of this master thesis, as it is a good method to capture the individuals' experiences. However, the interview itself is a social situation, which is not free of bias. Interviewees might be acting in their own interest. This might go up to a point of lying or consciously withholding information. Yet, this behavior might also be unintentional, and an interviewee might do this to present or construct a desired image of themselves, to confirm this image for the interviewer. This identity work might be especially strong, if the researcher explicitly states which identity of the interviewee is researched (e.g. manager, working parent etc.). To counteract potential quality loss due to these behaviors the researcher has to be aware that the interviewee and the researcher both are part of the social world and act accordingly. For a successful interview, the interviewee is motivated to participate and contribute, and the interviewer manages the situation actively. Furthermore, the researcher should try to see the interviewee from different perspectives and angles, as some motives may be hidden (Alvesson, 2003). Stake (1995) suggests, that interviewers should occasionally reassure, if something was really said, or asking if something, that was clearly not said, was said. Additionally, researchers should not trust the interview data blindly and should rather take a critical approach (Alvesson, 2003).

In my case I interviewed managers of whom many fall into the group of elite International Business professionals, defined as persons with industry experience, a high status, and a broad network. When interviewing individuals belonging to that group, some particularities are to be aware of. One is, that many board members or senior executives tend to make statements and transport values coherent with the organization's values, as they are expected to do so (Welch et al., 2002). To counteract this behavior, I have explicitly stated that I am interested in the interviewee's personal opinion. Although as I mentioned above, Alvesson (2003) discourages this behavior. However, I deemed this practice fitting to not get responses solely in line with the organization's tenor. Additionally, Welch et al. (2002) point out the power imbalance of interviews with elites, as the elites tend to dominate the interview, because they are used to do so. Often senior leads make daring comments directed at the researcher, here the researcher should not misinterpret, the importance of the elites' statements.

During some of the in-person interviews in this case study, I asked the participants to draw the organization and themselves within the organization. These drawings are visual representations of the individual identities. In the management and organizational research, the interest for **visual methods** is increasing in the 21st century. In general, including visual methods in qualitative research projects is very suitable, as they are "*resistant to the*

*quantification that has been dominant in much organization and management research.* " (Davison et al., 2015). The realities of people are not only text based, but rich in many dimensions. Including other dimensions in research makes it possible to explore these other levels of people's daily lives. Using drawings in interviews is not an uncommon practice. Especially, when the matters are difficult to put into words, or to give the participant some time to think about the issues. They are also often used, when the interviewees are children. A non-verbal exercise may help to paint a more holistic picture of the interviewee and avoid readymade standard answers (Bagnoli, 2009). *"As we have seen ... , the introduction of a simple visual task within the context of an interview maybe very helpful for elicitation purposes."* (Bagnoli, 2009, p.565). Drawings can be used to show personal relations and to help a person identifying themselves in their own network (Bagnoli, 2009) which was also done in the data collection process of this master thesis. This method was applied to better understand where an organizational member positioned themselves within the MNE and to support the participants in explaining their view. When doing this exercise, the researcher can either suggest a pattern (e.g., draw yourself as the sun and the people in your network as the planets around you with the distances between you and the planets indicating your relationship) or the researcher does not specify anything, to see with what kind of structures and patterns the interviewees come up themselves. Bagnoli (2009) suggests leaving the concrete task to the interviewee and not giving too many instructions. This is also what has been done in this case study's process, the participants have been simply asked to draw how the organization is structured for them personally. The decision, where to start and how to illustrate the organization was left up to the participant.

#### 4.5.2 Observation

Observations are a method to gain insights into an organization without disturbing the natural flow of events as much as with interviews. Here the actions and phenomena can be studied in their natural environment (Stake, 1995). Baker (2006, p.173) defines observations as the method fulfilling *"... the need to study and understand people within their natural environment."* Stake (1995) suggest to include observations in case studies to observe these common and regular happenings. Participant observation is one observational method. Here the researcher goes into the social interactions and experiences them as one of the participants, this can be e.g. on events and also include some form of interviewing (Rynes & Gephart, 2004). The advantages of observation are that this method is very context sensitive and helps the researcher to discover matters, that normally are unseen to the participants, as

well as opens the opportunity to also learn about sensitive issues, which are avoided in interviews (Patton, 2015). Being able to describe the setting in a manner, that uncovers contextual circumstances, that normally go unnoticed for the participants was the main reason to also include a form of observation in this case study. As identification with an organization is not a conscious decision of the participant, so including an observation seemed to help put participants statements into context. Therefore, I have made one observation of an event, where questions of organizational identification seemed to be salient for me in terms of this case study.

#### 4.6 Case Selection

This chapter describes how the case for this master thesis was selected and which criteria was used. Researchers in International Business should disclose how and why they chose a certain case to maintain and strengthen the reputation of the case study in the International Business field. The authors differentiate between a theory-driven and a phenomenon-driven selection of the case study. In a theory-driven case study, the models or theoretical concepts are already identified to have a certain relation prior to the case study. As the theoretical relations are already established, the design of the theoretical case study is quite fixed from the beginning. While with the second selection strategy, the researcher takes a phenomenon occurring in the business field and decides to investigate it further. Ideally the phenomena are not well researched before the case study (Fletcher et al., 2018).

Here on the one hand side, it was convenience sampling of the case, as I was an employee in that company and therefore had easy access to the interview partners, on the other side the MNE had a view peculiarities that made it interesting to research in International Business. One was it being a worldwide operating MNE but having a strong focus on the DACH region. As this case study is also set only in subsidiaries and the headquarter coming from that region, I was able to analyze cross-border activities without the difficulties of foreign languages. Especially with identification, shared language is an important factor for group belongingness (Ishii, 2012). Even though this makes the case special in a theoretical sense, there are many German companies having subsidiaries in Switzerland and Austria. To be exact there have been 1257 subsidiaries in Austria and 917 in Switzerland in 2020 headquartered in Germany (Destatis, 2023). Another interesting part of the case firm was its current restructuring due to the split up of the Austrian-Swiss merger, events of restructuring, merging or demerging can be seen as events of crisis and make organizational identities especially salient (Dutton et al., 1994). As I was able to put the statements of the interviewees in context with my own

experience and background of the company, some contextualization was easier than it would have been for researchers with no prior touchpoints with the MNE. Due to my involvement with the firm, I was able to assort quickly a few interview participants and then went on to use the snowball sampling method. Nevertheless, only managers, who had exposure to international matters were selected.

The company in this master thesis is anonymized as some of the issues discussed, may also be of interest for their partners or competitors and sensible topics are touched. Also, all interview participants are anonymized and neither their names nor reference to their specific positions or their gender are mentioned in the thesis, as some of the interviews drove deeper into personal matters and opinions.

#### 4.6.1 Description of case firm

So, the company in question will be called Tingcons in reference to the IT Consulting business, they are involved in. Tingcons itself is a worldwide operating company headquartered in Germany with focus on Europe, America and Asia. It is an independently operating company integrated in a bigger group network, which also originates in Germany. Tingcons is a main player on the German IT market. Despite their many international locations, their main focus in company presentations and also on their website is on the German market. Even though they have facilities in big markets, they still put great emphasis on their fellow German speaking neighbors in Switzerland and Austria. The international management continuously mentioned a focus on the DACH region. To strengthen this bond between the German speaking countries the company decided to merge the management board of, the until then completely independent acting companies, Tingcons Switzerland and Austria in 2019. However, during the time of this case study, the companies decided, that their collaboration was unsuccessful and split up again. This form of crisis was very fortunate for me as a researcher, because the interview participants were confronted with the new organizational borders and cooperations of their organizations in their daily work due to the split up. This is one reason, why I decided to focus only on the DACH region and the German speaking subsidiaries in my research. A second reason is the role language plays in knowledge sharing. Communication in a foreign language or poor language skills in any form can inhibit knowledge sharing (Michailova & Minbaeva, 2012). This also includes the typical way certain information is directly or indirectly expressed as well as knowledge and insights of the respective other culture. When these skills are not or only poorly developed, knowledge sharing is dampened (Liu & Meyer, 2020). This makes this case even more special, because

the particularities of cross border knowledge sharing can be researched, without the additional problems and benefits of a multi-language environment. Also for the identification part of this thesis, shared language is an important factor. As organizational identification with a specific unit is increased when individuals speak the corresponding corporate language (Ishii, 2012). In this case the common corporate language in all subsidiaries was German. Despite the fact, that some international group wide presentations are held in English, German simultaneous translation was always available. So, focusing on the German speaking subsidiaries made sense in this case study.

#### 4.6.2 Interview process

In this chapter the interview process of this case study is illustrated and put into academic context. Before starting with the interview process, I engaged in a literature review which led me to make this master thesis about dual organizational identification and its influence on knowledge sharing. Then in the next step I decided to investigate this issue in form of a case study with interviews and started to develop an interview guideline. The guideline is attached in the Appendix. The articles which led me to ask certain questions are listed in the attached guideline, the intensive literature review helped me to make sure that my questions were fitting to obtain the wanted information (Kvale & Brinkmann, 2009).

The search for interview participants started with convenience sampling, by asking managers I have worked with to be my first interview partners, then I used the snowballing method and followed their recommendations, which managers I should interview next. Especially in the knowledge sharing context, interviewing managers belonging to the same network was very useful, as they often mentioned their personal views on the same projects. This was an opportunity to contrast their statements on the same issues and find out about their individual opinions. Patton (2015) suggests that persons or groups, mentioned more often in the process of snowball sampling can be extremely valuable. Anyhow, snowball sampling is not free of bias, as humans tend to surround themselves with similar people. To account for this, I also explicitly encouraged the interviewees to also suggest interview partners from different departments to get more diverse opinions. Most managers were very open and eager to do interviews, which is not uncommon, when doing qualitative research (Stake, 1995). As most of the participants had an academic background, they mentioned in the interviews, that they wanted to support students taking the same path. However, most of the participants schedules were tight and they could often only find a small time slot for the interview. Here my involvement in the company helped me a lot, as I did not need explanations for commonly

used abbreviations and processes in the company. Which speed up the interview process. Also, many participants did not hesitate to directly dive into the interview. Dyer and Wilkins (1991) also mention the advantages of receiving more personal and deeper insights into an organization, by being part of it. This is called being emic. So, if the researcher is part of the group in question, they are emic and if they are an outsider, who is granted entry to the group they are etic. Which attributes are used to define if a researcher is emic or etic depends on the salient features of the group in question. The emic, etic status of the researcher can also vary during the research process and there are no fixed guidelines on how to classify a researcher as etic or emic. Usually for emic researchers the acquisition of data is easier and the background of certain particularities is easier to decipher (Lohmeier, 2018). Researchers, who are embedded in the research context like this can often form buddy like allies during the process (Birkinshaw et al., 2011). This occurred also in my research process. I often encountered myself being treated as someone belonging to the group, with an interview partner referring to particularities of the company or themselves with phrases like: “as you know...” However, in other situations, my role as researcher writing a case about the company seemed to be equally important. This occurred often in online interviews with managers I have not been in contact with before the research project. Despite that, there was always a high level of initial trust, as I used the company tool to do conduct most online interviews and had referrals from colleagues the participants trusted.

Nevertheless, the above-mentioned split between the organizations of Austria and Switzerland made it more difficult for me to gain access to Swiss interview partners, as the adverse feelings towards Austria (where I was employed at that time) were very strong on the Swiss side and vice versa. Maybe a researcher from outside would have been more fitting here. Nevertheless, I was able to interview Swiss employees and also former employees of the Swiss subsidiary, who were part of the German or Austrian organization at the time of the interviews. I recorded the interviews, which was not an issue for most of the participants, however one participant explicitly mentioned during the interview, that they must be careful not to mention any customers names, because the interview is recorded. Nevertheless, during the coding process I got the impression, that some managers paint an overly positive picture of the company and themselves. This may have been due to the recording. As participants may be afraid of opening up and speaking freely (Welch & Piekkari, 2017). Whenever I got this impression during the coding process, I mentioned it in the comments for the specific participants data. I also added some notes to accord for the interpersonal exchange, which an interview is (Kvale & Brinkmann, 2009).

As mentioned above, some interviews took place in an online setting. Lohmeier (2018) suggests, that the researcher's presence and person is also relevant in online context. The researcher as an individual is in contact with the researched subject during their daily life and whether the data collection has been done on-or offline does not change this.

Participant	Date of interview	International History	Current employment or assignment
M1201	12.01.23	No	Subsidiary
M1301	13.01.2023	Yes	Assignment with Subsidiary but employed by Headquarter
M1701	17.01.2023	No	Subsidiary
M2501	25.01.2023	Yes	Former assignment with Subsidiary now employed by Headquarter
M2601	26.01.2023	Yes	Headquarter but is located in Subsidiary
M0102	01.02.2023	Yes	Assignment with Subsidiary but employed by Headquarter
M0302	03.02.2023	Yes	Former assignment with Subsidiary now employed by Headquarter
M03022	03.02.2023	Yes	Subsidiary
M0902	09.02.2023	No	Subsidiary
M1402	14.02.2023	Yes	Subsidiary (dual role in two subsidiaries)
M0203	02.03.2023	No	Subsidiary
M1003	10.03.2023	Yes	Subsidiary (dual role in two subsidiaries)
M2003	20.03.2023	Yes	Assignment with Subsidiary but employed by Headquarter
M3003	30.03.2023	No	Headquarter
M1704	17.04.2023	Yes	Subsidiary

*Table 4: List of participants*

### 4.6.3 Coding process

For the coding process a qualitative research software called Atlas.ti version 23.2.2.27458 was used. This software is mainly used to organize qualitative data, the coding and interpretation is still very much in the hands of the researcher (Zaynel, 2018). So, I put 15 out of 19 interviews into the program and started coding. The other interviews were not as fitting for the case study, as the managers did not have regular contact to the headquarter or other



subsidiaries and were not involved in knowledge sharing. After sorting the interviews I started to code them, here I took some inspiration from the coding process described by Zaynel (2018). She describes the coding process to start with open and inductive in-vivo codes, where the original phrases of the participants are used. The next step can be axial coding, the categories are again split up into smaller and more differentiated codes, and constantly changed and combined. Selective coding is the next step, after axial coding. Relations and interdependencies between the different codes are analyzed and again merged into bigger categories. Then Zaynel is making profiles of the participants, to have a better overview, of their specific context. When the researcher cannot find any more insights by going to the material again a form of saturation is reached. I followed this example insofar as, I started with in-vivo coding, while simultaneously grouping the interviews with structural coding. Then I added more and more codes and put them into groups or merged codes, that overlapped too much. As my research question is on the individual level, I started to make profiles, by summarizing my thoughts and explaining why certain codes were applied in the respective comments of the participants interview early on. This step is also suggested by Stoian et al. (2018) to uncover the individual's perceptions. Furthermore, Zaynel (2018) suggests the researchers to transcribe the interviews themselves. As this process can be seen as the first step of the coding and researchers can start early on to emerge themselves in the data. I did not transcribe the interviews by hand but used the Web version of a program called *transcribe PRO*. However, the text data needed a lot of further editing, as the software was not able to detect any slang or poorly pronounced words. Therefore, I also had a first look at the data before the actual coding process.

To further illustrate the coding process two samples from the interview, which is attached in the appendix, are displayed here.

*"That's a little bit what I said before with it's not only Austria and in Switzerland, it's also like all the other LBUs, bring those people together, learn from each other do not reinvent the wheel, maybe use some kind of blueprint always with like a local flavor, um, help each other, bring people together also one and like with the xy partners integrate them to some extent in the partner XYZs. So, we are all on the same page." 27:34 ¶ 57 in Interview2.3.23.m4a*

This statement was made in the context of talking about synergies and transferring best practices. So, it was first coded inductively with the code "wanting collab and SK" (the abbreviation SK standing for sharing knowledge). As this interview was one of the later interviews I read, some more refined codes had already been established and the code did not need further specification in the later process. In the selective coding process the code was

compared to others and put in the group of “SK motivations and standpoint”. The codes that ended up being sorted into that category can be found in the table below. The intent was to have one group and an applicable filter, that would give information about a participant's standpoint and intentions towards knowledge sharing.

Table 5: Overview codegroup: SK motivations and standpoint

Code	Comments	Frequency
Build SK tool		1
Improving SK		7
SK advantages	(only advantages international )	13
SK attitude:	Merged with SK mindset and then split into the sentiments	50
• Negative		8
• Neutral		9
• positive		33
Wanting collab and SK		7

With the quote below I want to show the process of codes getting merged and then split up again.

*"Well, <laugh>, <laugh>, I expect them just to do the same, we all live or work for the same company. I mean, it's not that they ask me to do anything, extraordinary. To me it's normal. Okay. So to help people, right. And if it's easy for me, of course I can do that. And, also like to point out like certain things that did not go, that well because we over oversaw like, some issues of course, I tell them so they don't run into the same issues again. But to me that's standard <laugh>, I would, I would not hold back information because, yeah, no, <laugh>."*  
27:22 ¶ 91 in Interview2.3.23.m4a

This statement was coded with the code “SK attitude: positive”. The development of this code can be seen in the table 5 above. At first the code was part of either the code “SK attitude” or “SK mindset”, which then got merged to “SK attitude”, as these codes seemed to confer the same information. And then got split up in the axial coding step, to more accurately show the different sentiments the statements hold, and in this case got sorted into the positive split. In the selective coding step, the code “SK attitude” got sorted in the group “SK motivations and standpoint”. The group could then be used to quickly give an overview of an interviewee’s standpoint towards knowledge sharing, to make profiles, as described by Zaynel. Not all codes made it through the full process as some codes did loose relevance during the process and could not be grouped or refined further (Zaynel, 2018). This also applied to structural codes, which were mainly used to facilitate navigation in the documents during the coding process, an example for such a structural code is “Drawing organization”. This code was used to indicate the section where interviewees drew themselves and the organization.

#### 4.6.4 Data Analysis

As this master thesis is concerned with how DOI influences manager's motivation for knowledge sharing, I started the data analysis with investigating the participant's organizational identification. This was a major step in the analysis, as the individual's identification were necessary to create profiles and relate their identification to their knowledge sharing behavior. So, the step of investigating the individual's identification will be explained in the following paragraphs.

The interview participants made statements about their identification in various ways. Sometimes through their pronoun use, when switching between "we" and "them" when talking about different organizational entities. As this can be a clue for identification (Vora et al., 2021). Another indication for an organization's members identification, is revealed by them talking about their reality of the organizational life. As they constantly negotiate their relationship with the organization (Ravasi & Canato, 2013). Furthermore, I encouraged some interviewees to make drawings of the organizational structure, these drawings as well as the explanations and statements made during the drawing helped me to find out more about their organizational identification. You find two of the drawings, that were particularly informative below. In Drawing 1 on the left side, the participant drew the departments of their subsidiary as small squares and connected them to show their links. Then they added a big rectangle to show the headquarter. Even though the headquarter is connected to the subsidiary, the link seems very small and was added later in the process of drawing. Almost as if it had been forgotten beforehand. Contrary on the second drawing the two subsidiaries Austria and Switzerland are within the circle representing the whole MNE. These drawings helped to discover, that the interviewee that created the first drawing had a more subsidiary focused identification, and that the interviewee of the second drawing had a strong dual identification with equally high levels for the subsidiary as well as the MNE.

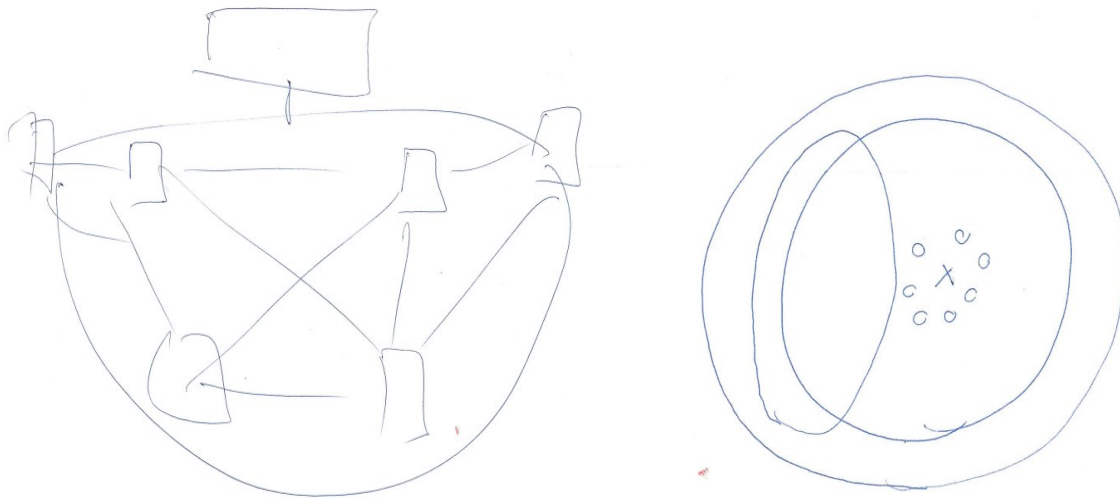


Figure 3: Drawing 1 and 2 made by interview participants

Afterwards I used participant's statements about the organization and about their daily life in the organization to write individual profiles and generate descriptions of their DOI. For the profiles and different versions of DOI I took inspiration from Vora et al. (2007) and used their Figure 1, which is a graphic model to illustrate different dimensions of identification in the MNE. With the subsidiary employees I found three different shapes of DOI. Namely high subsidiary and low MNE; high subsidiary and high MNE, low subsidiary and low MNE. I then added the headquarter employees, which had assignments during the interviews in the subsidiaries. There I could also find low subsidiary and high MNE identification. Subsidiary identification is the primary identification and feeling of belongingness to one's own subsidiary. The MNE identification is an identification with an overarching perceived unit, that includes all parts of the group (Fortwengel, 2021).

*"...employees with MNE oriented DOI are more concerned about the whole MNE's synergetic payoff across the globe." (Ma et al., 2022, pp. 4-5)*

	low MNE Identification	high MNE Identification
high Subsidiary Identification	(HSLM) high Subsidiary and low MNE identification	(HSHM) high Subsidiary and high MNE identification
low Subsidiary Identification	(LSLM) low Subsidiary and low MNE identification	(LSHM) low Subsidiary and high MNE identification

Figure 4: Forms of DOI own illustration based on (Vora et al., 2007)

On the basis of Vora et al. 2007 text and their figure 1, I have clustered the profiles of my participants in four different patterns of DOI, which can be seen in Figure 4 above. 11 of my interview partners were employed by subsidiaries or had current assignments with a subsidiary. The other 4 interview participants are headquarter employees, who had former assignments in subsidiaries or have special ties to one of the DACH subsidiaries. I abbreviated the four types of identification with LSLM, LSHM, HSLM and HSHM. For each of the types of identification I have collected typical statements and summarized them below, to make the categories and their development more comprehensible.

**LSLM**, means that low levels of identification with the subsidiary and the MNE were displayed. Participants in that category displayed less enthusiasm for the company and seemed to not have integrated any values of the company, neither of their own subsidiary nor of the whole MNE. One participant could not name anything, that made their own local unit special or better than others.

*"I don't know if I, I don't think I can answer what we would we do better than others."6:25 ¶  
71 in Interview17.04.23.m4a*

Participants in the low identification for the subsidiary and the MNE did not necessarily group themselves into the category by what they were saying, but what they did not say. As they did not praise their own subsidiary nor the MNE and as in the citation above, could not really name the advantages of their company. In general differentiating one's own group from other groups is an important part of identity work and part of group identification (J. C. Turner,

1975). Furthermore, the interviewees in this group also engaged in rejecting control or help of the headquarter or deemed the support of the headquarter useless. The participants in this category were unsatisfied with the headquarter subsidiary relationship and did not present any strong feelings of belongingness to both entities. Therefore, I sorted them into a category of comparable low identification with both the subsidiary and the MNE.

In the low subsidiary and high MNE identification (**LSHM**) category, I found only headquarter employees with permanent assignments in subsidiaries. In my case all subsidiary employees with high identification, felt this identification at least for their own subsidiary. The participants found in the LSHM group, expressed strong identification with the MNE and the company as a whole, however, they did not express any favor or preference for their own entity specifically, but seemed to see the MNE as an important part of their life. The statement below showcases the strong identification with the whole company, the statement was made, when asked to describe the whole company group.

*"That makes, for me personally, the DNA of Tingcons a perfect fit. Okay. Because this is, this is also my DNA."18:9 ¶ 47 in Interview20.03.23.m4a*

The interviewee states clearly, that this specific company is a fit for them, and not the industry or job description. Furthermore, the participant uses the word DNA, which is the part of a human, that makes the human unique and special. So, the interviewee says, that what makes them special and unique is the same, that makes the company special and unique. The participants in the LSHM group refrained from praising their own subsidiary. In this category the participants presented strong levels of identification with the MNE, however they did not find the local unit to be a differentiated and salient group, that was fitting for further identification.

Participants in the high subsidiary and low MNE identification (**HSLM**) category, would praise their subsidiary and their local team, while distancing themselves from the international part of the company. They used language, that clearly stated, that they are part of the local subsidiary, that they are part of a local player or part of a local team. They also expressed their dissent with the headquarter and rejected the headquarter identity. The statement below is the answer to, what tasks the participant deals with from the headquarter. So, the use of they/ them pronouns or even slightly prerogative expressions, as in the statement below with *"these guys"* referring to the headquarter employees, is part of the participants rejecting the headquarter identity. Here the participant is asked about their daily work with the headquarter.

*"These guys always are asking questions about how do we come to our figures? Yes. What happened in this or that project? Can you please build as a bridge how you come from this year's result to next year's results? Okay. This would be quite typical things."*

*13:33 ¶ 38 in Interview13.01.2023.m4a*

In rejecting being part of the MNE and distancing themselves from the MNE through pronoun use or prerogative language, the participants made it clear that they are not part of the MNE but the subsidiary. When subsidiary members defined their personal organizational identity through the subsidiary, they did this in rejecting the MNE and emphasizing their autonomy. On the other hand, when embracing the MNE identity they highlight, that their respective subsidiary is a part of the MNE which constitutes a global unit (Colman et al., 2022).

The last category I found in my case study are interviewees identifying strongly with the subsidiary as well as the MNE (**HSHM**). The participants in that group felt very strong forms of identification with the whole company and when saying something positive about one part or one subsidiary, added that this is also true for other parts of the company. When talking about the organization, or company they rarely referred only to the local organization, but always to the whole MNE. This is the main difference to the HSLM group, as they always stated, that they were just referring to the local subsidiary when asked for clarification, which entity is exactly meant by terms like "the organization". The participant in that group felt rather strong about both entities. Here one participant was asked to describe their relationship to the company.

*"You really feel like you belong to the organization as part of it, but you are part of it. Yeah. And you want to be part of it."*31:21 ¶ 72 in Interview14.02.23.m4a

This is statement of a participant sorted into the HSHM group, whose participants liked to state to be proud belonging to the MNE and group. Nevertheless, that participants with an HSHM identification highlighted the belongingness to a bigger group, compared to the LSHM participants, they were still able to find advantages of their local subsidiaries and felt, that their subsidiaries are distinctive groups, they are part of. For the participants in the HSHM group all entities are valuable and part of the same group. However, their own entity is still special and or different from others, which they are also able to express. And they feel a connection to the local as well as the global unit.

As my research question intends to analyze the link between dual organizational identification and knowledge sharing, I linked the information of the interviewee's knowledge sharing

behavior and attitude to the DOI profiles. This was possible with atlas.ti in form of networks illustrating the links between different codes and documents and by continuously rereading the profiles created for each participant. These networks were the starting point for my analysis of the ways DOI shaped different knowledge sharing attitudes and behaviors. The graph below is one of these networks. That the knowledge sharing environment is an important theme for the participants already became obvious during the interviews. The graph below is then the result of linking the overarching code group SK (sharing knowledge) environment with the different DOI groups. The colorful boxes are the results of the code “Sharing Knowledge environment” being split into the underlying attitudes that managers conveyed, in the respective statements. The blue connections signify if a code group occurs in the interviews of the DOI group. Without looking at the frequency of the different code groups, differences can already be found. As the high subsidiary high MNE identification group tends to perceive the knowledge sharing environment more positively than the low subsidiary low MNE identification group.

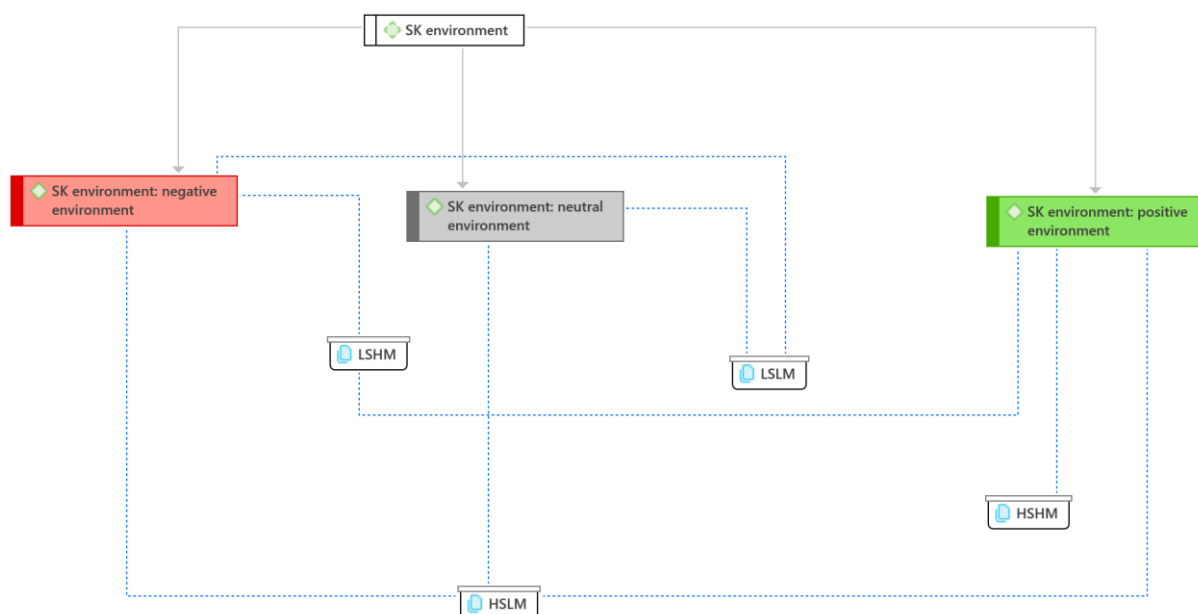


Figure 5: Perceived knowledge sharing environment, own illustration

The manager’s perception of how open their environment is in terms of enabling knowledge sharing varied with their organizational identification.

The second way in which DOI seemed to influence participants knowledge sharing behavior, was in their attitude and reasons for said attitude to participate or not participate in knowledge sharing across entities. During the coding process the reasons and motivations to engage in knowledge sharing became repeatedly salient and as a result were then grouped in what kind of attitude has been conveyed by these statements. In the figure below, the DOI groups and



these overarching codes encompassing the various reasons can be seen. The blue dotted lines between the DOI groups and the code boxes signify if a member of a group has made statements coded with the respective attitude.

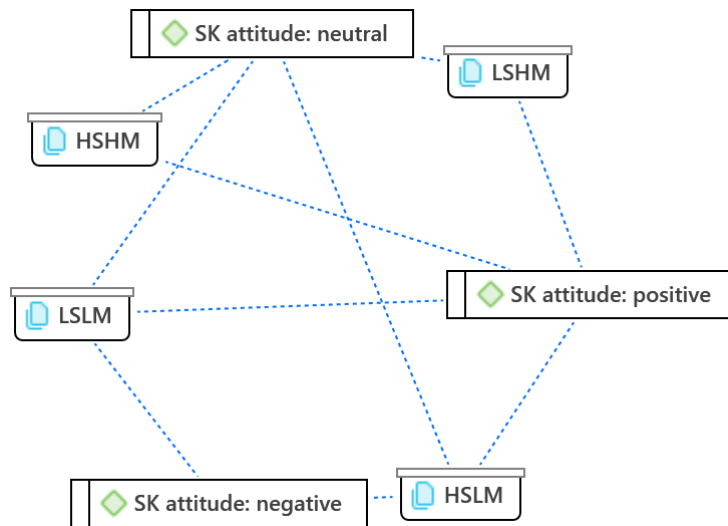


Figure 6: Attitude of knowledge sharing reasons by DOI group, own illustration

Another theme that seemed to reoccur continuously was, that participants said to only share knowledge with caution and being afraid what other entities were doing with their knowledge. When rereading these statements and in some cases contrasting them with the drawings the participants made during the interview. It came to my realization that the low initial trust, some participants displayed towards entities inhibited them from sharing knowledge. So, the third theme identified during the analysis is low levels of trust and the participant's relationship with other entities.

#### 4.7 Quality Criteria

To ensure the quality of information gained during data collection of this case study, the participants were anonymized. As managers in senior positions tend to speak on behalf of their company (Welch et al., 2002) I specifically stated that this master thesis is concerned with the personal interpretation of the participants. Additionally, I tried to profit of the fact, that I could be considered as being emic in the company, and therefore get a more thorough insight into the organization (Dyer & Wilkins, 1991). As this case study follows an interpretivist approach the generalizability of the results and the sample was not an objective. Here finding out the individual's motivation and view of the phenomena was at heart, so their statements and descriptions were judged to also be their truth (Rynes & Gephart, 2004).

## 4.8 Ethical Considerations

As this master thesis examines closely the happenings in an organization and between organizational members, it makes use of sensitive data. To ensure, that this information is not used against its purpose the participants as well as their departments and the whole company are anonymized. To also confirm their anonymity for the participants they received a copy of a handout which explained the use of their data and also gave them contact data to request transcripts of their interviews or receive further information of their data usage. The detailed information about usage of data was necessary to make sure that all participants could understand that their data was handled responsibly, and they could trust the interview process.

## 5 Findings

In this chapter the data retrieved from the research process is presented. At first the results of the data analysis are shown. Here statements of the interviews as well as information from the observation and the company's website are used. The second part of the chapter will give an answer to the research question and put the findings into relation with the theory. It is important to refer back to theory, because this practice will then allow to get new insights into the theories (Doz, 2011).

As displayed in the data analysis section during the analysis the participants could be sorted into four different groups according to their organizational identification; namely HSHM (high subsidiary & high MNE) identification, HSLM (high subsidiary & low MNE) identification, LSHM (low subsidiary & high MNE) identification and LSLM (low subsidiary & low MNE) identification. The findings of this case study will also be presented according to the identification groups to give a systematic insight into the findings. The four groups' peculiarities concerning their willingness and motivation to share knowledge will be presented in three ways. How the participants seemed to **trust** and see their relationship with other MNE entities, how they perceived their **knowledge sharing environment** and what **reasons** they had to have a negative or positive **knowledge sharing attitude**.

### 5.1 HSHM

The **HSHM group** presented a **trusting and positive attitude** towards other units of the company. The split up of the Austrian-Swiss merger did not break up their bonds to their

international partners. One Austrian participant described their relationship with the Swiss business unit after the Austrian-Swiss merger split up as the following:

*"And it did not change with the Alpine split up now. Okay. We are still in loose contact and even like after our meeting now, I do have a call with a new Swiss colleague, who's driving the business [with partner XY] there. So, we are in exchange." 27:12 ¶ 49 in Interview2.3.23.m4a*

The participant does not feel, that much has changed, even though the formal organizational structure has changed completely. Interviewees in the DOI group HSHM had a general positive attitude towards the Austrian-Swiss merger, and this did not change, even after the split up. This positive stance towards the DACH region can also be seen in the following statement. Of a subsidiary manager, who was asked about their relationship with the other entities of the DACH region and the headquarter.

*"Um, I think we're good. Again, we just had a good year. We won a couple of prizes. We are seen, we have the luck to be part of the DACH region. So, we are quite in focus. It, of course, it helps a lot to be German speaking when it comes to that. It makes things easier. I think they're quite happy." 27:30 ¶ 131 in Interview2.3.23.m4a*

The participant is content with being in close contact to the German headquarter and even thinks they are lucky to be part of this more exclusive group. The participant does not want to hide in local affairs, but likes being seen by the international counterparts. In the last sentence of the statement, the interviewee states they think, that also the headquarter is content with the local subsidiary. These feelings of mutual trust and being valued in the group were also formulated directly with regard to knowledge sharing. One interviewee stated that they do not see any differences, on how or to what extent the fellow DACH region entities shared their knowledge.

*"I don't see major differences. I just think if I see minor differences, but I don't think so. I think it's really more where you can see there are cultural differences, but it's not how, or if they want to share knowledge or also how they share. So, it's more in the style of communication." 31:18 ¶ 57 in Interview14.02.23.m4a*

Participants in the HSHM group were content being in exchange with other entities of the DACH region and did not see any major problems or differences in communicating with the other units. They did not have concerns of sharing knowledge with these other company units beforehand.

Participants in the high subsidiary and high MNE identification group had a **general positive attitude towards the knowledge sharing environment** they worked with. This incorporates the tools and the culture of the company. The interviewees see that not everything in the company is perfect and that there are opportunities to make the knowledge sharing process smoother. They even have concrete ideas on how to use the full potential of the company and really help them and their international counterparts share their knowledge in the best way possible. One participant stated that sometimes the motivation to engage in longer exchange of best practices is missing, they suggest to make company objectives that encourage sharing of best practices.

*"And if we would have a target with knowledge sharing or working and collaboration would be part of it, then the motivation would be different. So, I think it's done there, where people really have advantage out of it. And in XY and XYZ this is the case. They really need the knowledge of the other countries. And where this is not the case, the motivation is not that high, but it could be immediately started, when you tell the people where the advantage is."*  
33:21 ¶ 93 in Interview10.03.23.m4a

The participant says that the general state of the knowledge sharing culture and tools is good, so by just improving the people's motivation, by incentivizing the knowledge sharing behavior, the company wide sharing of best practices could be started. The interviewee also names a positive example, in the departments of XY and XYZ, this is already done.

Another participant has an idea for a regular exchange between the units in their department, which would help to further increase the sharing of best practices.

*"It would be really nice to have a platform where those people meet. And it does not necessarily need to be like the ABC manager. Maybe in Spain there is a person in sales who's taking the lead for ABC or so, but bring those people together and learn from each other and maybe create some kind of either platform or, Jour Fixe or some room for, um, collaboration."* 27:35 ¶ 41 in Interview2.3.23.m4a

So, this participant is willing to bring in their own ideas to help improving the knowledge sharing environment and structure within the organization. However, they did not take matters in their own hand. Similarly, to the participant above, who has located a problem in the knowledge sharing behavior and thinks there is a quick fix for it, but does not take action to bring this forward.

Nevertheless, that not everything is ideal and there might be room for improvement, another participant of the HSHM group, describes the positive structures of the knowledge sharing environment of Tingcons. They are especially content with the regular meetings and communities, that are introduced by the headquarter. Here the experience of this exchange is described.

*"Yeah. We have also a community where we meet. Yeah. This is really, between the head of YZ, so that will be Germany and in this case for Austria and Switzerland, it's me. We do actually work broader, but I know you're interested in DACH. But this is where we also share on, how do we work with sourcing advisors. Yeah. For example, what are the experiences? Yeah. What could be improved or also what is not working. Yeah. So, we do try really to exchange our experiences here as well." 31:12 ¶ 41 in Interview14.02.23.m4a*

The participant is content with the meetings and the outcomes of this knowledge sharing community and is also ready to participate in it.

Participants of the HSHM group had a general **positive or mixed positive and neutral** stance towards **organization wide knowledge sharing**. However, the positive statements overpowered the neutral ones. Their reasons to engage in knowledge sharing were diverse, but getting yourself in a competitive position and leading through a knowledge advantage were reoccurring themes. The participant below describes that you need more than one intelligent person to put your organization in a competitive position.

*"Getting competitive, getting the best out of it. So, so if you really want to be leading, you have to put a lot of brain together." 33:13 ¶ 67 in Interview10.03.23.m4a*

So, the participant recognizes, that they can profit of group knowledge and wants to make use of the MNE by putting all the knowledge together. Doing knowledge sharing for their own profit is one of the more self-centered reasons. Additionally, the participants stated, that they engage in knowledge sharing because of reciprocal relations with other units, to reduce overall resource usage, or because their skills and knowledge are valued through the sharing. This is described in the statement below, in which the interviewee describes their personal attitude towards knowledge sharing.

*"I think very open minded. Yeah. I believe because if you recognize that it's on a level of partnership, yeah. Without pressure. And also, it's a taking and giving. So, it's like sometimes you are very thankful because you received something, but on the other hand, you feel also actually very valued. You have others appreciate the knowledge you're sharing. So, I would*

*say my mindset is very strong and open-minded in this way." 31:17 ¶ 53 in Interview14.02.23.m4a*

The reciprocal relations and the feeling valued through sharing knowledge are more community-based reasons for sharing and less centered around the personal benefit. So, in the group of HSHM identification the participants had diverse reasons to engage in knowledge sharing, they varied from being centered on the personal benefit to more altruistic reasons centered on the company benefit. However, they did not display any motivations to refrain completely from knowledge sharing.

## 5.2 HSLM

In the second part of the chapter, I will present the findings in the category of participants with **high subsidiary and low MNE identification**. The participants in this group displayed some caution, when it comes to knowledge sharing. Their **level of initial trust** created by the fact, that they are all part of the Tingcons organization was **rather low**. When they described, how they usually dealt with questions from colleagues coming from other entities of the company, they were hesitating.

*"Well, the first thing I have to find out, who is this guy and why he wants to know that." 13:19 ¶ 166 in Interview13.01.2023.m4a*

Here the participant states, that the sole fact, that this is a colleague from the same organization is not enough to establish a feeling of mutual trust. The participants seemed to first **share their knowledge with caution** or postpone the point of sharing knowledge. They also felt to not share all their current issues with the headquarter.

*"And of course, there are also things that we do not share immediately with the central organizations or with others. And that's, about our pipelines and our forecasts. But this forecasting is very much about achieving your targets, but you will not tell what's going wrong and what's not going wrong because, you always try to stick to your forecast. And, if a project slips to the next quarter, to the next year, then you better find another thing that you can forecast for this quarter, and then share the information and not share the bad news before." 29:23 ¶ 109 – 110 in Interview12.01.2023.m4a*

The participant seems to be afraid of punishment of the central organization (the headquarter) and to not expect any help, if something does not go as planned. Therefore, the participant does not even share unplanned mis happenings or problems. The participant rather hides their

problems and current status in projects and tries to resolve problems by themselves. The participants of the HSLM group displayed low levels of initial trust towards other entities and where cautious before sharing information with the headquarter or other entities, they asked themselves “why others would need that information?”; “where are the others from”; “or might this knowledge be used against me and my team?”. Even when asked specifically about their Austrian-Swiss counterpart, they talked in a neutral way about them, not in a positive or trusting manner. Contrary to the HSHM group, they found, that the relationship and the responsibilities towards each other have changed due to the split up of the merger.

In the HSLM group the participants are **not satisfied** with the **knowledge sharing environment** in their organization and have many points of critic. Some of the participants have very specific points of critic. Like this interviewee, who is not satisfied with the software applications and platforms, that they should use to make their knowledge available organization wide.

*"We do have a lot of sources in the group. That means you know, platform 1, that means platform 2, a lot of tools, maybe too much, too many, so that it is somewhat difficult to find the right things, which are useful." 25:13 ¶ 40 in Interview17.01.23.m4a*

The participant is not sure on which platforms to search for what information, which makes the many tools not useful anymore. Another participant also criticizes the knowledge sharing environment in claiming, that the company wide incentives are not fitting for international collaboration, when asked what the reason is, why they think knowledge sharing in the organization is not working.

*"And, that [the goal system] is one thing where the knowledge sharing really stops Yeah. And there is a break within the whole system. That's really one example...for that" 11:43 ¶ 74 – 75 in Interview09.02.2023.m4a*

So, the participants were able to locate specific problems, that the knowledge sharing environment had. However, they were not all very positive, that these problems could be fixed easily. Like in the statement above, where the participant states that this is a break within the whole system. Another interviewee goes even further and explains, that they do not feel, that there are any functioning structures or tools implemented to help with international knowledge sharing.

*"I am, that could be, but I'm not aware of any [structures] that they [the MNE, headquarter] support, what I would need, or understand is knowledge sharing." 13:13 ¶ 104 in Interview13.01.2023.m4a*

Here the participant does not feel that they have been given the environment to participate in international knowledge sharing. This participant also does not have specific ideas on how to improve their situation. This statement was a rather negative example. However, the overall impression of these participants was, that the knowledge sharing environment is insufficient, may it be the tools, or unsuitable objectives, or no-time to engage with other entities. The participants did not necessarily combat these problems themselves, but stated that, through exceling in their own teams or departments, other units of the organization might become aware of their skills and then actively try to exchange information with them. Other unit's managers should be the active part in exchanging knowledge throughout the company, as they **feel not equipped to overcome obstacles** in the knowledge sharing process themselves.

In the HSLM identification group the **attitude towards knowledge sharing was mixed**. As some statements towards knowledge sharing were negative, some positive and some neutral. The positive reasons were similar to the ones in the HSHM group. The participants valued reciprocal relations, as in the statement below.

*"On the other hand, I benefit from, other guys in other entities, who are just willing to share their experience in some aspects. So it's, you know, it's a give and a take and I think, it's such community calls are quite also important just to, yeah, to enable this exchange without, you know, having too much internal effort." 25:42 ¶ 56 in Interview17.01.23.m4a*

With this give-and-take relations the participants acknowledge the social part of the knowledge sharing process, but also the potential benefits for their own team or themselves, as they will receive useful information. The neutral statements did not convey any real motivation to engage in knowledge sharing behavior, it is just something, that is done, because management states to do so. In this group of participants, also negative statements, or motivations to not engage in knowledge sharing surfaced. The participants hesitate to engage in knowledge sharing activities, because they are afraid it will be to work intensive and lead to even more tasks.

*"So that's the first factor and every step I take outwards Yeah. And make more means I have even more problems on my desk. Um, and that really hinders, I think a lot of people in this organization. As a responsible for even a small organization, and I don't think that there's*



*really a difference. Yeah. Um, it's in the end really a goal topic" 11:33 ¶ 74 in Interview09.02.2023.m4a*

In the first part of the statement, the participant explains, that exchanging knowledge and approaching other units, creates even more tasks and problems, which hinders the manager to engage in such a behavior. In the second part, the interviewee mentions “the goal topic”. Here the manager makes a reference to an earlier statement, where they stated, that there would be more knowledge sharing, if the company would make goals for the managers to do so. So, the participant states, that at the moment, they are not willing to engage in knowledge sharing behavior, but with the right organizational changes, they might. Another participant mentions the fear of sharing too much, when engaging in international knowledge sharing.

*"Yes. You have to put yourself in a safe position and regarding this commercial information sharing you will act on a need-to-know basis Okay. Regarding international, regarding others, regarding projects and so on. That, that it's much more how organizations work. From my point of view." 29:24 ¶ 116 in Interview12.01.2023.m4a*

Here the interviewee mentions a “safe position”, this position is maintained by keeping some knowledge and information for themselves. Even in regard to projects, the participant feels, that **keeping know-how for themselves** will be safer, less dangerous. So, the motivations to engage or not engage in knowledge sharing activities are very diverse, on the one hand the HSLM group value reciprocal relationships and the knowledge gained through these exchanges. On the other side they do not want to or have the capacity for extra work occurring in the process and are skeptical, if given information may be used against them. Even though they recognize that knowledge sharing has advantages for the organization, they do not want to put in extra effort or take the risk of potential repercussions from sharing for example mis happenings in projects.

### 5.3 LSHM

In the low subsidiary and high MNE identification group, the participants exhibited low levels of skepticism and the participants did not need further reassuring before sharing with colleagues from other entities, they **trusted the other entities**. Also, the DACH region is seen as a **strong unifying** construct, here especially the Austrian-Swiss merger is presented as something, that brought the two units in Austria and Switzerland closer together and whose influence is still present after the termination of the merger. One participant describes the current relationship of the two subsidiaries as follows:

*"What I would say is that, the entities Austria, Switzerland in terms of concepts and working together, and also having had the Alpine joint venture in the past, they work quite similarly"*  
18:3 ¶ 29 in Interview20.03.23.m4a

The participants in the LSHM group emphasized the similarities between the units and how collaborations like the Austrian-Swiss merger have helped bring the subsidiaries closer together. An interviewee also stated, that the DACH region makes it easy to work in an international manner, as the similarities between the countries are so strong. The participants in the LSHM group do not see potential harm coming from sharing knowledge with their international counterparts and did not need any screening before sharing best practices or current status of projects with them.

In the low subsidiary and high MNE identification group the participants highlighted, how the **knowledge sharing environment is changing for the better**. And they also emphasize their own active role in doing so. This participant describes what motivates them and their colleagues to engage in active sourcing and sharing of knowledge on some company platforms.

*"Yeah. Well, getting help, that's the first thing, but on the other hand, it's also culture slash DNA change. As I mentioned, we come from a weak, from a weak collaboration culture, and that is changing. Well, I'm, I'm basically one of the individuals really willing and pushing the change. The advantage for an individual is massive."* 18:15 ¶ 56 in Interview20.03.23.m4a

The participant highlights, that the **environment is improving**, and the whole culture and environment of knowledge sharing is progressing. Additionally, they highlight how they, themselves really try to push for this positive development. Another interviewee of the LSHM identification group also mentioned, how they try to improve sharing of best practices internationally in their section.

*"Um, we're now trying to get an account manager community and come together for all the account managers who are in charge of XYZ business. So, for customer CH, GER, AUS. We have a new SVP [Senior Vice President] for XYZ, um, where I said, look, would be good to have something like every six months of face-to-face meeting with all the account managers to discuss our issues."* 2:23 ¶ 86 in Interview01.02.23.m4a

The interviewee explains their intentions to create an international community of all the managers, where they can share their knowledge. The participant is active and contacts their superior to explain their ideas for improving the knowledge sharing environment. So, here the

managers were hopeful and tended to find solutions to the knowledge sharing environment problems and were actively implementing these solutions.

In the low subsidiary and high MNE identification group, the participants made only **positive and neutral associations** with knowledge sharing. The participants see an open and positive knowledge sharing attitude as a modern worldview, they want to be part of. One of their main motivations is to reduce company's resource usage. This is also described in the statement below, where the participant describes the advantages of sharing mis happenings with other colleagues.

*"So, every mistake is also a chance to not make the mistake again, look at the bid management community we lost because...please, um, um, if you have a similar tender, be aware to not waste company money and then do the same mistake again." 2:38 ¶ 149 in Interview01.02.23.m4a*

The whole company should not make the same mistake twice, therefore the participant is ready to also share their own problems and difficulties, so other organizational units do not make the same mistakes again. Another participant shares knowledge, because they deem their knowledge interesting for others.

*"If I learn something and I think this is interesting for public, then I share and on my end, this is a constant motivation going on. Uh, if I learn something, and I think it's from importance for my, my current team I'm working with to win a deal, then I share with, in the team, if I think this is something important for the community, I will share with the community." 18:35 ¶ 76 in Interview20.03.23.m4a*

Here the interviewee emphasizes, that they share their knowledge and best practices not only with their team or current project partners, but also with their community. Here community is a reference to companywide users of a tool, that is used in the interviewees department, that functions like a blackboard for knowledge sharing and helping each other. The interviewee seems to be **motivated by the usefulness of their knowledge for others**.

## 5.4 LSLM

In the low subsidiary and low MNE identification group the participants shared their knowledge **cautiously**. They experienced **low levels of initial trust** with their international counterparts and were afraid, that their knowledge might be used against them. One

participant shared the following questions, they ask themselves before sharing their best practices with colleagues from other subsidiaries.

*"Will I share my secret recipe and my, yeah. All the insights or will I just stay on the surface and get a, just a rough overview?" 9:15 ¶ 69 in Interview03.02.23\_02.m4a*

The participant is afraid, that others might use their knowledge and not credit the original knowledge creator, or even use the knowledge against them. However, the participants had less concerns, when the knowledge sharing counterpart is someone from their personal network or someone they have worked with before. So, the needed trust for successful knowledge sharing could be established through personal contact, nevertheless the initial trust based on the organizational membership was low.

The managers were **not satisfied** with the overall **knowledge sharing environment** provided by the organization. However, they could not really locate where those problems originated, or how to fix them. Here the participant was asked about the structures and intentions of the organization to transfer best practices internationally.

*"No, I think it's not really supported from Tingcons to put that effort in." 9:25 ¶ 112 in Interview03.02.23\_02.m4a*

The participant seems unhappy with the structures and does not feel encouraged to invest in sharing knowledge internationally. They then describe a specific event, where the headquarter made the transfer of knowledge impossible for their subsidiary. They did not offer any solutions on how this organization wide problem could be improved. However, when functioning structures are implemented, the interviewees in the LSLM group use them and are content. In this example an interviewee is asked about a specific knowledge sharing project, they started.

*"Well, I think, I just shared a gap in my organization, hoping to find, uh, people that can help me solve some of the challenges internationally. So, I raised the question in the review where the, um, international colleagues [headquarter colleagues] usually ask. You need any help? And, um, then you need to raise your hand and say, yes, it would be great to get support for A, B and C." 6:16 ¶ 89 in Interview17.04.23.m4a*

The participant used the structures (review meeting) provided by the headquarter to ask for help and showed them a knowledge gap in their department. So, the LSLM participants are not content with the overall knowledge sharing environment provided for them and do not

feel motivated to improve this environment themselves. However, they do not hesitate to use well-developed structures when they exist.

The participants of the low subsidiary and low MNE identification group had a **mixture of positive, neutral and negative** statements towards **knowledge sharing**. They found the fact to learn from others interesting.

*"Would be interesting to learn more from them what others do or what they think works for in other markets." 6:26 ¶ 57 in Interview17.04.23.m4a*

So, the participant acknowledges, that the other units have potential useful knowledge for them and he might be able to learn from them, so using their skills to become better. However, participants in this group also struggle with obstacles to knowledge sharing, which decrease their motivation and make it less desirable to engage in knowledge sharing activities. Another participant brought up the topic, that knowledge sharing does not give them immediate benefits.

*"In my experience, there is no motivation that a solution which is developed in, in one of the countries then is transferred to a different entity or to headquarters. So, it's that, yes, of course people will be thankful and, but again, what, what is in for me? I mean, it's just why should I sell that? Why, should I make that effort and, and to market it around the world?" 9:42 ¶ 121 – 122 in Interview03.02.23\_02.m4a*

They address, that others might be thankful for their help, but this is not enough for them to engage in lengthy best practice transfers. So, the participant cannot see enough personal benefit to really make that effort and engage in knowledge sharing.

## 5.5 Discussion

The findings of this master thesis show how different levels of dual organizational identification influence knowledge sharing in MNEs. Nevertheless, the outcomes should be viewed with caution as several limitations apply to this case study. These consequences and limitations are discussed at the end of this chapter. Additionally, recommendations for future research are presented.

The data of the case study suggests three ways in which dual organizational identification influences knowledge sharing motivations of subsidiary managers; namely in the way they

deem their international counterparts **reliable and trustworthy** also before initial exchange; in the way they **perceive their knowledge sharing environment** and change it and, in their **reasons, to engage in knowledge sharing activities**. That organizational identification has an impact on knowledge sharing within firms is already established. Already Ghoshal and Bartlett (1995) link a part of organizational identification, shared organizational values, to successful knowledge sharing between subgroups in the organization. To continue in that direction Michailova and Minbaeva (2012) describe, that not an organization theoretically promoting values, but the internalization of said organizational values is what supports knowledge sharing in organizations. And they simultaneously describe the problem, that subgroups and organizational separation within bigger MNEs are obstacles for knowledge sharing. Also, dual organizational identification, as a form of organizational identification has an impact on manager's willingness to perform certain tasks mediating between organizational units. In particular, insofar that managers with high identification of the subsidiary and the MNE score higher in roles requiring communication between organizational units and that identification with both units facilitates knowledge sharing (Vora & Kostova, 2007). Coming from this standpoint this master thesis aims to dig deeper into the way forms of dual organizational identification influences the manager's motivation to engage in knowledge sharing, that is beyond the simple positive or negative influence.

During the analysis I found that the greater variation between the four DOI groups established in the previous sections stemmed from the variations in their MNE identification. This means if they have a high or low MNE identification. Therefore, the next chapter will be firstly divided by MNE identification and then within this section the peculiarities of each of the four groups will be presented.

### 5.5.1 HSHM and LSHM

Managers with high levels of MNE identification did not mention skepticism when talking about sharing information with other entities. But they explained their shared values and positive relations. The higher level of trust was especially salient, when Swiss or Austrian managers with high MNE identification talked about their respective counterparts. As they did not feel their relationships or connections changed, even though the Austrian-Swiss merger was recently discontinued. The end of the Austrian-Swiss subgroup did not change their identification with the MNE. Contrary to managers with low MNE identification they mentioned **being content with getting more attention from the headquarter** and being able to engage more with them. They were not afraid that potential harm would be the outcome of

exchange with other entities and seemed to trust them. That trust is important for successful knowledge sharing is also suggested by various authors, Nonaka (1994) describes, that high levels of trust help organizations create an environment for successful knowledge sharing. Several authors described trust as an important factor in international knowledge sharing processes (Raab et al., 2014; Weber & Maurer, 2023).

Participants also varied in their way, they interacted and perceived their environment in terms of knowledge sharing. Managers with a high MNE identification were happier with the structures and tools provided by the organization, while managers with low MNE identification were less satisfied. Nevertheless, that there is a generally positive tone with managers with high MNE identification, they still had some points for improvement or were not fully satisfied with the structures provided. They sometimes had very specific ideas for improvement and hoped for them to be implemented in the future. Managers in **the high subsidiary and high MNE** identification group had concrete projects in mind, when asked about how they would like the company to structure or improve the knowledge sharing environment. They see a rather prospecting future for knowledge sharing and collaboration within the company. Managers with **low subsidiary and high MNE identification** also perceived their knowledge sharing environment as rather positive or full of potential, waiting to be used. That managers with high MNE identification perceive their knowledge sharing environment in a more positive manner could also be explained by their greater familiarity with the MNE. As knowledge sharing with organizationally distant entities is an action with unpredictable outcomes, it can feel threatening for managers. However, when managers experience belongingness through their identification with the MNE this may reduce the uncertainty. Dasí et al. (2017) argue that organizational identification with an entity gives the individual control and security, so that they perceive the structures, in which knowledge sharing takes place, as less unsafe and uncertain. Furthermore, when identification with a part of the organization is high, managers are supposed to better understand the goals and interpretations of this part of the organization, and should be more qualified to use the implemented structures (Smale et al., 2015), which might lead to a general more positive attitude towards companywide knowledge sharing processes, as their functions and reasoning behind are better understood by managers with high MNE identification. Additionally, the managers in the low subsidiary and high MNE identification group seemed eager to talk about the actions they took or plan to take to improve knowledge sharing in the company. They talked proudly about the positive impacts these projects will have and seemed to happily take on a role of an intermediary or connector between different organizational entities. In the

HSHM group the managers were less eager to implement new structures themselves, even though they had ideas, how to improve the knowledge sharing.

The next paragraph is dedicated to the underlying reasons for managers to engage or refrain from knowledge sharing. Some reasons and themes occurred across groups. One frequently occurring theme was the reciprocal relationship of giving and receiving knowledge across organizational entities. This seemed to be a major reason for managers to engage in knowledge sharing. Which is not surprising, as knowledge sharing often occurs in reciprocal exchanges (Perri & Andersson, 2014). As reciprocity as reason to engage in knowledge sharing occurred in almost all interviews and no clear direction how and if this is influenced by dual organizational identification is noticeable, this chapter will focus on the explanations deviating from sole reciprocal motivation.

Managers with high MNE identity were rather positive about sharing their knowledge with the whole organization. They found knowledge of other entities useful and greatly respected their know-how. This recognition is only possible if they do not perceive the other entities as inferior. A corresponding statement can be found in the group of high subsidiary and high MNE identification. Here a manager states that many intelligent people are needed to get the company into a competitive situation, therefore the manager wants to engage in knowledge sharing. So, by recognizing the worth of the other entities' knowledge, managers are more likely to engage in knowledge sharing and identification with multiple entities can be beneficial to achieve this. Ma et al. (2022) suggest, that managers with MNE identification even favor knowledge originating from other MNE entities, as they deem the heterogeneous knowledge more interesting than local knowledge.

Another point, suggested by the data was managers who are **motivated** by the process of sharing knowledge and **helping others**. In the low subsidiary and high MNE identification group, managers said, that preventing others to not make the same mistakes is motivating to share knowledge. Another manager in the same group also states, that the usefulness of their knowledge for others is what motivates them to share knowledge. This behavior can be interpreted as altruistic. As knowledge sharing is time intensive and the managers do it, not primarily to benefit themselves, but to support others.



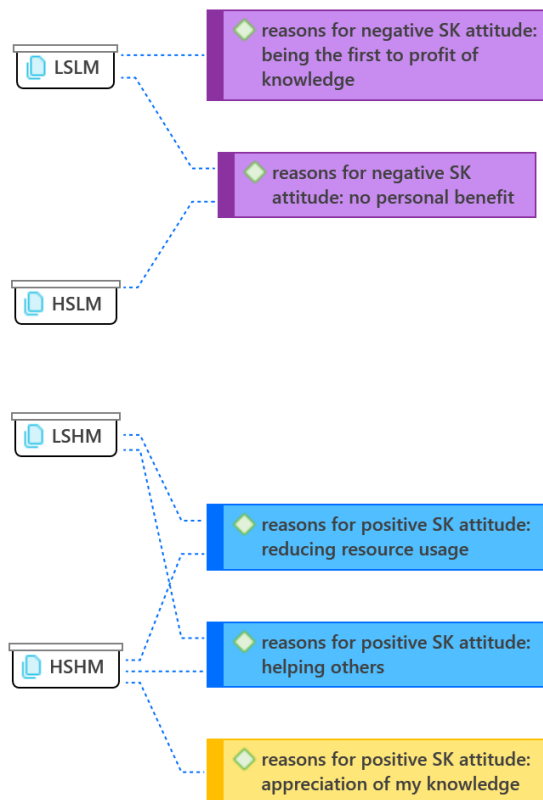


Figure 7 selection of reasons for knowledge sharing behavior, own illustration

In the figure above, some reasons for knowledge sharing are given, while the blue boxes show reasons that can be seen as altruistic reasons the violet ones can be seen as the opposite. The altruistic reasons were found in managers with high MNE identification. That this altruistic motivation to share knowledge might stem from their high level of identification with the overall MNE is in line with various authors of social identity theory. Ashforth and Mael (1989) as well as Turner (1975) describe how identification with a group fosters enhanced cooperation and altruistic behaviors for the greater good of group members. However, altruistic reasons to share knowledge were not as present in the high subsidiary and high MNE group as in the low subsidiary and high MNE group, maybe the identification with the subsidiary gave room for other motivations to also engage in knowledge sharing, or it was a personal matter, that managers in the low subsidiary and high MNE identification group had a disposition for altruistic behavior.

### 5.5.2 HSLM and LSLM

Managers with a low MNE identification, regardless of their subsidiary identity displayed low levels of initial trust towards their international counterparts. They did so in various ways, however a reoccurring theme was doubting if the shared knowledge would benefit them later or might even harm them. Especially, sharing own shortcomings or failures was seen as

critical. They also displayed unease to inform the headquarter of problems. Furthermore, they shared their knowledge with extra caution, so before answering questions or giving a colleague from another entity access to their knowledge, they said “to check” them beforehand. These behaviors suggest that they do not trust their international counterparts, as they feel, not being able to rely on help and support of the other entities. This influenced their knowledge sharing in various ways, the main point is the delay of information sharing. First because checking if another colleague should have the knowledge by asking other colleagues for information about them is time intensive and second because they also suggested to purposefully delay sharing detailed knowledge. One reason for postponing the knowledge sharing process, was to avoid headquarters knowing about potential problems or mis happenings and having more time to resolve the issues themselves, another reason was being a first mover and implementer of a best practice and others not copying the best practice. So, **low levels of trust towards the headquarter** as well as towards other entities hindered managers to share their knowledge. To relate this back to the knowledge sharing process, the factor trust is displayed influencing before the actual transfer takes place. As managers with low levels of trust stated, that they need to perform additional checks or delay the process of knowledge sharing, because the membership in the MNE was not enough to establish initial trust to share their knowledge without hesitation. That low levels of trust are linked to identification matters is also a well-established relationship, as individuals deem people of the same group more trustworthy (George & Chattopadhyay, 2005; Najafi-Tavani et al., 2018). Ma et al. (2022) predict similar behavior, to what was seen here, in their work , as they describe that managers with a more subsidiary oriented DOI would be prone to see colleagues of other entities as rivals, which is in line with the statements presented in the findings section of the **high subsidiary and low MNE section**. So, the data of this case study suggests that managers, who do not identify themselves with the MNE as a whole have low levels of initial trust towards other entities which is an obstacle for inter organizational knowledge sharing.

They also varied in terms of how they perceived their knowledge sharing environment. Managers with low MNE identification had a rather **negative impression of** the opportunities **their environment** offered for intraorganizational knowledge sharing. Especially in the group of managers with **high subsidiary and low MNE** identification some managers made statements about being overwhelmed with the tool structure provided for sharing knowledge, having no time or resources to engage in interorganizational dialogue or feeling that there is no structure or support from the organization to engage in knowledge sharing at all. For the managers with **low subsidiary and low MNE** identification the perceptions of the knowledge

sharing environment were rather mixed, as there were neutral and negative attitudes towards the current structures. Additionally, the data suggests, that also the way of dealing with their environment varied between the different groups. While managers with a more positive perception also felt more called to improve the knowledge sharing environment further, some with more negative perceptions seemed to have accepted, that the bad structures exist and did not show any intentions or willingness to change that. This was also, because these managers with low MNE identification seem to not being able to identify, what was the reason for knowledge sharing obstacles or were not hopeful to overcome these. These results are to a great extent in line with Vora et al.(2007), who found that it needs high levels of subsidiary and MNE identification to help with role fulfillment in roles, that require intensive communication between entities. However, they suggest that also identification with only one entity is beneficial, which is contradicting with the statements of managers with high subsidiary and low MNE identification in this case study. As they expressed problems with their knowledge sharing environment and were not able to overcome or erase these obstacles. These differences might also be a product of the diverging methods used, as Vora et al.(Vora et al., 2007) had a quantitative study, where participants had less possibilities of expressing their underlying perceptions. Also, in this case study some managers did not express their negative perceptions right away, but in a later stage of the interview. As they got more accustomed to the topic and the interview process, they started to open up more, so participants of a quantitative study might not have had time to think about it as long.

The third theme I identified are the variations in the attitudes and reasons to share knowledge. Reasons to not engage in interorganizational knowledge sharing were only given by managers with low MNE identity, as others only made neutral or positive statements about engaging in knowledge sharing behavior. One manager in the **high subsidiary and low MNE** identification group stated, how time intensive knowledge sharing is, and if the organization does not implement another incentive system, incentivizing this behavior, it will be too much work. When looking at this statement and contrasting it to the fact that, the manager in general thinks, that knowledge is positive (as they stated earlier in the interview) and still needs further encouragement to engage in knowledge sharing processes, other than reciprocal sharing with other entities, it indicates, that the potential received knowledge is not incentive enough. This is an interpretation also based on the logic, that the manager might find other organizational entities inferior and does not judge their knowledge to be useful. Perceiving outgroups as inferior and recognizing the successes of the own group more willingly is explained by the in-group bias in social identity theory (Tajfel et al., 2004). So, assuming, that

identification with only the own entity would lead to not recognizing beneficial knowledge outside of the own entity and thus hinders managers to engage in knowledge sharing is in line with social identity theory. Another manager in the **LSLM group**, stated that they think, their international counterparts being thankful for their knowledge is not enough motivations to share knowledge. So here the participant admits that it might be useful for other entities, but still they choose not to engage in such knowledge transfers, as they see no personal benefits. It also implies that they do not think that they might get useful knowledge in return or are not interested in achieving better results in their workplace. These findings are in line with other research, that found that strong organizational identification leads to higher role fulfillment and employee involvement (Ashforth et al., 2008).

## 6 Conclusion

### 6.1 Summary

This master thesis' objective was to describe how dual organizational identification influences manager's motivation to share their knowledge. This was done by conducting a case study in an MNE in the DACH region, which involved 15 anonymous interviews. The data suggests that dual organizational identification influences knowledge sharing in various ways.

Identification with the MNE increases managers willingness to share knowledge and low levels of identification with the own entity and the MNE harm managers motivation to engage in knowledge sharing. This influence was seen in three ways, as DOI impacted

- the way managers trusted other entities and colleagues from other entities
- the way managers perceived and interacted with their knowledge sharing environment
- the manager's reasons for their knowledge sharing behavior

Even though the managers had very heterogeneous opinions and perceptions managers with a more global identification were more motivated to share their knowledge, as they were more trusting towards their international peers, saw more opportunities in their environment to share knowledge and interact with it and had intrinsic reasons to engage in knowledge sharing. However, the differences between managers with high subsidiary and high MNE identity and low subsidiary and high MNE identity, seemed to be less noteworthy than their similarities. The biggest difference was seen between managers with high MNE identity and managers who scored low on both subsidiary and MNE identity, as they were generally less

motivated and engaged in less knowledge sharing. Managers with high subsidiary and low MNE identification also seemed to be rather negatively influenced by their DOI. However, they seemed to be ready to engage in knowledge sharing, if their local organization would benefit, and were willingly receiving other units' knowledge, but were not motivated to engage in time intensive sharing or change their knowledge sharing environments.

So, for MNEs that plan to increase their interorganizational knowledge sharing, improving the points known to give rise to company identification (see chapter 3.2.2 for more information ) seems to be useful. Especially since in this study the positive effect of high MNE identification was seen regardless of the level of subsidiary identification.

## 6.2 Contribution to Theory

This master thesis aims to show the link between dual organizational identification and knowledge sharing in MNEs. It intends to contribute to understanding and managing the MNE in light of the knowledge-based view and social identity theory. It brings a phenomenon of social identity theory, a theory originating in the field of social psychology, to the international business context. This thesis intends to further our understanding of the embeddedness of individual mechanisms, like DOI, and their consequences in and for the organization. Consequences of phenomena occurring at the individual level are under researched in the international business area and therefore the mechanisms uncovered by this master thesis help providing clarity. In this case study the influence of DOI on managers' interactions in the MNE were seen. Secondly, this thesis adds to the literature on organizational identification and its consequences (Reade, 2003; Richter et al., 2006) and answers a call by Vora et al. (2021) to look more closely at these consequences. It does this by showing how DOI influences managers motivations to engage in interorganizational communication. While simultaneously confirming, that strong organizational identification has a positive impact on manager's willingness to communicate and share knowledge with colleagues from other organizational entities (Richter et al., 2006). Additionally, this thesis contributes to the knowledge-based view by proposing another way of creating an environment which is advantageous for knowledge sharing. So additionally to .creating a common knowledge base (Kogut & Zander, 1996; K. L. Turner & Makhija, 2006), inducing creative chaos (Nonaka, 1994; Tippmann et al., 2012) it might be interesting for MNEs to look into their manager's organizational identification. For scholars it might be very interesting how DOI and these other factors, which contribute to a better knowledge sharing environment complement or balance each other out. Furthermore, this case study contributes

to the IB literature in proposing these three ways in which organizational identification can influence manager's willingness to engage in knowledge sharing, namely the different ways of trusting international colleagues, their ways of perceiving opportunities in their knowledge sharing environment and their various reasons for their knowledge sharing behaviors. These are in no way exclusive or generalizable to all contexts but offer a starting point to find out more about individuals reasoning to contribute to organizational knowledge flows. Which several authors called for recently (Castellani et al., 2022; Foss & Pedersen, 2019; Meyer et al., 2020).

### 6.3 Managerial contribution

Managing knowledge flows in the MNE is an important task for organizations. Thus, this master thesis is an example of underlying mechanisms on the individual level, that influence these knowledge flows. As this case study was done in a situation of disruption and change, with the Austrian-Swiss merger splitting up, this master thesis might be of interest for companies facing similar disruptive situations. Interestingly in this case study, not the identification with the subsidiary had the greatest impact on manager's motivations to share their knowledge but the main variation was between subsidiary managers identifying or not identifying with the whole MNE. The importance of the MNE identification and in what ways it can shape managers interactions and consequently knowledge flows in the MNE is the main take away of this master thesis. So, for MNEs wanting to extend their cross-country cooperation and sharing of knowledge it might be interesting to look at the MNE construct. If it is worthwhile for subsidiary managers to adopt a strong MNE identification and how the MNE needs to be presented for managers to adopt it into their personal identity.

### 6.4 Limitations and directions for future research

As this case study is a single case study, all limitations of this type of research apply, as it might be less generalizable to other contexts. However, as this case study is of qualitative and interpretative nature, the generalizability to all MNEs was never the objective. Furthermore, the interpretative character and the emic status of the researcher lead to high personal involvement, which needs to be considered, when looking at the results. Also, the cross-sectional character of the research should be addressed, when talking about the limitations of this master thesis. As the organizational changes due to the termination of the Austrian-Swiss merger, was very present in the managers daily life a follow-up interview, when a new normal is established would be interesting. As identification is supposed to be less salient in

situations of no identity threat. Another limitation of the study is the bias towards Austria, as the researcher was employed at the Austrian subsidiary, more Austrian, than Swiss or German managers had been interviewed, even though a diverse picture was the aim of the case study, this cannot be guaranteed. Also, because only a limited number of interviews were carried out, due to time restrictions and saturation of the environment of the participants. The three forms of influence dual organizational identification were found to have on manager's willingness to engage in knowledge sharing should not be treated as exclusive but as an additional deeper explanation to how identification influences managerial behavior, as well as a starting point to further our understanding of underlying mechanisms, that have an impact on knowledge sharing in organizations.

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### III. Appendix

#### Zusammenfassung

Ziel dieser Masterarbeit war es, zu beschreiben, wie dual organizational identification die Motivation von Manager\*innen ihr Wissen zu teilen, beeinflusst. Zu diesem Zweck wurde eine Fallstudie in einem multinationalen Unternehmen in der DACH-Region durchgeführt, die 15 Interviews umfasste. Die Daten deuten darauf hin, dass dual organizational identification den Wissensaustausch auf verschiedene Weise beeinflusst. Die Identifikation mit dem multinationalen Unternehmen erhöht die Bereitschaft der Manager\*innen, Wissen zu teilen. Eine geringe Identifikation mit dem eigenen lokalen Unternehmen, sowie dem multinationalen Unternehmen schadet der Motivation der Manager\*innen, sich am Wissensaustausch zu beteiligen. Dieser Einfluss wurde in dreierlei Hinsicht festgestellt, daher DOI wirkt sich aus:

- auf die Art und Weise, in der Manager\*innen Kolleg\*innen aus anderen Unternehmensteilen vertrauen
- auf die Art und Weise, wie Manager\*innen ihr Umfeld für den Wissensaustausch wahrnehmen und mit ihm interagieren
- auf die Gründe der Manager\*innen für ihr Verhalten beim Wissensaustausch

Obwohl die Meinungen und Wahrnehmungen der Manager sehr heterogen waren, waren Manager\*innen mit einer stärkeren globalen Identifikation motivierter, ihr Wissen zu teilen, da sie mehr Vertrauen in ihre internationalen Kolleg\*innen hatten und mehr Möglichkeiten in ihrem Umfeld sahen. Sie hatten zudem mehr intrinsische Motivation ihr Wissen zu teilen und, sich am Wissensaustausch zu beteiligen. Der größte Unterschied wurde zwischen Manager\*innen mit hoher MNE-Identität und Manager\*innen, die sowohl bei der Tochtergesellschaft als auch bei der MNE-Identität niedrige Werte aufwiesen, festgestellt, da sie im Allgemeinen weniger motiviert waren und sich weniger am Wissensaustausch beteiligten. Manager mit einer hohen Identifikation mit dem Tochterunternehmen und einer niedrigen Identifikation mit dem multinationalen Unternehmen schienen auch von ihrer DOI eher negativ beeinflusst zu sein. Sie schienen jedoch bereit zu sein, sich am Wissensaustausch



zu beteiligen, wenn ihre lokale Organisation davon profitieren würde, und nahmen bereitwillig das Wissen anderer Einheiten entgegen, waren aber nicht motiviert, sich an einem zeitintensiven Austausch zu beteiligen oder ihr Umfeld für den Wissensaustausch zu verändern. MNEs die den unternehmensinternen Wissensaustausch fördern wollen, sollten daher auch für eine hohe Identifikation der Mitarbeiter\*innen mit dem Unternehmen sorgen.

## Interview Guideline

Topics	Questions			Literature and reasons
Ice- breakers	Introducing myself and what I study	Asking participant to quickly introduce themselves	Asking them when they joined the company	(BESHAROV, 2014)
Organizational identity				
Role conflict	Where do you see yourself in the organization? (Drawing of organigram)	Please describe your daily routine. Do you deal with tasks from the HQ? How does your role in the subsidiary differ from your role in the MNE?	Can you give me examples of international projects you have been working on? How often do you work with other parts of the MNE?	Finding out to what extent the participant is involved in international knowledge sharing.
Feelings towards entities (parts of the organization)	Can you draw an organigram of the organization?	Can you tell me about your subsidiary? What are the differences between your organization and local competitors?	How is your subsidiary treated by other subsidiaries/ the HQ?	(Colman et al., 2022) how does the participant engage in identity work

Sharing values with the organization	What values does an organization need? What are the values of this organization?		What is important to you in a workplace setting? How should a company treat its employees?	(George & Chattopadhyay, 2005)
Enhancing self through organization	How do you feel working for the organization?	What do you plan work wise in the next five years?	How do others around you perceive the organization?	(Abrams & Hogg, 1988)
Knowledge sharing				
	What comes to your mind when I say knowledge sharing?	Whom do you ask when you don't know how to solve a certain problem? Have you ever asked someone from another MNE entity to help you?	How does the company promote knowledge sharing? Can you give examples?	(Nonaka, 1994) communities of practice
	What is your subsidiary good at? Have you considered sharing this knowledge with others/ with colleagues?	What best practices have you learned/ sourced from others?	What could other parts of the MNE learn from you?	

Afraid of knowledge sharing	What hinders you to share knowledge? Can you give me an example?	Can you offer an example, what you consider before sharing knowledge?		
Focus on sharing knowledge with the HQ	What best practice have been implemented in the whole group?	Do you ask for advice in the HQ? Why/ Why not?	Can you give me examples of what the HQ has learned from meetings with you/ your team?	
Debriefing				
	Do you want to add something?	Is there a question you want to revisit?	Do you want to receive any further information on my master thesis?	

## Sample Interview

Interview2.3.23.m4a

00:01. Interviewer:

Thank you for taking your time to do this interview today. Um, maybe we can start with a quick introduction. Could you introduce yourself? How long have you been working for this company? What is your current role?

00:15. participant:

Perfect. Thank you Theresa. My name is manager0203 I've been with Tingcons for almost three years now and I work in partner management. So that means I do take care of the good relationship to mainly XYZ partners here locally in Austria.

00:35. Interviewer:

Okay. Have you been working for other subsidiaries or other parts of the Tingcons community before?

00:44. participant:

I have not.

00:47. Interviewer:

Can you maybe describe your typical daily routine?

00:52. participant:

Well, my typical daily routine. I get up in your morning and take a shower. <laugh>. No, just kidding. Um, well, I have a quite interactive role, so, that means there is, I would say there is no typical day. I do have a lot of Jour Fixe meetings with the respective partners. And besides that, I also need to network a lot internally and to talk to Sales colleagues, also delivery colleagues, who are working with the solutions of the partner. So to always be on the pulse. Besides that, internally, I also have a strong link to Tingcons International. And the partner teams working there, because we of course depend very much on the global strategy. And so I would say there is no typical day. There is several tasks and things that come and go, but there is no such say, no such thing as like, okay, that's how a day in my Tingcons life looks like.

02:05. Interviewer:

Um, so you just mentioned there's a connection to the international team. Can you maybe elaborate a bit more on that connection? How does it manifest in daily life ?

02:19. participant:

Well, um, in my role, I work with partner xy and partner xyz. So I have, strong links to the, the partner XYZs in Germany. So you say, and especially with partner xyz, I have a very deep link, <laugh>, I would even say we talk on a daily basis with several people. We try to organize like sales enablements together. We work on deals and opportunities together, because we need of course support from their side. They have questions. There is, for example, meetings on the pipeline because they also need to report. We need to report. So we all need to be on the same page. So there's, quite strong links and it's actually getting better. It depends a lot on the people sitting there. Right. And now with the people, especially the partner XYZ, it gets a lot better.

03:23. Interviewer:

So, and you communicate directly to the to partner xyz and not through a link of Tingcons International?

03:33. participant:

Well, partner xyz locally in Austria I communicate directly, of course, yes. There is also a partner manager on the Partner xyz side, and we talk and elaborate on how to do more business together in Austria <laugh>.

03:49. Interviewer:

So, um, how would you describe your role in the whole MNE? So in the whole Tingcons International?

04:08. participant:

Okay. Well, the role I do have in Austria does not exist in Germany. So there is like, or in other LBUs, maybe there is somehow similar roles, but there is no blueprint. Which also made it challenging in the beginning because in Germany, nobody knew that we existed <laugh>, that there is like, so to say, partner management in Austria, also like the term partner management is quite broad. There is a lot of interpretation behind it. And some people think, okay, that's more like a procurement kind of thing with partners who are like more delivering solutions and hardware. Others see it more like in the alliance management. And my role is more like alliance management /business development, maybe , in the xyz business. So we are getting more and more visible now in Germany and, but still there is a lot of flexibility behind it because it's up to me and my colleague who we are. How to define our role, let's put it that way.

05:33. Interviewer:

Um, so because there is no equal role or there is no role like that in Tingcons Germany, with whom do you deal with then in Germany?

05:48. participant:

Well, mainly with the partner XYZs, and besides that, sometimes also with like with other partners, there's like partner management in Germany. So if I need, for example support for platform XY I also deal with, platform XY I look up like, you know, at the internal network who's responsible for that, and I get in touch with that person and usually this works, with some partners better than with the others. Right. It always depends a little bit on what's on their agenda because if they sit like very much in the chairman silo and have or don't see the demand to look at LBUS, we are not on their radar for others, we are very much on their radar. So that depends a little bit on the partner and the situation, but also a lot on the people.

06:44. Interviewer:

So, um, what do you think determines if one of these partners is more interested in working together or building a close relationship with you?

06:55. participant:

Well, with the partner itself, like external. That depends a lot on, if they see business in Austria. And if they see potential in Tingcons as a partner to bring their business forward in Austria. So like with platform XY we have the situation that like the Austrian platform XY team, they see potential in Tingcons. And they, so to say, need us. With other partners, that's a bit, more difficult because there is like very broad partner environment and they have other partners in place, so we need to be more proactive, let's put it that way. And with Tingcons International, that I would say depends most on the people, but also on how, sorry, <laugh>, sorry. It depends a lot on the people, but also like what's on their agenda in terms of do they need to make order entry or do they need to make more business, et cetera. If they have like everything covered in Germany and their numbers are good, we are maybe not as much on the radar, but also, again, if we bring them a big deal and we have an opportunity, which is large enough, they're always willing to help <laugh>.

08:25. Interviewer:

So, um, how do you think Tingcons can maybe improve this partnering between Tingcons International, Germany and Austria?

08:40. participant:

What's probably missing, or like, also due to covid, what was not happening the last years, there were like no partner events and no partner management whatsoever days, we do not know each other. . personally.. So that link is sometimes missing, bring people together also, like from other LBUs. It's not only us in Austria, it's Switzerland, but it's also Spain et cetera. It would be really nice to have a platform where those people meet. And it does not necessarily need to be like the partner manager. Maybe in Spain there is a person in sales who's taking, the lead for partnership or so, but bring those people together and learn from each other and maybe create some kind of either platform or, Jour Fixe or some, some room for, um, collaboration. .

09:41. Interviewer:

.So, you just mentioned also the LBU in Switzerland, because there has been a closer link between Austria and Switzerland. Do you, have, do they have a similar role like yours in Switzerland?

10:00. participant:

Not yet. Um, there were plans to make our roles Alpine, <laugh>. But it didn't happen then at the end. And, um, with some partners there is salespeople or sales experts doing more or less our job as a hobby, which is of course is not working, or not working good enough because the day..., they don't have enough time, it would've made sense to make an Alpine role. Or to have like a sparring partner in Switzerland. But no, there is no explicit person called a partner manager in Switzerland.

10:49. Interviewer:

And, um, are you in close relation to these sales people that try to integrate..

10:56. participant:

Yes. I am. And it actually did not change with the Alpine split up now. Okay. We are still in loose contact and even like after our meeting now, I do have a call with a new Swiss colleague, who's driving the Partner xyz business there. So we are in exchange.

11:19. Interviewer:

And how would you describe this relationship now that the Alpine management construct has...

11:27. participant:

For, for me, it has not changed. Okay. personally, we are in informal contact. We help each other at some parts in Austria we have done a bit more like also like the formal contracts, et cetera. So if it's easy for me, of course I help.

11:44. Interviewer:

Okay. How would you think that LBUs could, again, realize more synergies in this?

11:53. participant:

That's a little bit what I said before with it's not only Austria and in Switzerland, it's also like all the other LBUs, bring those people together, learn from each other do not reinvent the wheel, maybe use some kind of blueprint always with like a local flavor, help each other, bring people together also one and like with the xy partners integrate them to some extent in the partner XYZs. So we are all on the same page.

12:24. Interviewer:

Okay. Um, so there, there you said there are already forms of knowledge sharing and contact between the LBU. Yes. Um, what do you think would hinder a manager to share their knowledge in that setting?

12:46. participant:

Well, <laugh>, um, I am a big fan of transparency, and for me, we are all Tingcons. But what I learned is that there is a lot of bypassing and holding back information, especially when it comes to putting information into some kind of system. Especially TSI force, <laugh>, so people who, colleagues have been with Tingcons for a longer time, they learned that when they put information into a system, there might be some people somewhere in Germany asking questions. And so information is sometimes held back, and I don't really don't understand why <laugh>. Um, so I think that's the main issue that the LBUs sometimes try to,..., they try to stay out of focus and do their thing without being micromanaged from some, whoever people in Germany. Right. At some point you have to put it into a system, but they always try to do it as late as possible. It's now changing a little bit. It's getting a little bit better and a little bit more transparent, but I think we are far away from a working out loud culture.

14:26. Interviewer:

Okay. So, it's more of a postponing the information.

14:35. participant:

It, it's more of a postponing. And I think like on an informal basis when it comes to, when people talk and when they know each other, information is shared, but when it comes to like formal sharing and putting in systems, we are very conservative.

14:55. Interviewer:

Okay. And for you personally, what would promote your part of knowledge sharing,

15:03. participant:

Proper systems, to easily share the information and like go to places. We have a lot of, we have so many places where information lives, within Tingcons, not only the Company Salesforce when it comes to customer data, and that's really not easy to use, I would say, we have internal platform 1 we have internal platform 2 we have SharePoint, we have one note. There is so many places where information lives and there is like no, oh, okay. I need to put that there, logical way that's really missing. And I always see that with new colleagues, that they're overwhelmed with, okay, where do I find information? And when you don't not even know where to find information, it's even more difficult on where to put information. So, we have a big issue there.

15:58. Interviewer:

So there is no easy way of sharing knowledge? In a written way?

16:03. participant:

No, not at all. And that's, I would say all the more sales related roles are when it comes to customer information. There is not, well, there is information in company Salesforce of course, but most of the information lives in In-boxes and private OneNotes and Okay. Whatsoever, or even handwritten notes. It's very intransparent.

16:35. participant:

So when people leave the organization or even when someone is on a sick leave, there is like no easy way to take over. Okay. And I would say that costs a lot of money and is not good.

16:48. Interviewer:

How do you think could this be improved in the sales teams?

16:55. participant:

Well, in the sales teams make company Salesforce easier to use because if a system is shit, sorry to say, then people do not use it. Or you get like the shit in shit out, that kind of thing because, you know, they only put in the really necessary things and not everything and delete all the other platforms. We now... consolidate information and make it like at the one go-to place and easy to access the information, but also easy to enter the information.

17:40. Interviewer:

So we, we do a bit of a leap now. Yeah. <laugh>, um, do you have an example when you shared a best practice or with an other entity? So either with Germany, Switzerland, but also other LBUS.

18:05. participant:

In terms of?

18:10. Interviewer:

A best practice or process or knowledge in that form? So not, numbers but more of a underlying knowledge.

18:28. participant:

Well, I mean, especially with Switzerland, we shared a lot of information on how we achieved like the necessary regulatory contracts, like with partners for example and the sharing here was more on a, okay, like some guy asked; Hey, how did you guys do that? And it was very informal. So I told him, okay, we did this and that, and be careful with legal and explain them why you need that, right? But more in a quite informal way or like pointing, or giving directions on who to talk to for example. Because that's also like very often... people are stuck because they don't know who to talk to, who can help out of Tingcons international, for example. And that's also like an information that's sometimes not easily accessible or it, it is somewhere, but it's horrible to find. And if

you work with those people, you know them and it's easier to pass on that information or even introduce the person.

19:50. Interviewer:

So what did motivate you personally in that process? To, to share the knowledge?

19:57. participant:

Well, <laugh>, <laugh>, I expect them just to do the same, we all live or work for the same company. I mean, it's not that they ask me to do anything, extraordinary. To me it's normal. Okay. So to help people, right. And if it's easy for me, of course I can do that. And, also like to point out like certain things that did not go that well because we missed like some issues. Of course, I tell them so they don't run into the same issues again. But to me that's standard <laugh>, I would not hold back information because, yeah, no, <laugh>.

20:49. Interviewer:

Um, so you just, we just elaborated a bit more on your personal um, attitude towards knowledge sharing. Maybe we can go a bit again, a leap <laugh>. Yeah. Um, what motivates you to work for Tingcons Austria? That's a very personal level. Okay. You can think for a minute if..

21:13. participant:

Okay. Well, what motivates me to work here? Um, it's a cool company, um, it is sometimes a bit old fashioned and conservative, but, at the end of the day it's probably the people. And also in my case, the topic I'm working on, which is fast moving new and innovative. And I have a very communicative role. I talk to many different people in-house, in Germany, But also externally. So it never gets boring. As I said in the beginning, there's like no such thing as a standard Tingcons day, and I like that. <laugh>.

22:07. Interviewer:

Um, how does your personal environment see Tingcons or the organization?

[Two statements excluded because of too many information on the specific characteristics of the company.]

23:05. Interviewer:

Um, what do you think are the differences between maybe Tingcons Austria and Tingcons Switzerland or Germany, whatever comparison do you think is more easy to make?

23:31. participant:

Okay. On a like, um, cultural level,

23:38. Interviewer:

Cultural, but for the organization, so not general stereotypes, maybe Switzerland Austria, but on the LBU level.

23:48. participant:

Um, I think Austria is a bit more, how do I say? We try to stick to processes, but only the necessary ones, let's put it that way in a nice way. <laugh>, I'm not saying that we always bypassing and Germany is more correct. They really stick to the process, sometimes being very conservative. Um, they also have a strong Betriebsrat. So many things are just not possible. And I would say in Austria we are a bit more relaxed. When it comes to standard processes et cetera. We try to speed up things as much as possible. In a pragmatic way. So not saying that we always try or we always are being compliant of course, but try to avoid unnecessary steps. And Germany is maybe a bit more "in love with their processes"

25:04. Interviewer:

Um, what do you think now is unique, for the subsidiary Tingcons Austria, compared to all other LBUs, that you have worked with?

25:15. participant:

Well, I think that's true for all other LBUs that like the major benefit of a local subsidiary is the knowledge of the market. And that's not only true for Austria, but also that the Swiss team knows the Swiss market and the Spanish team knows the Spanish market. And the, the challenge here is to stand up to Germany because a big client, big customer in Austria might be just a tiny one in Germany. Right. And sometimes there's, there's discussions behind that to prove and to make things visible.

26:03. Interviewer:

And, um, how do you think the Austrian LBU can do this, make their successes also visible?

26:14. participant:

Well, I think we are doing a lot better now. Just recently the Austrian sales team won certain, some awards we are getting more and more visible. Also, we had some quite big deals also, like in the German context big deals. So that helps. Sometimes we have discussions especially when you need like, support from partner XYZs or international resources when like the actual numbers of a deal are comparably small you need to tell them explicitly that, common people for us that's a big deal. For you guys, it might be like just number 573, but for us, that's a big deal and a good logo. It's not always like the actual numbers, but maybe it's a good logo. You can use something that's known in the Austria market. In Germany, nobody knows it but for us it's important, right? And we are doing better and better, I would say.

27:17. Interviewer:

Um, what do you think then are the benefits of being seen by the headquarter?

27:22. participant:



By the headquarters in Germany? Well, the benefit is that when you're visible, you get the support you need and especially like in the xy business deals are sometimes very small in the beginning, but they're growing over time and it's important that even top management recognizes that you need to start somewhere and if they see you, they can support or it's easier to escalate things. That is, it. And also like, if you only focus on the major, major, major deals and, you know, one major deal breaks away, we have a issue. So, you, we do need smaller business as well.

28:17. Interviewer:

Um, how, again, how do you think does Tingcons international feel about Austria specifically?

28:32. participant:

Um, I think we're good. Again, we just had a good year. We won a couple of prizes. We are seen, we have the luck to be part of the DACH region. So we are quite in focus. It, of course, it helps a lot to be German speaking when it comes to that. It makes things easier. Um, yeah, I think they're quite happy. I mean, of course there's always like some people who have like no clue about Austria, the Austrian market and don't look outside of their German silo. But it's getting better.

29:16. Interviewer:

Okay. So, we have reached the end of the interview. Um, are there any questions you want to revisit?