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Version: Accepted Version

Article:
Guo, Y, Jasovska, P, Rammal, HG et al. (2018) Global mobility of professionals and the transfer of tacit knowledge in multinational service firms. Journal of Knowledge Management, 24 (3). pp. 553-567. ISSN: 1367-3270

https://doi.org/10.1108/JKM-09-2017-0399

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GLOBAL MOBILITY OF PROFESSIONALS AND THE TRANSFER OF TACIT KNOWLEDGE IN MULTINATIONAL SERVICE FIRMS

Journal:	*Journal of Knowledge Management*
Manuscript ID	JKM-09-2017-0399.R1
Manuscript Type:	Research Paper
Keywords:	internship, Knowledge Transfer, Tacit knowledge, Services, inpatriation, mobility

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GLOBAL MOBILITY OF PROFESSIONALS AND THE TRANSFER OF TACIT KNOWLEDGE IN MULTINATIONAL SERVICE FIRMS

Abstract:

Purpose: The use of expatriates to transfer individual and organizational know-how and knowledge is a practice widely used by multinational enterprises (MNEs). However, for service firms the mobility of employees across national borders depends on the commitments made by countries under the General Agreement on Trade in Services (GATS). In particular, the Mode 4 form of supply under GATS can limit the ability of professionals to enter a particular country and can restrict the intra-organizational transfer of knowledge in multinational service firms. The purpose of the study is to investigate how MNEs attempt to overcome these barriers and transfer knowledge through their global network.

Design/methodology/approach: Using Nonaka and Takeuchi's SECI model of knowledge transfer, we study the intra-organizational knowledge transfer practices of an Indian multinational service firm. Semi-structured interviews were conducted with 20 key informants involved with the organization.

Findings: The company uses global teams to transfer tacit knowledge, and facilitates inpatriation through an internship program that helps the firm overcome nationality requirement that restricts the movement of their managers to other countries, which in turn limits their ability to transfer knowledge in the intra-organizational setting. The company uses the services of a not-for-profit youth organization that helps recruit interns for the program, and also facilitates the relationship with the Indian government, which provides support for this initiative by reducing barriers to entry for the interns.

Originality/value: This study takes the unique approach of studying barriers to movement of professionals and a firm's strategic response. It identifies the pressures and barriers that companies face in the global economy, and highlights the role of government agencies and other stakeholders in facilitating or restricting the transfer of knowledge within a firm's international network. The paper articulates the implications for policy and practice, and a future research agenda.

Keywords: mobility, knowledge transfer, internship, services, tacit knowledge, inpatriation,

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1. INTRODUCTION

Profession-specific knowledge, experience and the associated skills held by individual employees are key resource that firms rely on to differentiate their operations from that of their competitors. For Multinational Enterprises (MNEs), the transferability and application of these skills and knowledge within the organization's global network is important to maintain quality, and to achieve high levels of customer satisfaction. This has historically been achieved by assigning home-country managers to expatriate assignments in host-country offices to lead global teams that facilitate knowledge transfer including individual values, perception and experiences (Holtbrügge and Berg 2004, Khedhaouria and Jamal 2015).

The transfer of knowledge is of particular importance to multinational service firms, for whom the tacit knowledge held by the individual employees is the most valuable resource, and can result in higher service innovativeness (Ferreira et al. 2013, Pereira et al. 2012). However, while much has been discussed in the literature about transfer of tangible assets such as machinery and technology, research on the intra-organizational transfer of tacit knowledge across national boundaries is still in its infancy. Moreover, whilst there have been numerous studies attempting to explain the reasons for expatriate failure, the issues surrounding the global mobility of professionals have only recently been discussed (Baruch et al. 2016, Caligiuri and Bonache 2016).

The entry of professionals in a country for work-related activities is controlled by the host government, and firms must develop strategies to overcome formal and informal barriers to ensure effective knowledge transfer. These barriers can be raised by national governments to promote the interests of domestic services firms, and to protect them from competition from international firms. Historically, institutional barriers on entry of MNEs in a host-economy focused on form of entry and ownership. However, the increased internationalization of services led to the development of the General Agreement on Trade in Services (GATS) treaty that formalizes the mobility of professionals across national borders. Governments of host-economies, in consultation with relevant domestic professional service firms, determine whether the entry of individuals from certain professions is permitted. The restriction on the movement can restrict the transfer of knowledge within the intra-organizational network, and

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disturb MNEs attempts to create sharing of ideas via global teams. While there has been some recent attempt to address the issue of mobility and the GATS modes of supply (see for example, Dowlah 2014), the literature on knowledge transfer has generally not addressed this issue, and there is a need to understand how organizations strategically respond to these barriers. In this study, we use the case of a multinational service firm from a developing economy to demonstrate how through an efficient internship program, the organization can create global teams. The choice of the firm was based on the fact that such organizations from developing economies tend to face greater barriers to movement of professionals than those from developed economies. These include travel visa requirements, and recognition of qualification and prior experience (Guo et al. 2016), and understanding how these firms manage and transfer knowledge globally has implications for policy and practice.

Hence, this study attempts to answer the following research question:

> *How do multinational service firms from developing economies respond to barriers to mobility of professionals to transfer tacit knowledge in the intra-organizational network?*

The remainder of the paper is structured as follows. The next section provides an overview of the literature on knowledge transfer in MNEs and Nonaka and Takeuchi's SECI model, followed by a description of the services sector barriers on movement of professionals. The paper then provides a brief overview of the selected case organization, and details the data collection and analysis process used for this study. The findings of the study are then presented and discussed, and the paper concludes by articulating the implications of the study and providing an agenda for future research.

2. KNOWLEDGE TRANSFER AND THE SECI MODEL

The transfer of knowledge between subsidiaries and headquarters in multinational enterprises (MNEs) has been the subject of many studies in international business (see for example, Bjorkman et al. 2004). The process of identifying, capturing and leveraging knowledge helps organizations create competitive advantage (Mudambi and Navarra 2004). Baumard (1999) states that an organization's primary function is to generate knowledge. Extant literature on knowledge management in MNEs has focused on the organizational controls and structures

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that facilitate the transfer of knowledge (Buckley and Carter 2004, Dhanaraj et al. 2004, Foss and Pedersen 2004, Rondinelli and Berry 2000, Simonin 2004, Johnston and Paladino 2007), and suggests that networks are the most effective way of facilitating the transfer of knowledge between subsidiaries and the headquarters, although competition within the network can be an impediment to the transfer (Foss and Pedersen 2002).

Historically, foreign direct investments (FDI) were made by MNEs from developed countries to other developed countries. The literature on cross-border knowledge flows reflects this trend, with emphasis on the movement of knowledge within developed countries' MNEs and/or on how local firms in developing countries benefit from the entry of foreign firms (Gupta and Govindarajan 2000, Buckley et al. 2002, Liu and Buck 2007, Blalock and Simon 2009, Giroud et al. 2012, Irsõvá and Havránek 2013). However, the growth of MNEs from developing countries and transitional economies, and acquisition of well-known brands reflects their rising share of global FDI (UNCTAD 2016). These organizations from developing economies provide opportunities for global MNEs to learn from the management and knowledge sharing methods used by them. An example of this learning is found in Renault, when it opened its production plant in India. Learning from what Nissan-Renault's chief Carlos Ghosn refers to as *"frugal engineering*[†]*"*, the company has incorporated best practices in car assembly that have helped reduce the cost of production (Kumar and Puranam 2012a, Kumar and Puranam 2012b).

Knowledge can be a competitive advantage for MNEs and it is more efficient and less costly to transfer knowledge within an organization than between organizations (Kogut and Zander 1993 , Kogut and Zander 2003). To understand the process of intra-organization knowledge transfer, we use the SECI model. Nonaka and Takeuchi (1995) propose the SECI model, which depicts how knowledge creation and transfer process takes place through four stages: **S**ocialization, **E**xternalization, **C**ombination, and **I**nternalization. At the individual level, Nonaka and Takeuchi (1995) observe that individuals have tacit knowledge and this

[†] Frugal engineering refers to the process of reducing complexity by removing nonessential features to help reduce cost.

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knowledge can be transferred to others in the organization through socialization. This socialization process is facilitated through direct interactions of individuals with clients, suppliers and other employees in the organization. The process of transforming tacit knowledge into explicit knowledge requires externalization, which involves articulating knowledge into words and translating them into documents.

Once the knowledge is transformed into an explicit form, it can then be transferred through a process known as combination. This process requires collecting relevant internal and external knowledge, and editing it to make it more usable. Organizations can transfer this knowledge through various forms of communication, including emails. This allows transfer of knowledge among the various groups within the organization (Lievre and Tang 2015).

The final step of the process is what Nonaka and Takeuchi (1995) refer to as Internalization. This process involves the transfer of the explicit knowledge to the individual, who transforms it into an implicit form. For service firms, individual learning by working with experts is considered as an efficient way to transfer knowledge. However, institutional pressures from the host country can restrict the transfer by placing barriers on the movement of professionals across national boundaries, which limits the opportunities for people in an organization to work together.

MNEs with a globally dispersed network require systems that facilitate the coordination of operations, and create synergies and transfer of knowledge that leads to innovation in product development and processes. The use of global teams can help organizations achieve some of these goals by creating a system whereby employees based in different locations can work together either through virtual team projects or through expatriation or inpatriation programs (Reiche 2011). Global teams or project-based work can also help organizations to respond quickly to the changes in the global market, and to ensure that that the organizational learning of new innovative process is rapid throughout the intra-organizational network (Mockaitis et al. 2015, Gibbs and Boyraz 2015). There are three distinct features of global teams compared to other team patterns: the team members are selected from various geographic areas; they serve different job functions and work in dispersed units; and they work together to achieve specific project goals aligning with MNEs' global operation (Oshri et al. 2008, Zakaria et al. 2004, Govindarajan and Gupta 2001, Maznevski and DiStefano 2000, Zander et al. 2012).

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Research on global teams primarily focuses on global team effectiveness, and the function and the role of global teams in enhancing innovation, creativity and knowledge transfer (Harvey and Novicevic 2002, Berg and Holtbrügge 2010). However, global teams face a number of challenges in its global operation such as managing team members' interpersonal relationships, communications among team members, motivation, contextual factors including, the characteristics of team structure and the task of team, as well as cultural heterogeneity and diversity of the team (see for examples, Kotlarsky and Oshri 2005, Oshri et al. 2008, Connaughton and Shuffler 2007, Stahl, Maznevski, et al. 2010). Specifically, Klitmøller and Lauring (2013) observed that culture and language differences in global teams can affect the process of knowledge sharing within an organization. Mockaitis, Rose and Zettinig (2012) found individualism–collectivism orientation is related to the effectiveness of global virtual groups, and the team members towards collectivist have higher perceived level of trust, interdependency and communication of the team. Although most studies in this research area view the cultural related factors as a liability of globally distributed team, Stahl, Mäkelä, et al. (2010) discuss the positive influence of cultural diversity on creativity, communication, and organizational learning of multicultural teams. Building and developing capacity can help overcome the barriers of global teams' operation process (Kotlarsky and Oshri 2005), with successful global teams depend on the communication, interaction and trust building among team members, the clarity of task and team goals, the team work length, as well as the knowledge the global team possesses (Govindarajan and Gupta 2001, Berg and Holtbrügge 2010). Maznevski and DiStefano (2000) identify three-step process leading to highly performed global teams which including mapping, bridging, and integrating. They argue that team members should be able to understand, consider, and work on these differences.

Previous studies have looked at the function and the role of global teams at both the individual and organizational levels. The individual level research is primarily exploring the role of team leader in a global distributed group and the focus is how global leaders help with the effective team building. For example, Zander et al. (2013) discuss team leader's role and functions in a global virtual group and discuss their actions in a three-step process to build a dynamic team: welcoming, working, and wrapping-. Herbert, Mockaitis and Zander (2014) found the shared leadership is related to the cultural issues in a globally dispersed team.

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Butler, Zander, Mockaitis and Sutton (2012) identify the team leader as a "bridge maker" who helps the global team to overcome the barriers occurred due to the differences of culture and language among team members. Similarly, organizational level studies primarily explore the global team building and the role of global teams in MNEs rather than the interaction and communication between the global teams and MNEs' headquarter or other subsidiaries. Harvey and Novicevic (2002) summarized the role of global teams as behavioral influence, conflict mediation, legitimizing symbols, expertise transfer, and social influence based on the theories of contingency, bargaining, institutional, knowledge-based view and new institutional economics respectively. Specifically, global team is used to assist inter-organizational or intra-organizational knowledge transfer of MNEs in various patterns such as expatriate advice networks and global expertise networks (Sparrow 2006). Global team is especially used for tacit knowledge transfer as this kind of experiential knowledge includes individual values, perception and experiences, and is primarily transferred via personal mobility such as expatriates and global teams (Holtbrügge and Berg 2004). However, as discussed earlier, we find that the empirical studies on knowledge transfer by global teams primarily focus on knowledge sharing among team members rather than knowledge transfer from global teams to other subunits of MNEs, and through this study we attempt to show how teams can operate in a global environment and transfer and share knowledge across boundaries through the intra-organizational network.

3. THE SERVICES SECTOR

Services represent the major sector for employment in many developed and some developing countries, and are a key contributor to value-adding economic activities globally. Data from the World Bank (2017) shows the services sector's share in value-adding activities, as a percentage of GDP, continues to grow around the world. The international activities of service firms are governed by the World Trade Organization's (WTO) General Agreement on Trade in Services (GATS). GATS classifies services into various categories: business services; communication services; construction and related services; distribution services; education services; energy services; environmental services; financial services; health and social services; tourism services; and transport services (GATS 1991). In addition to

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classifying services, GATS also covers the supply of services and market access conditions under four modes: Mode 1: Cross-border supply; Mode 2: Consumption abroad; Mode 3: Commercial presence; and Mode 4: Presence of natural persons (Konan and Maskus 2006, Rammal and Rose 2014).

Despite the growing importance of the services sector, limited attention has been paid to understanding the operations of multinational service firms (Kundu and Merchant 2008), and the barriers they face in the transfer of knowledge. In this study, we focus on business service firms, where the knowledge resides in individuals, and the role of organizations is to apply rather than create new knowledge (Grant 1996, Felin and Hesterly 2007). Business services include professional services, computer and related services, research and development services, real estate services, rental/leasing services without operators, and other business services including management consulting services. For firms that are categorized under Business Services, intra-organizational transfer of knowledge is commonly achieved through the use of Mode 4, which covers the movement of individual professionals to other territories. However, firms can face a number of barriers in the movement of individuals (Rammal and Rose 2014), including: countries not permitting the use of Mode 4 in certain sub-sectors; lack of mutual recognition of educational qualification and previous experience; residency requirements; and host country qualifying process and/or membership of host country professional bodies. Figure 1 illustrates these barriers to transfer of intra-organizational knowledge through expatriation or inpatriation arrangements.

INSERT FIGURE 1 HERE

As highlighted in the figure, Mode 4 restrictions are the key barrier faced by service firms, which in turn limits their ability to transfer tacit knowledge held by senior managers in India to host country employees. These barriers can also restrict the firms' ability to learn from the host country professionals.

Since governments control the movement of professionals within a territory, understanding the regulatory environment is important for firms to manage the transfer of knowledge. In this study, we specifically look at the Mode 4 of supply and use the case of an Indian

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multinational consultancy services firm to highlight some of the strategies used by service firms to overcome barriers to global mobility, and transfer knowledge between operations internationally.

4. RESEARCH METHOD

We undertook in-depth case study analysis of an Indian multinational consultancy services firm with operations in over 30 countries. The organization is a subsidiary of a larger holding group, and is one of the leading Information Technology (IT) companies in Asia (Organization's website). The case organization has operations globally, and has been rapidly expanding in the last few decades. As with other service firms, the Indian organization faces the challenge of knowledge transfer to ensure consistency in service quality and consumer satisfaction. For the purposes of this study, we refer to the company as Indian Consultancy Firm (ICF) in order to protect their identity as provide anonymity as requested by the case firm. By applying the in-depth case study methodology, we are able to address the key question in our study, which relates to how the company overcomes barriers to movement of professionals and manages the transfer of tacit knowledge in the intra-organizational network. Our focus is therefore on explain the "why" and "how" questions, rather than "what" and "how much" (Ghauri and Gronhaug 2005, Welch et al. 2011). Hence, the use of the qualitative case approach is appropriate for this study.

The Indian economy is one of the fastest growing in the world and has a large pool of both skilled and unskilled workers. Although there have been an increasing number of studies on emerging markets, much of these have focused on China, and there is an opportunity to study more about how businesses from India operate. India is one of the leading nations in the development of new IT products, and the services sector provides an interesting context for study. We identified and approached the ICF because of its global scope and its apparent suitability to provide theoretical understanding of knowledge transfer and global teams. Acknowledging the barriers around the movement of professionals from the office in India to international destinations, ICF has with its partnership with an independent youth-service firm (YSF) introduced a number of programs to train interns and transfer knowledge in the intra-organizational network. Although new training centers have recently been opened in

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Europe, in this study we focus only on the operations of the training center located in India. After fulfilling the requirements of our university for conducting ethical research, we then approached the ICF to seek their participation in this study. Once the approval was received, we approached a number of individuals who we had identified through purposive and snowballing sampling

Only those interns were selected for the study who had participated in the program during the last three years. As the internship program has been running for more than a decade, our approach to selecting recent interns for the study helped avoid the recall bias. Moreover, we selected interns according to their country of origin to cover all possible regions the interns are coming from and increase the generalizability of our theoretical sample.

The first phase of our data collection led to exploration of the internship program in general and with the assistance of ICF managers and YSF representatives we have created the overview of all program participants from the beginning of the program which then help in later theoretical sampling of interview participants. We conducted in-depth interviews with key informants over telephone. In total 20 key informants were interviewed, including 12 interns (interviewees 1-12), four interns working in the ICF in the position of internship coordinators (interviewees 13-16) and four managers from ICF (interviewees 17-20). Table 1 provides details of the interviewees.

INSERT TABLE 1 HERE

All interviews were audio-recorded and then transcribed verbatim. Transcripts were then sent back to participants for their final check and confirmation. All interviews were conducted in English, as the company uses English as the primary language for communication, and all interviewees were proficient in communication. On average, each interview lasted 70 minutes. Interview protocol involved four main parts: (1) general information, (2) role of YSF during the internship through event chronology, (3) detailed description of the internship position, and (4) direct questions related to working environment, communication and training in ICF. With internship participants, we focused not only on individual perceptions but also on their overall role in ICF's processes and team cooperation. With YSF

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coordinators, we focused on the same topics but their view included overall information about the program. And finally, with the managers we were able to capture the organizational perspective to cover the questions about the roles the internship program in ICF play. Combined, these three angles together with secondary data about ICF gave us full picture of the researched phenomenon from various points of view.

The interviews were transcribed and analyzed for themes within the data (Grbich 2007). To cross-check and ensure robustness of the analysis of data, each author from our team of four authors analyzed the data individually to identify key terms that were then placed under each theme. The keywords and themes were then compared for consistency. This helped strengthen the analysis process and provided confirmation of the themes that emerged from the data.

5. FINDINGS

There are three key findings in this study. The first one relates to the internship program run by ICF, and the other two findings relate to global teams at the organizational level culture, and the role of leaders in the internship program.

5.1 The Internship Program

As the movement of its senior managers can be restricted by host country governments, ICF has developed an internship program through which it identifies and attracts global talent to be trained by senior managers in the training offices in India. The program is facilitated through official links with YSF. This global business student body helps ICF to recruit the best talent globally. These individuals are primarily selected from countries that ICF has identified as key destinations for market entry or expansion in current markets. Annually, the program attracts 150 interns. The internship program is for one year, which allows the interns to gain insights into the organizational culture and learn from the experience of the key individuals within the ICF headoffice. The program is also intended to facilitate acculturation for the interns, and helps them also understand the Indian regulatory system, competition and expectations of clients in India. The company has recently commenced offering internship programs in two of their subsidiary offices in Europe.

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The immigration process in India does not normally facilitate a one-year internship program. Our sample of internship participants includes also eight participants who extended their internship for another six months. However, as mentioned by interviewed managers, the current visa regulations allow the extension to be done only from intern's home country. This means that the person has to leave India, get a new visa and return back, while ICF covering all travel costs. However, ICF through the YSF continuously works with the Indian government to gain certain exemptions to allow the company to offer this internship program. The key benefit for ICF is that at the end of the internship program, they are able to identify suitable candidates and recruit them within the organization. Thus, the company overcomes the nationality barrier that the professionals working in the organizational network would normally face. The interns are generally well received in the company, which facilitates the learning process of Indian employees.

> "*I think* [interns] *were very liked, because it also gives very international environment to the Indian offices."* (former intern from Mexico); *"People are generally very supportive, really helping. And I don't know, if they are like this or because me and the others were foreigners"* (former intern from Kazakhstan).

ICF's strategy of transferring knowledge can be seen as application of the SECI model, where individuals transfer the knowledge through socialization within the organizational setting. Interns bring the new ways of doing things, and local employees get the opportunity to learn about other cultures and the way how they behave without going abroad. Using the program as a way of providing knowledge can also help the company using *inpatriation* for knowledge transfer, which would tend to face more regulative barriers. By offering internship, the training provided is similar to an *inpatriation* program; however, immigration laws would usually restrict the permission for one-year internship option.

Another benefit of the program was highlighted by one of the interviewed managers. He mentions that besides the inpatriation of interns the branding of the company is another benefit of the internship program. This is important from the perspective of emerging market multinationals expanding to both developed and other developing countries as they globally seek to build the positive brand reputation.

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"So it is better if we also want to have, one thing diversity, second thing is branding for [ICF] *through* [YSF] *and through this internship…I would say that it is the world-class branding"* (ICF Manager).

5.2 Global Teams and The Indian Way

ICF's program focuses on developing global teams with the goal of transferring corporate knowledge across boundaries by having selected interns join the company, and posting them to various locations around the world. The choice of where these interns would be posted would also be dependent on whether their movement is restricted by host economies, and whether the clients in the host country are interested in conducting business in the intern's region of origin. By creating these global teams, ICF is able to transfer tacit knowledge by making it explicit. The use of global teams also allows ICF to expand their consumer base as all interns are expected to be proficient in a language other than English. ICF is therefore able to service clients from other locations that would normally not be services due to the language barriers faced by the headoffice talent pool.

The interviewees in our study who had been through the internship program with ICF highlighted some issues related to the creation of the global teams. One of the key issues they faced related to the expectation the company had for the employees to work "the Indian way". ICF believes in "the Indian way" of doing things, and wants the interns to learn how things are done in the headoffice and in the country. Although the headoffice is in the North of India, the interns were trained at the office in South India, and the sub-culture differences were highlighted:

"We had basic [regional language] *lessons, then lessons about culture, the difference between* [regional area in South of India] *and Indian and in particular Western world"* (former intern from Ukraine).

This emphasis on organizational culture, with roots in the Indian national culture, is one way ICF attempts to standardize processes and create an environment where individuals can operate anywhere in the intra-organizational network regardless of geographic location.

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However, this strategy also has some limitations. The interviewees explained that one of the challenges they faced in managing operations in a new subsidiary was to train the staff into working the Indian way. While the interns had the opportunity to work in India, they were able to understand the way the company operated in the context of the Indian society. However, for new employees who are hired in international subsidiaries, the lack of context can make it difficult to understand why certain processes need to be followed.

5.3 Working Environment and Leadership

While the program involves transfer of knowledge through training, some interns highlighted a lack of formal system in place to ensure that interns were trained. For some roles, no formal training was provided, whereas for other roles a maximum of two weeks was spent. For many interns, the expectation was to use their bilingual abilities to work with clients around the world. For others, they have to interact with Indian employees while working in internal staffing positions. These daily face-to-face, email or phone interactions significantly helped local employees learn to work with various cultures.

The interns also faced difficulties in working with managers providing the training, as their leadership style reflected a paternalistic/autocratic behavior. As one interviewee explained:

> *"My supervisors were pretty serious. Your boss is like your mom, you have to take care that whatever you say fits into the values of Indian culture"* (former intern from Mexico); *"You just have to listen with open mouth, try to understand and try to adjust"* (former intern from Ukraine)

Even though interns have been assign various job responsibilities many of them complained that it took time to get more serious tasks. There seemed to be a distrust of foreign interns, as they were viewed as competitors who may take Indian jobs away. The following quotes highlight this issue from the perspective of interns.

> *"They did not give me all the data, but after some time I was part of the team"* (former intern from Brazil)*; "I had some difficulties just to get job, because they did not really trust and this is not just my case, but also other foreigners"* (former intern from Ukraine); "*Problem that I had there was with the management and*

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> *their style of doing things and the way they are worry showing you what you have to do"* (former intern from Brazil)

One of the interviewed managers spontaneously commented on this problem by highlighting the fact that managers should build higher expectations than simply utilizing interns for they bilingual abilities and cultural diversity.

> "*The Indian projects managers do not have that much of a confidence in the abilities of people who come as interns so they do not immediately trust*" (ICF Manager)

The second reason why interns perceived certain level of distrust from their Indian colleagues was the limited length of the internship. The following two quotes of the former intern together with managerial perspective of ICT employee coincide that one year is not enough to get full picture about the company and suggest some processual improvements.

> *"Putting somebody to a project for them to stay one year and then the person would leave does not make sense in some cases"* (former intern from Brazil);
> *"You cannot expect them to deliver like a full employee"* (ICF manager)

As mentioned earlier, the length of the internship is strictly limited by visa requirements. The longer duration of the internship is strongly preferred by managers in order to fully utilize the skills the interns bring. Despite the limited length of assignments, issues of distrust and cultural challenges the future plans of the company are to almost double the size of the current program and strategically focus on increasing the *inpatriation* ratio.

6. DISCUSSION

The findings of the study provide insights into the way the transfer of knowledge in a service MNE is facilitated through an internship program. The partnership between the ICF and YSF is based on each party taking responsibility for their allotted task. The role of YSF is to recruit the best candidates for the internship program by using their global network. ICF

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then trains these interns, and few of these interns to be absorbed into the organization. The internship program allows ICF to get the best talent to be trained by the experts, and facilitates the transfer of knowledge to select individuals who may continue to work for the organization. The interns too bring in skills and talents that the organization needs. One key skill they bring is their ability to speak another language in addition to English, which is a criterion specified for recruiting the interns. This language skill allows ICF to expand its market offering by assisting clients in host countries that wish to conduct business in new markets. YSF also plays an important role in helping overcome regulatory barriers by working closely with the Indian government to organize visa for the interns to attend the program. Although YSF is not an Indian based organization, it is their relationship with the Indian government agencies and not ICF's, which allows these interns to be in a program that lasts more than 12 months.

At the organizational level, ICF attempts to create a standardized organizational culture that would allow consistency in practice across the organizational network. This facilitates the mobility of staff across different subsidiaries and reduces culture shock. However, this organizational culture is influenced heavily by the Indian national culture, and the working style may not be easily transferrable across national boundaries.

Finally, our findings highlight the importance of leaders in building global teams. The interns working in the ICF office in India are placed in teams with other interns and organization staff. An expert leader heads these teams, and the interns are trained to potentially lead ICF's foreign subsidiaries. Berg and Holtbrügge (2010) state that trust building is an important element for successful global teams. Our findings suggest that foreign interns feel a lack of trust towards them in the ICF office, and the tasks allocated to them seem to be those that require less involvement. The leader's role in this is also highlighted as an issue with the Indian authoritarian leadership style being identified by some interns as being difficult for them to work under.

This paper makes two key contributions to the management and development of MNEs. First, this research contributes to the literature of MNEs' knowledge management by providing a new perspective of intra-organization knowledge transfer via movement of professionals. As discussed earlier, extant studies on knowledge transfer in organizations primarily focus on

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knowledge sharing among team members, and there is a need for more studies that explain knowledge transfer from teams located in one location to other subsidiaries of the MNEs. In this study we focus on how firms initiative and operate global teams using a combination of expatriation and inpatriation the knowledge transfer and sharing across national boundaries via the intra-organizational network of MNEs (Harzing et al. 2016). The literature on global teams highlights the challenges faced by global teams due to the cultural heterogeneity and diversity of the team members. Our study demonstrates a new way of using global teams, which helps to decrease the negative impacts of culture on the effectiveness of global teams. The case organization we analyze in this study applies the inpatriation strategy where the individuals are trained in India in groups and then sent to other subunits of the MNEs to facilitate knowledge transfer at the intra-organizational level. Second, historically outward FDI was primarily undertaken by MNEs from developed economies and our understanding of knowledge transfer was limited to the experiences of these firms. In this paper we explore the knowledge transfer process of a service MNE from the developing economy to other developed or developing countries. We illustrate this knowledge transfer strategy in Figure 2, which highlights how Mode 4 restrictions can make it difficult to transfer knowledge through the socialization element highlighted by Nonaka and Takeuchi (1995), and how the use of the internship program (working with an independent third party) can help firms identify, train and employ individuals who are then transferred to their home country or region.

INSERT FIGURE 2 HERE

However, as depicted in the figure the case organization's internship program provides an example of how an effective HR department driven strategy can help overcome barriers and allow the company to achieve its goals, and provide a blueprint for how other MNEs from both developed and developing countries can form and use global teams to transfer tacit knowledge.

7. IMPLICATIONS AND FUTURE RESEARCH

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There are a number of implications that emerge from this study. For policy makers, the strategic response of the firm should serve as a reminder that business firms will find ways to circumvent regulations that restrict business. Hence, it is more effective to have policies that provide these firms the opportunity to transfer the knowledge through socialization, albeit temporarily, and this would remove concerns that may be raised about the implementation of the Mode 4 restrictions. For businesses, the findings highlight importance of networks and strategic alliances. Johanson and Vahlne (2009) state that networks are important drivers in the internationalization process of firms, and can be seen in the current study. The decision of the Indian case organization to outsource the selection and recruitment of interns helped overcome local Indian regulations restricting the inpatriation of staff, and not only helped exchange the transfer of tacit knowledge between the Indian and non-Indian professionals, but it also helped the organization to staff their foreign subsidiaries after the completion of the internship.

This study is based on the experience of one firm in a specific industry. Future research could be undertaken on how knowledge-transfer takes place in other service sectors, such as tourism which rely on the use of Modes 2 and 4. The use of virtual teams and managing the transfer of knowledge across national borders is another area of research that could add to the literature and enhance our understanding of business activities in a network linked global world.

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Table 1: Profile of interview participants

Interviewee	Country of origin	Internship position	ICF experience	Absorbed in ICF
1	Romania	Human Resources - internal projects staffing	15 months	Yes - Australia
2	Ukraine	Human Resources - internal projects staffing	16 months	Yes - Netherlands
3	Mexico	Translator of technical applications (English/Spanish)	16 months	No
4	Brazil	Human Resources - internal projects staffing	11 months	No
5	Brazil	IT support administrator	18 months	Yes - Mexico
6	Kenya	Human Resources - internal projects staffing	16 months	No
7	Argentina	Human Resources - internal projects staffing	11 months	No
8	Uganda	IT support administrator	18 months	No
9	Slovakia	Human Resources - internal projects staffing	10 months	No
10	USA	Learning and development	10 months	No
11	Argentina	Human Resources - internal projects staffing	12 months	Yes - Uruguay
12	Uganda	Human Resources - internal projects staffing	18 months	No

Interviewee	Country of origin	Position in Organizations	ICF experience	Absorbed in ICF
13	Kazakhstan	YSF/ICF coordinator	17 months	No
14	Mexico	YSF/ICF coordinator	12 months	No
15	Nigeria	YSF/ICF coordinator	12 months	No
16	Argentina	YSF/ICF coordinator	9 months	Yes - Chile

Interviewee	Country of origin	Full-time ICT position	ICF experience
17	India	Head of Local Human Resource Department	19.5 years
18	India	Human Resource Specialist	2.5 years
19	India	Technical project leader	4 years
20	India	Head of Local Human Resource Department	9 years

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Figure 1: Barriers to Intra-Organization Knowledge Transfer

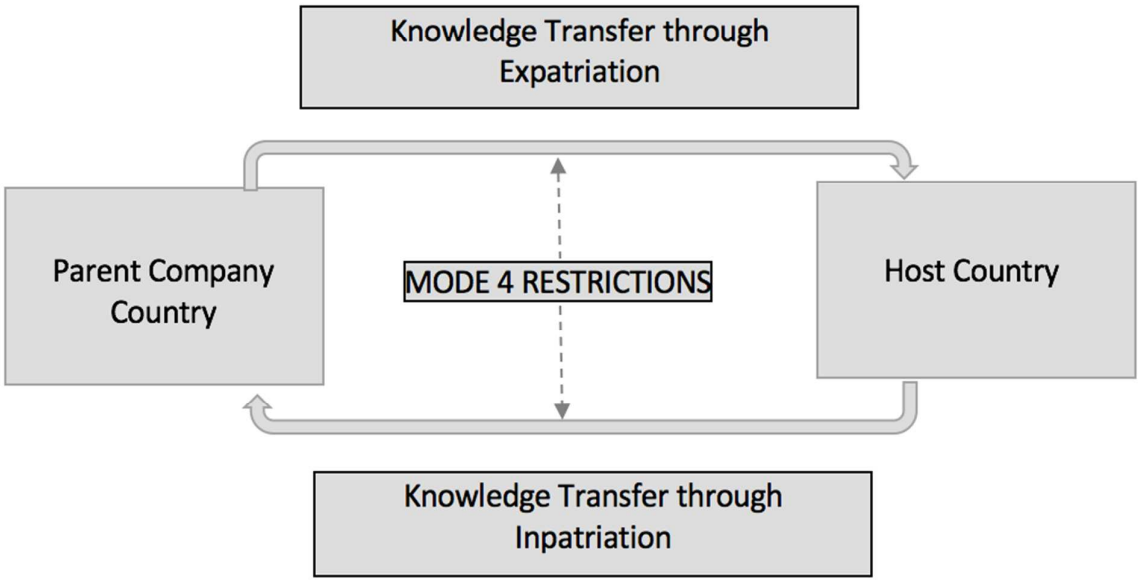

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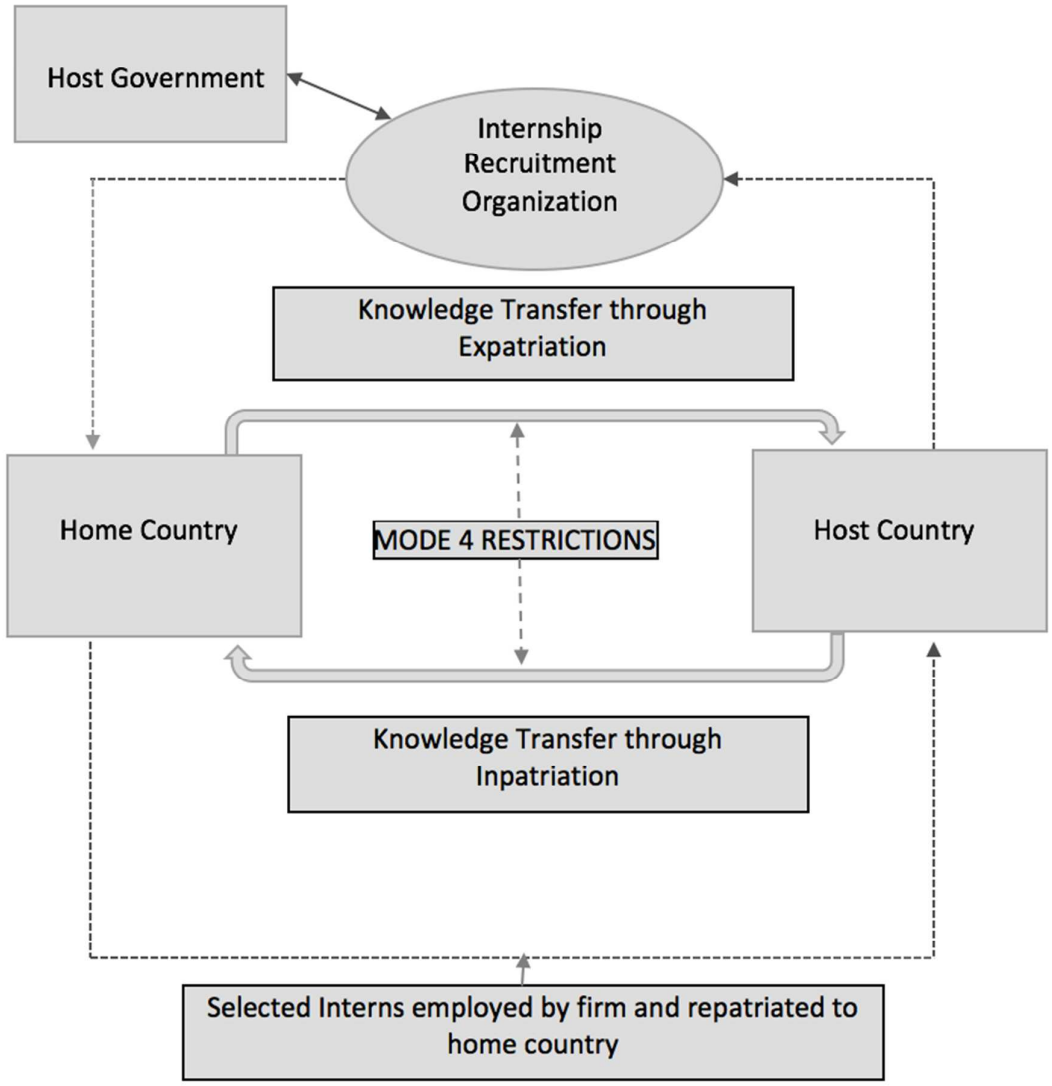
Figure 2: A Model of Intra-Organizational Knowledge Transfer



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