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International returnees and the capturing of foreign knowledge by emerging market firms

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A thesis submitted in partial fulfillment of the requirements for the Doctor of Philosophy degree in Business

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INTERNATIONAL RETURNEES AND THE CAPTURING OF FOREIGN
KNOWLEDGE BY EMERGING MARKET FIRMS

(Spin Title: International Returnees And The Transfer Of Foreign Knowledge)

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by

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Graduate Program in Business Administration

A thesis submitted in partial fulfillment
of the requirements for the degree of Doctor of Philosophy

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The University of Western Ontario
London, Ontario, Canada

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entitled:

**International Returnees and the Capturing of Foreign Knowledge
by Emerging Market Firms**

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Abstract

As emerging markets grow and provide new economic opportunities, firms in these countries have an opportunity to benefit from the international knowledge their diaspora can bring when they return home. This thesis aims to contribute to the international assignee and knowledge transfer literature by examining the processes by which international returnees help firms in emerging markets capture and utilize the knowledge they have gained overseas. International returnees are people who have completed post-graduate studies overseas, and then returned to work in their home country.

This dissertation is grounded in institutional theory at a micro-foundational level. It integrates research from the expatriate and repatriate knowledge transfer literatures with research in psychological distance, and the educational framework of the Zone of Proximal Development (ZPD) to offer a multi-dimensional understanding of the process by which returnees transfer knowledge.

A case methodology was employed in which 47 returnees in large domestic Korean firms were interviewed. The result is a process model that develops propositions about knowledge transfer across institutional boundaries. We found that the nature of the knowledge being transferred and a returnee's understanding of foreign and local institutional logics affect their ability to transfer knowledge. We also found that, over time, returnees can educate members of their workgroups by reducing the psychological distance of the knowledge they wish to introduce.

Our data suggest that returnees who are more successful at transferring knowledge do this by incrementally building trust and legitimacy amongst their peers and superiors.

In addition, they scaffold workgroup members by providing the language and mental frameworks needed for them to understand the knowledge they are attempting to transfer. They also seek opportunities to transfer knowledge that is more immediately relevant to their colleagues, has a more certain payoff, and can be applied to their colleagues' and superiors' current needs before attempting to introduce knowledge which is more distant to the workgroup. In this way, we have found that these returnees follow an incremental pattern that can be placed within the ZPD framework of learning.

Keywords

International Returnees, Foreign Assignees, Expatriate Managers, Returnee Managers, Knowledge Based View, Institutional Theory, Knowledge Transfer, Tacit Knowledge, Psychological Distance, Scaffolding, Zone of Proximal Development

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Chapter 1 : Introduction to the Phenomenon

1 Overview

The aim of this thesis is to contribute to the international assignee and international knowledge transfer literature by examining the processes by which international returnees help emerging market firms capture and utilize foreign knowledge.

Capturing returnee knowledge can be difficult for firms because it requires tacit knowledge to be transferred from one institutional environment to another. This implies that the knowledge must cross psychological distance (Trope & Liberman, 2010; Zhang & Wang, 2009), which can include temporal, spatial, social, and hypothetical distance (which means less probable events are perceived as more distant). Through a micro-level perspective—individuals interacting with their colleagues in workgroups—the study provides insight on the dynamic process by which individual returnees transfer knowledge they gained while living and studying in a foreign institutional environment to their domestic institutions. A broad definition of workgroup is used which includes the people in the organization with whom an individual interacts on an ongoing basis to meet a common goal (Katzenbach & Smith, 2006).

Thus, this thesis examines the strategic issue of knowledge transfer by focusing on the individuals and workgroups that are the direct mechanisms for knowledge transfer. In order to understand how individuals transfer knowledge, it is necessary to study individuals within workgroups rather than solely focusing on organizations as a whole. Knowledge transfer by individuals generally occurs within the context of a workgroup and is “likely to be resisted or embraced by groups within an organization rather than by

the organization as a whole” (Edmondson & Williams Woolley, 2003). The unit of analysis is individual returnees as they interact with their workgroups over time. By examining individuals embedded in workgroups, we are taking up the call by organizational scholars to provide a micro-foundational dimension to the knowledge transfer and organizational theory literatures (Foss, 2011; Foss & Pedersen, 2004; Üsdiken, 2010).

1.1 Defining Returnees

The ranks of university graduate programs in North America and Europe are increasingly being filled with talented students recruited from overseas. For example, according to the Committee on Policy Implications of International Graduate Students and Postdoctoral Scholars in the United States (2005), by 2003 nearly 40% of all science and engineering doctoral students in the United States were foreign born, and over half of these students were from newly industrialized countries in Asia (i.e. South Korea, China, Taiwan, and India). Since education systems, especially at the post-graduate level, are often not as advanced or sophisticated in newly developed or emerging nations, many students from these countries choose to pursue their post-graduate education in countries with more developed education systems—particularly the United States and other tier one economy countries.

Indirect evidence for this argument can be found in the academic backgrounds of faculty in Korean universities where top school professors will have significant influence on the academic career paths of their promising students. Rhee and Lee (2008) report that 94.3% professors held foreign doctoral degrees among the total faculty members in the top three Korean business schools. Only 12 professors acquired their doctoral

degrees from Korean universities, even though there are over 60 Korean schools that offer doctoral programs in management studies.

In a globalized business environment, where success relies increasingly on the ability of firms to recognize and transform external knowledge, these post-graduate scholars represent a potentially powerful resource for firms in emerging markets looking to catch up to their rivals in more developed nations (Kim, 1997). Upon graduation, these individuals will have been exposed to the latest knowledge in their field.

Depending on the activities they engaged in and the time spent immersed in the foreign culture, they will also have developed communication skills and an understanding of the culture in which they have been immersed. In addition, a sustained and long term international experience that is part of completing a post graduate degree in a foreign country often equips these graduates with a more global mindset—which in turn allows them to compare and contrast cultures and organizational logics (Calof & Beamish, 1994; Levy, Beechler, Taylor, & Boyacigiller, 2007).

Upon completion of their programs, these graduates may find employment in the host country or return to their home countries. Past research (The States, 2005) has linked the decision to stay in the host country or return home to the level of industrialization of the home country. More industrialized countries will typically have more attractive opportunities for these graduates. For example, in 2003, the stay rate in the United States of masters and doctoral graduates from South Korea, which is more developed than most other emerging markets, was only 22%; on the other hand, the stay rate of graduates from China was 96%.

However, China and India are experiencing rapid economic development and attractive opportunities are becoming available for these graduates at home. This has led to a steady decline in the stay rates particularly amongst Chinese (Wang, Zweig, & Lin, 2011). In South Korea, returnees now outnumber emigrants (Jeong, 2011). As stay rates decline, American firms and academic institutes are having to step up their efforts to entice graduates to remain in the United States (States, 2005), demonstrating that these highly educated people are a rare and valuable resource at a global economic level. As Tung (2008) argues: “more and more, nation-states have to compete with organizations in other countries for the same talent pool” (p. 299).

Returnees are becoming a particularly mobile group in the global war for talent (Tung, 2008). No longer are firms restricted to recruiting talent from local sources. In fact, in our research interviews for this study, we were informed that the vast majority of Korean MNEs were actively recruiting overseas—particularly in the United States. Some of the large Chaebols¹ have permanent departments for recruiting and retaining overseas Korean nationals.

The Korean firms we spoke with tended to have two streams for recruiting employees. The regular stream is to hire new undergraduates and post graduates from local universities, which generally happens annually or semi-annually. In addition, employees are hired as ‘special talent recruits’. A large majority of these special talent recruits are international returnees, almost all of whom have a graduate degree from a foreign academic institution. An HR manager that we interviewed estimated that her

¹ *Chaebol*—business family—a large and highly diversified Korean-based corporation often dominated by a single family. Well known examples include Samsung, LG, and Hyundai.

department, which represents only the financial subsidiary of a large Chaebol, hires up to 100 foreign educated Koreans per year. These returnees, even if hired at a more junior level, are paid a premium salary over regular hires, presumably because of the knowledge they bring to the firm.

There are several ways to define returnees, and these largely depend on the context of interest. A useful definition must be sufficiently restrictive to constitute a human resource that could potentially meet the competitive advantage criteria set out by Barney (1991). Thus, in order to be useful to management scholars, returnees must be defined so as to identify a group that may be a valuable, rare, inimitable, non-substitutable and exploitable human resource to firms in a given context and in a specific respect. Thus, while it may be that over 40,000 people return to China each year after some international experience (Gross & Connor, 2007), the abilities that these people have gained from their international experiences, which is tightly linked to their value to firms, are so vastly different that they cannot be seen as a homogeneous group. The discussion of returnees in organizational research should demonstrate a clear link between a particular group of returnees and their potential value to the organizations to which they are returning.

The term international returnee has been used in various academic literatures to describe diverse groups of people who leave and return to their country of origin for very different reasons and who have had vastly different international experiences. For example, in addition to adults who left to pursue higher education in a foreign country, some definitions encompass returnees who left their home country for several years as school children to accompany their expatriate manager parents (Sasagawa, Toyoda, & Sakano, 2006; Yoshida, Matsumoto, Akashi, Akiyama, Furuiye, Ishii, & Moriyoshi,

2009) or unskilled foreign labourers and displaced peoples returning to their home country (Arowolo, 2000).

As such, because we are interested in the transfer of sophisticated management knowledge, we use a definition of returnees that captures individuals with a high degree of managerial or technical competency. We define international returnees as people who, at a minimum, have completed a post-graduate degree (Master's or PhD) overseas and then returned to work in their home country. Thus, some returnees may have only spent two years abroad. On the other hand, others may have gone overseas much earlier in life, and have spent a substantial portion of their life in a foreign country. However, we use a post graduate degree as a minimum standard to ensure that the returnee has technical or managerial knowledge (even if learned in an educational setting) to potentially transfer to a workgroup. While this definition is stricter than definitions used by other scholars, most studies of returnees have focused on people with post-graduate degrees (Song, Almeida, & Wu, 2001; Wang, et al., 2011).

Returnees may have considerably more international experience than the minimum. In fact, a returnee might also be a person who has completed a significant proportion of their education in a foreign country and has gained some years of work experience. The sample pool that we used for data collection enabled us to compare returnees with relatively short international stays (2 years) with returnees who had spent a more significant period of time (including formative years) in a foreign country.

We do not include people who go overseas as agents of their firms. This is the main distinction between expatriate / repatriate managers who go to a foreign country for a limited number of years for the purpose of doing business on behalf of their firm, and

returnees. Table 1 presents a definition and comparison of expatriates, repatriates, inpatriates, and returnees. The purpose of this summary chart is to position returnees as a group within the context of the foreign assignee literature. As a human resource, returnees share commonalities with other groups within the foreign assignee literature; however, their unique experiences differentiate them from other groups previously studied in the management literature. We note that unlike expatriates, repatriates, and inpatriates, who are most often studied in their roles as managers in large organizations, the limited research on returnees has tended to be on returnee entrepreneurs.

We are not focusing on the valuable knowledge learned through foreign assignments, but rather we are interested in people whose education and experience has made them part of the global talent pool (Tung, 2008). As an anecdote, a senior marketing manager from a large manufacturing firm that we interviewed in the main phase of this study stated that the returnees working for him in the domestic sales and marketing department had a more “global mindset” than his expatriate colleagues working for the company overseas (Returnee #24, Company L)². The point here is that the type of knowledge and experience gained by returnees when they lived overseas is quite different than the knowledge and experience of expatriates. We contend that, while overseas, returnees are more fully embedded in the institutional environment (whether academic or business) of the host country.

² Section 5.5 of the methods chapter presents summary tables and descriptive data of returnees interviewed and the companies visited.

Table 1: Returnees within the foreign assignee literature

	Expatriate Managers	Repatriate Managers	Inpatriate Managers	Returnee (Managers)
Common Definition	Employees sent by headquarters to work in a subsidiary in a foreign country for a period of time (generally 2 to 5 years)	Expatriates who have returned back to the home country after their foreign assignment	Employees who are transferred to the MNE headquarters from a subsidiary	<i>(no common definition in literature)</i> People who have completed a post-graduate degree overseas and then returned to work in their home country. In addition, many returnees have foreign work experience
Recruitment	Existing managers within a firm are sent abroad	Managers sent abroad and repatriated to Headquarters	Managers recruited from foreign subsidiaries	Managers recruited from the global talent pool (Tung, 2008)
Knowledge Competency (compared to workgroup)				
Knowledge of home country institutional environment	Extensive	Similar	Little knowledge	Less or similar
Knowledge of organizational logics and routines	Extensive	Similar	Less or similar	Less
Knowledge of foreign country intentional environment	Limited	More	Extensive	More or Extensive

	Expatriate Managers	Repatriate Managers	Inpatriate Managers	Returnee (Managers)
Potential Contribution to Organization	Headquarters coordination and control Transfer of knowledge from headquarters to subsidiary	Transfer of foreign market knowledge to headquarters Transfer of foreign subsidiaries competencies to headquarters	Transfer of foreign subsidiaries competencies to headquarters Transfer of national knowledge endowments from foreign institutional environments Foreign social networks	Transfer of national knowledge endowments from foreign institutional environments Foreign social networks Bridge between foreign and domestic institutional environment
Knowledge Transfer Relationship	Intra-firm knowledge transfer (WOS) Inter-firm knowledge transfer (JV & Alliances)	Intra-firm knowledge transfer	Intra-firm knowledge transfer Transferring knowledge from a foreign institutional environment into the firm	Transferring knowledge from a foreign institutional environment into the firm
Where are these human resources Found?	Vast majority of MNEs deploy expatriate managers	Vast majority of MNEs	Some MNEs (more often from Europe)	Large firms in emerging market which have gained a large diaspora through economic and educational emigration
Sample Academic Citations	Beamish & Inkpen (1998); Black & Gregersen (1991); Black, Mendenhall, & Oddou (1991); Fang, Jiang, Makino, & Beamish (2010); Minbaeva (2005); Tan & Mahoney (2006); Shaffer, Harrison, Gregersen, Black, & Ferzandi (2006)	Furuya, Stevens, Bird, Oddou, & Mendenhall (2009); Furuya, Stevens, Oddou, Bird, & Mendenhall, (2007); Oddou, Osland, & Blakeney (2009); Stroh, Gregersen, & Black (2000)	Reiche (2006)	Filatotchev, Liu, Buck, & Wrigh (2009); Prashantham & Dhanaraj (2010); Song, Almeida, & Wu (2003); Song, et al., 2001); Tung (2008; 2007); Wang, Zweig, & Lin, Wang (2011), Wang (2009)

In this study, we only consider those returnees who are employed as managers in for-profit organizations. In this Korean context, the faculties of top universities and research institutes are often entirely staffed by returnees. Not only do many of these returnees have limited managerial roles, but the fact that there are so many of them makes these academic environments somewhat atypical.

Because we defined returnees as having a foreign post-graduate degree, they will possess some type of advanced scientific or technical knowledge, including perhaps management knowledge, which they may potentially transfer to the domestic firms in which they are employed. In addition, since they were immersed in a knowledge-intensive foreign cultural setting for several years, i.e. post graduate studies at a university and perhaps work experience, we would expect them to have developed some cultural competency. Particularly, they can be expected to have knowledge of foreign cultures and some skills for interacting with people from other countries (Johnson, Lenartowicz, & Apud, 2006). Upper echelon research demonstrates that, at least for top management, the international experience of key members can be a source of competitive advantage (Carpenter, Sanders, & Gregersen, 2001; Johnson, et al., 2006; Magnusson & Boggs, 2006).

The amount of time spent and the variety of experiences gained in a foreign country greatly impact a returnee's ability, motivation, and opportunity to disseminate knowledge to their workgroups. However, we will argue that there is not necessarily a linear (more is better) relationship between increased foreign experience prior to returning and the ability, motivation, and opportunity to transfer knowledge. Contrary to intuitive logic, we will argue that, as a group, returnees who have spent a long period of time and who

have had varied experiences in a foreign country are not necessarily always the most effective at transferring knowledge to their workgroup. Returnees are successful at transferring knowledge when they not only have valuable and diverse knowledge to transfer to their workgroups, but when they are aware of the context in which the knowledge receivers are embedded and attempt to mindfully manage the knowledge transfer process. By looking at knowledge transfer at the individual level, this study provides important insight into the process by which individuals manage the transfer of the knowledge that they have gained from their international experiences.

International returnees represent an important asset for emerging market firms that are seeking to catch up to their rivals in developed nations in management techniques and advanced technology. Because of their importance, returnees are now beginning to receive some attention in the academic literature. However, recent studies on returnees have mainly focused on returnee entrepreneurs in smaller venture firms in China or India (Filatotchev, et al., 2009; Prashantham & Dhanaraj, 2010), the impact of returnee engineers on firm level innovation (Song, et al., 2003), or the role of returnees in foreign firms (Wang, 2009). There has, however, been much less attention given to returnee managers and decision-makers in large corporations, and particularly in large domestic firms. However, the importance of understanding returnee managers is highlighted in Tung's (2008; 2007) work on brain circulation³ and the boundaryless workforce. Whether these decision-makers are senior executives or middle managers, we suggest

³ Tung (2008) defines brain circulation as the flow of human capital in and out of nations. The concept is an extension of 'brain drain' and 'brain gain'—the losing of talented workers from one nation to another. Her argument is that talent is becoming more fluid at the international level.

that there is value in understanding the process by which these returnees transfer their foreign knowledge into domestic firms.

1.2 Foreign Assignee Literature

The literature on expatriation and repatriation can be broadly characterized into two streams of research. One stream examines the more micro-level individual dimensions of cultural adjustment (e.g. Black & Gregersen, 1991; Black, et al., 1991; Shaffer, Harrison, & Gilley, 1999; Shaffer, et al., 2006), and the other stream looks at expatriation as a strategic resource for knowledge transfer (e.g., Beamish & Inkpen, 1998; Fang, et al., 2010; Kobrin, 1988; Minbaeva, 2005; Riusala & Suutari, 2004; Tan & Mahoney, 2006; Tung, 1982). The two streams, however, should not be seen as mutually exclusive. The personal characteristics (Shaffer, et al., 2006) and social capital (Liu & Shaffer, 2005) of individual managers is certain to affect their ability to act as knowledge transfer agents. On the other hand, placing managers inside institutional environments that are less receptive to foreign knowledge transfer, for example those with lower FDI legitimacy (Peng & Beamish, 2007), may set the individual manager up for failure. In this way, a richer understanding of international knowledge transfer by returnees may be gained by understanding how individual and institutional factors interact. Javidan, Teagarden, and Bowen (2010) argue that the global mindset needed to succeed as an international manager requires the development of intellectual and psychological skills as well as social capital.

The vast majority of research which examines the role of knowledge transfer to and from MNEs, through individuals, looks at either intra-firm knowledge transfer, which is the knowledge transferred from the headquarters to the subsidiary, vice-versa or between

subsidiaries, or inter-firm knowledge transfer, which typically focuses on knowledge transfer in international joint ventures and other international alliances. In fact, the ability to transfer management competencies across borders is considered one of the main competitive advantages of MNEs (Riusala & Suutari, 2004), and the main reason that they exist (Gupta & Govindarajan, 2000).

The underlining assumption is that the MNE has superior knowledge that can be tapped in foreign markets. In these studies, the manager is typically viewed as an agent of the MNE who is sent overseas to transfer tacit knowledge to a subsidiary, and who transfers back to the MNE tacit knowledge gained during an overseas experience. While MNEs are typically organizations that have strong knowledge competencies that they can exploit in foreign markets, it is also appropriate to view MNEs as knowledge gatherers (Goerzen & Beamish, 2007).

In addition to having knowledge that they can use to capture rents, emerging market firms often have a relative deficiency of knowledge compared to their counterparts in more developed economies. For the most part, the human resource and knowledge factor endowments in emerging markets have not yet achieved the levels of those in developed markets (Deloitte Research, 2009). For example, since education systems, especially at the post-graduate level, are often not as advanced or sophisticated in newly developed or emerging nations, emerging market firms do not have the same domestic talent pool to draw from for their human resource needs. Thus, for emerging market firms, international knowledge transfer may be more about capturing knowledge available in foreign countries and importing it into their domestic organization. This type of knowledge is fundamentally different than intra-organizational knowledge transfer

because the focus is not on the management and dissemination of existing firm-specific internal knowledge, but on the capturing of external knowledge in a foreign country.

While still considerably different, the capturing of international knowledge by emerging market firms is perhaps better informed by the repatriate literature than the expatriate literature. Repatriate knowledge, the knowledge that managers bring back home with them upon completion of their international assignment, has become recognized as a potentially valuable resource that firms often have difficulty exploiting (Gregersen & Black, 1995; Stroh, et al., 2000). Recently, there has been a growing interest in the factors that facilitate or hinder the transfer of knowledge to the home country that expatriates have acquired during their international assignments (Oddou, et al., 2009).

Expatriates, repatriates and inpatriates are not the only human resource available to emerging market firms that can be used for capturing foreign tacit knowledge. International returnees represent a potentially powerful human resource for emerging market economies. Because of the number of students from emerging market countries who go abroad to pursue graduate studies, international returnees can be an important human resource for emerging market economies (Wang, 2009). This extremely large group of highly educated workers can potentially be, if properly managed, a rich source of knowledge for emerging market firms.

In Chapter 2, we will argue that returnee knowledge is tacit. Tacit knowledge, that is knowledge that cannot be explicitly codified, is very difficult to transfer because it resides in the experiences of the knower and cannot be separated from the context in which it was created (Lam, 2000). The stickiness of tacit knowledge makes transferring

it, even domestically, quite challenging (Szulanski & Cappetta, 2003). However, when firms attempt to transfer knowledge internationally, tacit knowledge becomes more sticky because it was created and embedded in an institutional and cultural context that may be incongruent with the new environment (Inkpen, 2008). While the majority of research on international knowledge transfer has been concerned with knowledge transfer at the intra and inter firm level, returnee knowledge comes from outside the firm and is somewhat different. In fact, since returnee knowledge does not reside within an organizational context, it is arguably stickier than intra firm knowledge transfer. In fact, we will later show that often the transferring of returnee knowledge requires changes to institutional and cultural norms within the organizations.

Because it originates from outside the firm, capturing returnee knowledge adds another level of complexity. While expatriate knowledge tends to be more firm-specific to the MNE that is transferring the knowledge, returnee knowledge tends to be knowledge developed through education and work experience. Thus, issues of congruency between the institutional environment in which the knowledge was created and the institutional environment to which the knowledge is being transferred become extremely important.

1.3 Research Question

This dissertation is grounded in institutional theory at a micro-foundational level (Powell & Colyvas, 2008), and integrates research from the expatriate and repatriate knowledge transfer literatures (Oddou, et al., 2009) with research in absorptive capacity (Cohen & Levinthal, 1990; Zahra & George, 2002), psychological distance (Trope & Liberman, 2010; Trope, Liberman, & Wakslak, 2007), the educational theory Zone of

Proximal Development (ZPD) (Cole, 1985; Valsiner & van der Veer, 1993; Vygotsky, 1978), and issue selling (Dutton, Ashford, O'Neill, & Lawrence, 2001) to offer a multi-dimensional understanding of the process of returnee knowledge transfer in emerging market firms.

This thesis develops a process model and explores propositions about knowledge transfer across institutional boundaries: We examine: 1) how returnees' understanding of domestic and foreign institutional logics affects their ability to transfer knowledge; 2) how the nature of knowledge affects how it is transferred from one institutional environment to another; 3) how, over time, returnees can manage the psychological distance—whether temporal, spatial, social, hypothetical—between the knowledge that they are attempting to transfer and the people with whom they are interacting; and 4) how workgroup level factors related to absorptive capacity interact with a returnee's ability to transfer knowledge.

To accomplish this, a total of 47 returnees in large domestic Korean firms (32 of which were included for data analysis in this thesis) were interviewed. The returnees had varying degrees of international experience (some went abroad as children, whereas others went overseas after their undergraduate studies); they were at different stages in their careers (9 top executives; 13 senior managers; 17 middle managers; 6 junior managers); and they were from 16 different firms in multiple industries. The returnees were engineers, financial experts, managers (MBAs), and engineers and financial experts who are now managers. A minimum of 1 and a maximum of 9 returnees from each firm were interviewed. The three instances in which only one returnee was interviewed in a company were the three midsize firms that were visited. In those cases, all three

returnees were connected socially and were able to briefly comment on each other's experiences. The end result is an individual-level process model of how returnees can successfully manage the process of knowledge transfer across institutional boundaries.

We find that the nature of the knowledge being transferred—whether it is congruent or incongruent with the institutional logics of the domestic firm—and a returnee's understanding of foreign and local normative, regulative and cognitive institutional logics affects their ability to transfer knowledge. However, the interview data revealed that, over time, returnees can 'educate' (Orr & Scott, 2008) members of their workgroups by managing the psychological distance of the knowledge they wish to introduce. The interview data suggests that returnees who are more successful at transferring knowledge do this by incrementally building trust and legitimacy amongst their peers and superiors, and thus lowering their social distance.

In addition, returnees who are more successful at transferring knowledge provide the language and mental frameworks needed for workgroup members to understand the knowledge they are attempting to transfer. We also found that these returnees seek opportunities to transfer knowledge that is more immediately relevant to their colleagues, has a more certain payoff, and can be applied to their colleagues' and superiors' current needs before attempting to introduce knowledge which is more distant to the workgroup. In this way, we have found that some returnees follow an incremental pattern of introducing new knowledge that is similar to what has been suggested by educational scholars who are proponents of the Zone of Proximal Development framework of learning (Cole, 1985; Valsiner & van der Veer, 1993; Vygotsky, 1978).

Therefore, based on the above and examining the issues from a micro-level institutional lens: the research question is—in emerging market firms, what is the process by which returnees successfully transfer the knowledge that they have learned overseas to their domestic firms. How does the nature of the knowledge, the characteristics of the individual, and the characteristics of the workgroup affect the knowledge transfer process?

1.4 Overview of the Methodology

The research employed a multiple case study methodology. In keeping with the spirit of qualitative case study method, the data were allowed to drive the research (Yin, 2009). The theoretical lens and the propositions that flow from the theory evolved as more data were collected. Using initial field interviews, we developed a series of theoretical propositions which were examined, tested, and refined based on the data collected during the full data collection and analysis phase of the study. At every stage in the data collection and analysis, we suspended previously held theoretical models and used the data to guide our search of the literature. In fact, the discovery of an individual level process model of returnee knowledge transfer emerged only after examining the data from our main field study. As a result, we returned to the field to collect further data.

While the vast majority of the empirical findings from the field work are reported in the chapters that follow the formal explication of the methodology (Chapter 5), in three instances we have explicitly used field data in the theory development chapters. It was important to use some insights gained from our field work in the theory development chapters. This is because in case-based qualitative research, field research and theory

development are part of an iterative and intertwined process (Eisenhardt, 1989; 1989; Eisenhardt & Graebner, 2007; Yin, 2009).

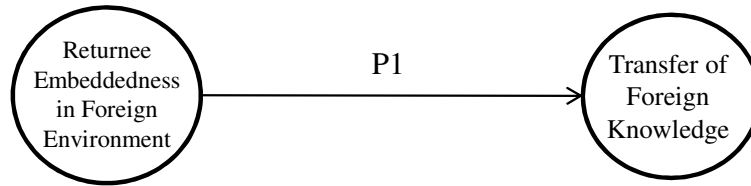
We have included findings from the field work in the theory development sections when the interview data substantially informed the theoretical underpinnings of our models. Specially, we have included field research in our definition of returnees in Chapter One. We have also included insights from our interviews in Chapter 2 where we develop a definition of returnee knowledge. Additionally, in Chapter 3, field research is used to provide a contextual example to provide support for the focus on psychological distance. In all cases, the interview data is used to provide support and illustrative examples of the theory which comes from the extant literature.

1.5 Overview of the Thesis

Chapter One of this thesis has developed our understanding of returnees and positioned them within the foreign assignee literature.

Chapter Two focuses on the theoretical underpinnings that have guided the study from the onset. The chapter focuses on knowledge and knowledge transfer by returnees. It begins by defining tacit knowledge within a knowledge based view of the firm. Based on the extant literature and informed by our research, a definition of returnee knowledge is proposed. We then describe the initial model that was used to guide our subsequent theory development, and then present our first proposition. Figure 1 illustrates the simple model that will be presented in Chapter Two.

Figure 1: Model 1 - Initial model form of returnee knowledge transfer from KBV perspective



Chapters Three and Four provide the theoretical justification for the models that were derived based on interview data and a subsequent return to the extant literature. Chapter Three considers how the transfer of tacit knowledge is affected by the psychological distance between the knowledge that the returnee seeks to transfer and the environment to which the knowledge is being transferred. We adapt key concepts from the field of education to show how returnees can act as “teachers”—colleagues with a skill set that others do not have but could benefit from learning—who lower the psychological distance between the knowledge they are attempting to transfer and the current logics and knowledge of the workgroup members to whom they are attempting to transfer the knowledge. We then explore a micro-level institutional perspective on the dynamics of returnee knowledge transfer. This chapter presents the challenges of attempting to transfer knowledge across institutional boundaries. We demonstrate that for knowledge that is embedded in social environments, the transfer of that knowledge is a form of institutional change.

Chapter Four examines several workgroup level factors that can influence a returnee’s ability to transfer knowledge. These include the absorptive capacity of the

workgroup; the groups' learning orientation; the process of newcomer socialization; and the global mindset of the workgroup. This chapter also presents work that has been done in the area of issue selling in organizations. We argue that issue selling is an important part of returnee knowledge transfer. However, unlike issue selling in domestic firms, returnees must be aware that the knowledge they are bringing to the workgroup may contain logics that are considerably more distant than they would be in a domestic setting. This chapter also explores the importance of language in setting the stage for issue selling.

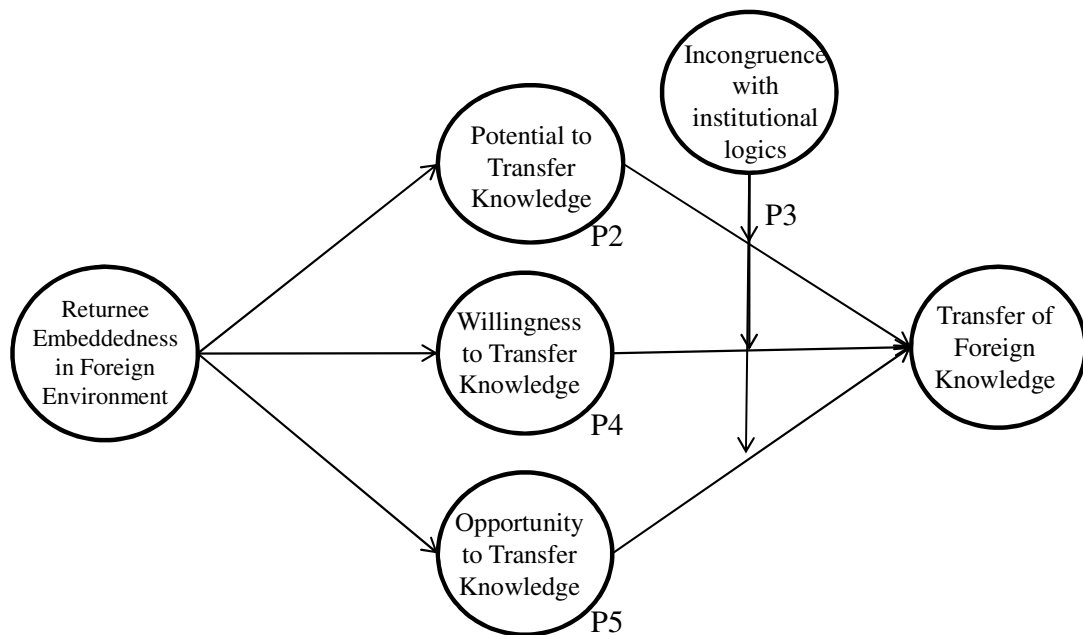
Chapter Five presents the methodology used to guide our data collection and develop our theoretical propositions. The method section lays out our ontological and epistemological assumptions, detailed criteria for establishing trustworthiness (reliability and validity) of the process that we will use for data collection and analysis, and a detailed case study protocol. Recognizing that postpositivist research tends to favour more quantitative research methods, we justified our reasons for choosing a case study approach and clearly explain how we ensured that our results are accurate and credible.

Chapter Six lays out our data collection and analysis procedures. It provides demographic descriptions of the returnees who participated in our study and the firms that we visited. We also outline the procedures used to collect and analyze the vignettes used to establish the final theoretical model. A descriptive overview of the vignettes is also provided in this chapter.

Chapter Seven and Eight presents the findings of the research. By using a micro-institutional lens, Chapter Seven develops propositions that describe a tension between foreign institutional logics and domestic institutional logics. This tension becomes

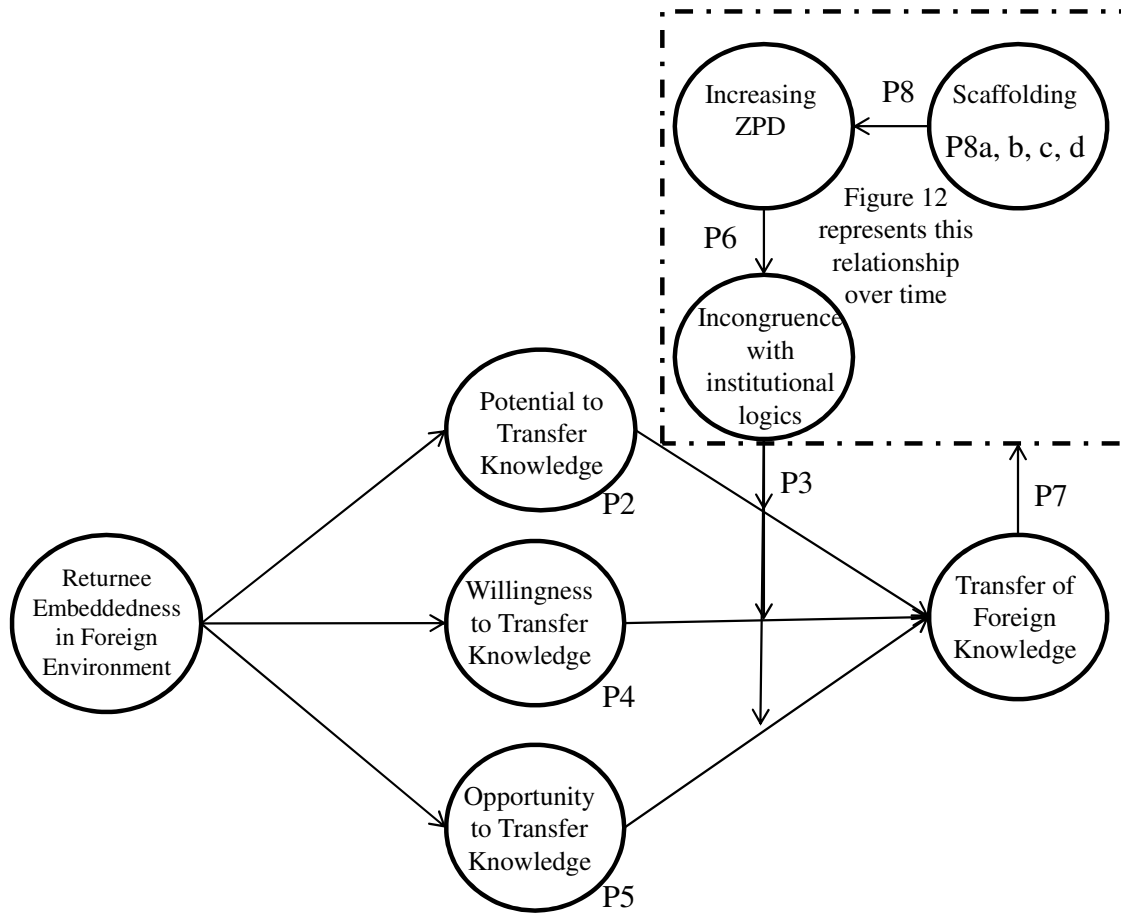
salient when returnees attempt to transfer knowledge that is incongruent with domestic institutional logics. Based on this micro-institutional perspective, a second model is developed, which includes four additional propositions. Figure 2 is the model that will be developed in Chapter Seven.

Figure 2: Model 2 - Static model of returnee knowledge transfer based on micro-institutional perspective



Chapter Eight presents the final emerging model. This model emerged after an analysis of our interview data revealed a pattern amongst returnees who were more successful at transferring knowledge. This pattern showed that returnees have more success at transferring knowledge when they do so incrementally. The model is based on the understanding of psychological distance, zones of proximal development, and scaffolding developed in Chapter Three. Figure 3 is the final model that will be developed in Chapter Eight.

Figure 3: Model 3 – Time-based model of returnee knowledge transfer (Final theoretical model)



Finally, Chapter Nine provides a discussion of our findings, our contributions, future research, and conclusions. Table 2 presents a visualization of the organisation of the thesis.

Table 2: Overview of thesis

<p style="text-align: center;">Chapter 1 Phenomena Development and Overview</p> <ul style="list-style-type: none"> • Define and position returnees with assignee literature 	<p style="text-align: center;">Chapter 2 Theoretical Underpinning</p> <ul style="list-style-type: none"> • Knowledge-Based View • Define Tacit Knowledge • Define Returnee Knowledge <p style="text-align: center;">Model 1</p> <p style="text-align: center;">Introduce Base Proposition 1</p>	<p style="text-align: center;">Chapter 3 New Theoretical Insights</p> <ul style="list-style-type: none"> • Micro-Institutional Theory • Psychological Distance (PD) • Zone of Proximal Development (ZPD) 	<p style="text-align: center;">Chapter 4 Workgroup Level Theory</p> <ul style="list-style-type: none"> • Absorptive Capacity Learning Orientation • Newcomer Socialization • Global Mindset • Issue Selling
<p style="text-align: center;">Chapters 5 & 6 Methodology</p> <ul style="list-style-type: none"> • Description of and justification for method • Data Collection Procedures • Descriptive Analysis 	<p style="text-align: center;">Chapter 7 Model Based on Micro-Institutional Perspective</p> <p style="text-align: center;">Model 2: Static model</p> <p style="text-align: center;">Propositions 2-5</p>	<p style="text-align: center;">Chapter 8 Model Based on PD and ZPD</p> <p style="text-align: center;">Model 3: Time-based model</p> <p style="text-align: center;">Propositions 6-8 (8a-d)</p>	<p style="text-align: center;">Chapter 9 Discussion</p> <ul style="list-style-type: none"> • Findings • Contributions • Future research • Conclusions

Chapter 2 : Theoretical Underpinnings—Knowledge Based View

2 Overview

Since our main goal is to understand the process by which returnees successfully transfer the knowledge that they have learned overseas to their domestic firms, this thesis is grounded in a knowledge based view (KBV) of the firm. In this chapter, we will present the theoretical underpinnings of the KBV of the firm. We will explore the concept of knowledge and what it means to transfer knowledge. We will argue that knowledge can be tacit or explicit (Nonaka, 1994; Polanyi, 1966), and can lie on a continuum between these two points (Nonaka & von Krogh, 2009). Then, we will consider the difference between knowledge which remains tacit because of the complexity of utilizing that knowledge in its explicit form—that is knowledge about something independent from society—and knowledge which is fundamentally tacit because it is socially collective (Collins, 2007). Then, the chapter develops a definition of returnee knowledge that is rooted in the extant literature.

Finally, we will present the initial base proposition (P1) that was developed prior to our field studies. While this proposition describes a somewhat simplistic model, it will serve as the basis for the models that are developed later in Chapters Seven and Eight.

2.1 Knowledge as Tacit and Explicit

Nonaka's (1991) conceptualization of knowledge as either tacit or explicit is a useful distinction to understand the broad categories of knowledge. Tacit knowledge resides in the individual knower. Because knowledge is often acquired over a period of time and through a process of experiences, the knower may have little ability to abstract

that knowledge and articulate it in a formal way. In this sense, a person is able to perform beyond their own ability to objectively understand the processes that they are following. More simply stated “we can know more than we can tell” (Polanyi, 1966: 4). The characteristics of tacit knowledge are: it is difficult to write down, it is personal knowledge, it is practical knowledge, and it is embedded in a specific context (Ambrosini & Bowman, 2001; Nonaka, 1991; Sternberg, 1994).

Polanyi (1966) gives the example of face recognition. While we are able to quite easily recognize the faces of people we know, we would be hard pressed to explain why we are able recognize those faces or the process by which we recognize faces. Thus, this knowledge remains tacit. However, since Polanyi’s writing, scientists have been able to discover more about the processes by which faces are recognized. By making these processes explicit, they have been able to create face recognition software. In doing so, this tacit human knowledge has been made explicit.

Explicit knowledge is knowledge that can be codified and made systematic in a way that can be easily shared by being written down in operating manuals, scientific formulas, computer programs, etc. (Nonaka, 1991). Using an example of the development of a bread machine, Nonaka (1991) demonstrates how the tacit “know how” of the master bakers at the Osaka International Hotel were carefully codified into a set of actions and rules that could be incorporated into a mechanical device. In the case of the master bakers, one of the keys to their uniquely delicious bread was a twisting hand motion that was not articulated in any of the recipe books they followed. Once the product engineers were able to discover this technique through observation, they were able to capture the bakers’ tacit knowledge and incorporate it into their bread machine.

Thus, the tacit knowledge, which the bakers knew but could not articulate, was converted to explicit knowledge.

While the above two examples demonstrate that tacit knowledge can be captured into explicit knowledge, there can be both enormous costs and severe limitations to converting tacit knowledge into explicit knowledge. For example, as Ribeiro and Collins (2007) point out, it would be a gross overstatement to imply that the bread making machine had captured the previously tacit knowledge of the master bakers. Rather, one aspect of the masters' knowledge was discovered, and then through additional tacit knowledge of the engineers, a mechanical substitute was created. However, the master bakers' knowledge of how to knead dough remains tacit. Buying a bread machine does not provide a person with the knowledge—explicit or tacit—of how to knead bread with the skill of a master bread maker; it merely allows them to make some types of bread without possessing that knowledge.

In the example of face recognition, while there may be many tacit processes that our brain performs during the face recognition process that could be discovered, made explicit, and incorporated into software, the process of converting this tacit knowledge into explicit knowledge is expensive, time consuming, and dependent on the sufficiently advanced tacit knowledge of modern engineering.

Most human knowledge resides somewhere on a continuum between tacit and explicit (Ambrosini & Bowman, 2001; Nonaka & von Krogh, 2009). Even the most tacit skill, such as showing respect or appreciation towards a colleague, has to some degree been codified and taught. On the other hand, following an explicit step-by-step guide for

setting up an electronic device is certainly easier for a person with some computer tacit knowledge and self-efficacy (Compeau & Higgins, 1995).

Organizations managing individual knowledge holders may or may not choose to attempt to capture the tacit knowledge of individuals in order to make it explicit. When knowledge is made explicit, it is easier to transfer throughout an organization (Grant, 1996); however there are limits to an organization's ability to capture tacit knowledge in an explicit form. Imagine, for example, a firm had managers with extensive knowledge of an overseas market. While the firm could commission the managers to develop some helpful instructions and manuals for others to follow, it is unimaginable to attempt to codify all of this socially embedded knowledge into explicit instructions.

Understanding that knowledge resides on a continuum between tacit and explicit, Table 3 summarizes the dimensions on which tacit and explicit knowledge can be compared and contrasted.

2.2 Knowledge-based View

This distinction between tacit and explicit knowledge has formed the backbone of the knowledge transfer literature in management studies (Ambrosini & Bowman, 2001; Grant, 1996; Spender, 1996). Since tacit knowledge can only be transferred from one context to another via a knower, the role of human resources in the transfer of this type of knowledge is extremely important (Inkpen & Pien, 2006). The knowledge-based view (KBV) of the firm sees the ability of the firm—through its hierarchy structures—to coordinate and apply the tacit knowledge of individuals as a key reason for the existence of firms over market exchanges (Grant, 1996).

Table 3: A comparison of tacit and explicit knowledge

	Tacit Knowledge	Explicit Knowledge
Characteristics	<ul style="list-style-type: none"> • Learning by doing “knowing more than one can tell” • Personal • Practical • Embedded in Context 	<ul style="list-style-type: none"> • Codified • Made systematic • Can be shared to a wide audience
Where the Knowledge Resides	<ul style="list-style-type: none"> • In the mind and body of the knower 	<ul style="list-style-type: none"> • “Written down” in external sources (e.g. manuals, formulas, textbooks, video)
Need for Human Actor	<ul style="list-style-type: none"> • Requires the knower be present 	<ul style="list-style-type: none"> • Portable and independent of human actors
Understanding of Institutional Environment	<ul style="list-style-type: none"> • Requires an understanding of the context in which the knowledge is embedded 	<ul style="list-style-type: none"> • Not dependent on context
Ease of Transferring	<ul style="list-style-type: none"> • Sticky (harder to transfer) • Can be a source of competitive advantage for a firm 	<ul style="list-style-type: none"> • Fluid (easier to transfer) • Will quickly diffuse into other organizations

According to the KBV, the firm is a social community that is able to store and transfer knowledge more efficiently on an internal basis than through the external market (Kogut, 2000; Kogut & Zander, 1992). The firm’s knowledge, and the efficiency by which it is created and transferred internally, is a main source of competitive advantage

(Gupta & Govindarajan, 1991; 2000; Kogut, 2000; Kogut & Zander, 1992; Kostova, 1999). The KBV emphasizes that knowledge transfer relates not only to the sending of knowledge from a source to a recipient unit, but also its integration, understanding and application (Cohen & Levinthal, 1990; Hansen, 2002; 1999; Mudambi & Swift, 2011; Szulanski, 1996).

According to the KBV, explicit knowledge, because it can be easily transferred and understood, does not have the property of sustained inimitability and thus is not a source of sustained competitive advantage (Teece & Pisano, 1994). Only knowledge which is tacit, and thus resides within the individual, can be a source of competitive advantage for the firm. Thus, possession of human resources with valuable tacit knowledge and the effective coordination of those human resources within the hierarchical structure of the firm is a key component of sustained competitive advantage (Grant, 1996).

It is clear that the knowledge that is brought into a firm by new employees is tacit knowledge. Explicit knowledge would be purchased by a firm as a product. For example, a domestic firm could purchase foreign technology in the form of hardware or software. Unlike explicit knowledge which can be codified and transferred without regards to context, tacit knowledge is understood by individuals who are embedded in situations, which are embedded in organizations, which are embedded in societies (Lam, 2000):

At the cognitive level, the notion of social embeddedness underlines the 'tacit' nature of human knowledge and the dynamic relationship between individual and collective learning... At the organizational level, it focuses on how the organizing principles of the firm shape the social structure of coordination, and the behavioural routines and work roles of group members... At the societal level, it draws attention to the way societal institutions shape organizational routines and coordination rules (Lam, 2000: 489).

Because so much of an individual's knowledge is embedded in a context which has taken-for-granted routines and techniques, it is often impossible to explicitly codify that knowledge in a way that can be transferred beyond the environment in which it was created. The way in which organizations are 'organized' shapes and partially determines knowledge. This can make it difficult to explicitly transfer knowledge into an organization that operates in a different institutional environment. Since tacit knowledge is socially embedded, it very often requires an understanding and appreciation of the society in which it was developed. Thus, tacit knowledge that "is deeply embedded within the context in which it was created tends to be resistant to both movement and receipt" (Inkpen, 2008: 79).

2.3 Types of Tacit Knowledge

Flowing from the idea that tacit knowledge can be socially embedded, a further distinction can be made within tacit knowledge by considering the degree to which tacit knowledge could, even theoretically, be made explicit (Collins, 2007). Collins argues that there is a type of knowledge that, while ontologically independent of human actors, remains tacit because it is far too complex for people to make use of the knowledge in its explicit form. He argues that this type of knowledge remains tacit because there is a somatic-limitation⁴ [mind/body limitation] of the human condition (Collins, 2007). Thus, knowledge can be 'independent'. We define independent knowledge as knowledge which has an ontological existence independent of human actors. It is knowledge about

⁴ A somatic limitation is a limitation of the body to act on an explicit instruction from the brain. Thus, the body has developed a 'memory' for the task (Collins, 2008). An example is the 'muscle memory' that is used to perform in sports.

‘things out there’. Often the complexity of independent knowledge makes it impractical to be used by human actors in its explicit form. An apprenticeship model of learning often typifies this type of tacit knowledge. It is not so much that the knowledge of the skilled trade could not, at least theoretically, be made explicit; it is that the complexity of the tasks involved would make the following of explicit instructions an overly complex task for a person to process and act upon. Thus, to be useful, the knowledge must be tacit.

On the other hand, there is knowledge which cannot be made explicit. Some knowledge has to be known tacitly “because it is located in the human collectives and, therefore, can never be the property of any one individual” (Collins, 2007: 260). This is collective tacit knowledge. Such knowledge comes about through a series of historically embedded human experiences, and thus cannot be decomposed into parts (Sobol & Lei, 1994).

Based on the extant literature, we propose Figure 4 as the visual representation of the continuum between tacit and explicit knowledge on the y-axis, and the continuum between independent knowledge (knowledge of things independent of human societies) and collective knowledge on the x-axis. The bottom left box shows independent explicit knowledge. This knowledge can be imported into the organization in an explicit form. The purchasing of ready to use technologies, such as software, would typify this type of knowledge. This knowledge requires low interaction intensity (Stringfellow, Teagarden, & Nie, 2008; Teagarden, Meyer, & Jones, 2008). Low interaction intensity means that knowledge can be transferred with minimal involvement of other human actors. The top left box shows knowledge that is independent tacit knowledge. This is knowledge that is

brought to the organization by individuals as tacit knowledge simply because the complexity of that knowledge is too great to be made explicit.

The top right box shows socially collective tacit knowledge. This knowledge is brought to the organization as tacit because the performance or demonstration of that knowledge involves a deep knowledge of socially embedded conventions. There are limits on making such knowledge explicit because it is rooted in historically embedded human experiences. This knowledge requires a high level of interaction intensity. The knowledge in the bottom right box is explicit socially collective knowledge. While Collins (2007) does not address this in his writing, it is clear that even collective tacit knowledge can have some aspects that can be made explicit. Manuals on how to show respect to customers in China compared to customers in Texas can be written to help guide employees. The point remains that making collective knowledge explicit has strict limitations.

The distinction between knowledge which remains tacit because of its complexity and collective tacit knowledge is extremely important for understanding returnee knowledge. In fact, since the first pilot stage of this study, our quest to understand returnee knowledge has been confounded by these two types of knowledge. Our field research and subsequent return to the literature has revealed that the knowledge that returnee engineers and scientists—in so much as they are acting as engineers or scientists and not as managers—transfer is more often tacit because of its complexity (top left-hand box). While such knowledge has an independent basis, it is so complex that making it explicit would be impractical. On the other hand, the knowledge that managers transfer tends to be collective tacit knowledge. Because this managerial knowledge is rooted in a

historically embedded social environment, there are theoretical limits, not just practical limits, to transferring this knowledge in an explicit form (top right hand box).

Figure 4: Types of returnee knowledge

	Independent	Socially Collective
	→	
Tacit	Returnee Technical Knowledge (Engineering & Financial Know How)	Returnee Social Knowledge (Managerial, Cultural, Market Knowledge)
Explicit	Operating Manuals Software Knowledge Embedded Equipment	[Limited] Videos explicating observable behaviours Stories and articles explaining cultural phenomena

In the upper left box, tacit knowledge of how, let's say, semi-conductors work could be made explicit and one could possibly follow a step-by-step manual. However, such an attempt would quickly meet the limits of the human mind and body. Engineers do not rely solely on explicit 'textbook' knowledge, but rather on their tacit understanding of that knowledge. The engineer, like the skilled tradesman, has learned a considerable amount of knowledge through a learning-by-doing process (Teece, 1982). Thus learning-by-hiring can be an efficient way for a firm to capture this engineering knowledge (Song, et al., 2003). Research has demonstrated that returnee engineers, who

have developed skills in foreign countries, can be hired by a domestic firm, which gives the firm access to their tacit engineering knowledge (Kim, 1997; Song, et al., 2001).

However, at its core, the engineering knowledge is about something in the world that is independent of the human actor; the knowledge medium or depository of that knowledge is the human mind.

The upper right hand box looks at tacit knowledge of managerial practices that are more often the result of the historically embedded relationships of the people in that society. Thus, this knowledge is much more fundamentally tacit and there are theoretical limits to making it explicit. Because such knowledge is about the organizing of human activity, it is “embedded in and manifested through systems of historically developing, culturally mediated activity” (Lecusay, Rossen, & Cole, 2008).

Reading though academic literature on innovation and knowledge transfer compared to literature on the transfer of expatriate / repatriate knowledge implicitly reveals this important distinction. For example, Song, et al. (2003) look at the transfer of knowledge by returnee engineers. For them, knowledge and capabilities have a much more technical meaning and are measured by such variables as the number of explicit patents that the firm is able to file.

This is considerably different than the definition of repatriate knowledge provided by Oddou, Osland, & Blakeney (2009). They categorize the knowledge assets that expatriates bring back home with them as cognitive, relational, attitudinal, and behavioural. It is clear from this perspective that the main focus of repatriate knowledge is the managerial skills and perspectives that are developed through the international

assignment. This knowledge is much more socially embedded, and thus collectively tacit.

Managerial knowledge, as collective tacit knowledge, is thus tightly bound to the institutional environment in which it was created. For example, we could expect that the American management frameworks that are taught in American business schools will reflect the societal realities of American organizations. Not only is tacit knowledge itself embedded in institutional environments, but even what constitutes truth and reasoning can vary from one environment to another. Miller and Lin (2010) found that knowledge transfer can be affected by congruency (or lack of congruency) between an individual's epistemology—general view of knowledge—and the workgroup's epistemology.

Because the managerial knowledge is much more collectively tacit than engineering knowledge, it can be more difficult to transfer and may be more resisted by the workgroup. In order to illustrate this point, we provide an anecdote from our field research. This distinction was highlighted by an R&D director from a midsize manufacturing firm, whose background allowed him to compare and contrast the transfer of engineering knowledge into the organization with the transfer of managerial knowledge. This returnee had completed his studies in the USA and worked for an American company in the USA and a European firm in Korea prior to joining a domestic firm. His role as R&D director makes him part of both the engineering workgroup and the management workgroup of this midsize firm.

Actually, there is a huge difference between the R&D group and the business group. The R&D group is always pushing for more information. Gathering as much information and using it as possible. If we have an idea, there is no problem to push for it. We don't get too concerned about what is right or

wrong at the beginning. So, if you have a new idea, we just push each other...It is very similar to other foreign companies. But in management it is little different. Sometimes, I think that in the business manager meeting, the CEO says something than it is a scientific law that cannot be broken. If some guys have a different opinion, they need to be very adventurous to express it. If I disagree, or if I have a different solution, it will almost always meet opposition...Actually, Koreans are just as good at science and engineering as foreign companies, but it doesn't seem that our management system is very good. I feel that it is much less advanced than the foreign companies that I worked for.
(Returnee #26, Company Q)

Up to this point, we have considered the nature of the knowledge that returnees could potentially transfer to their organizations. The knowledge that they transfer is, for the most part, tacit knowledge. The managerial knowledge that returnees can transfer, because it most often has to do with the organizing of human activities, will more often be collective tacit knowledge. Such knowledge is arguably stickier and more difficult to transfer than engineering knowledge—that is because knowledge about something has a more concrete ontological existence separate from human actors.

2.4 Definition of Returnee Knowledge

Since to our knowledge, no definition of returnee knowledge exists in the literature, we begin with the definition of repatriate knowledge offered by Oddou, et al. (2009). They define repatriate knowledge as “cognitive (e.g., a broader perspective, cognitive complexity), relational (e.g., social networks), attitudinal (e.g., tolerance of differences), and behavioural (e.g. intercultural skills, management skills)” (Oddou, et al., 2009: 182). The most significant difference between repatriate and returnee knowledge is that repatriate knowledge is focused on helping firms understand foreign markets, whereas returnee knowledge is focused on capturing and utilizing foreign knowledge

endowments. It is knowledge from the broader institutional environments in the foreign countries. While knowledge transfer through alliances also tends to be concerned about capturing foreign knowledge endowments, alliance knowledge transfer is usually dyadic or at most exists amongst a cluster of firms (Inkpen & Tsang, 2005).

Our definition of returnee knowledge builds on the Oddou, et al. (2009) understanding of repatriate knowledge, but with more emphasis on capturing the technical and managerial skills that are embedded in foreign institutions. Because Oddou, et al. (2009) see repatriate knowledge as knowledge of foreign markets and people, their definition of knowledge centers much more on collective tacit knowledge. On the other hand, with their focus on patents and product development, innovation researchers looking at learning-by-hiring (Kim, 1997; Song, et al., 2003) have tended to examine more technical tacit knowledge. However, since returnees have studied and worked in foreign institutions, their knowledge could be both social and technical. Thus, a broad definition of returnee knowledge needs to capture both of these types of knowledge.

Our proposed definition is that returnee knowledge is tacit knowledge of the socially embedded historical environments of the foreign institutions (academic, work, or broader social) in which the returnee was embedded, and the domestic institutions to which the returnee has returned. Returnee knowledge, as ‘collective tacit knowledge’, is cognitive and attitudinal. It involves a wider perspective and as such brings unique and broader problem solving skills to the organization. Returnee knowledge is relational. Having been embedded in a foreign country for an extended period of time, returnees tend to have a foreign social network that can be used as a source of knowledge for the

firm. As such, returnee knowledge includes an appreciation and understanding of cross-cultural differences in human relations. Returnee knowledge can also be ‘independent tacit knowledge’. Through education and work experience, returnees have been imbued with the technical skills—whether scientific, engineering, or technical managerial skills—of the host country. This creates an opportunity to transfer those knowledge endowments to emerging market firms.

Our above definition, described in Table 4, is both grounded in the literature and reflects the insights from our fieldwork. On the left hand side of Table 4 are the sources of returnee knowledge. Returnees, depending on their depth of experience in the foreign and domestic environment, will bring a mix of foreign and domestic collective and technical tacit knowledge to the firm.

Returnees may have gained both technical tacit knowledge and collective tacit knowledge. This distinction is important because the transfer of knowledge, which resides in the collective human experiences of a society, is not as immediately transferable across institutional boundaries as more technical tacit knowledge.

2.5 The Transfer of Tacit Knowledge

Returnee knowledge is tacit, and the Nonaka (1994) framework argues that tacit knowledge is transferred by a socialization process (tacit to tacit) or an externalization process (tacit to explicit). Technical knowledge could be externalized (made explicit) by capturing and externalizing that knowledge directly into tangible knowledge outcomes such as new products or processes (Collins, 2007). Examples from our research context included an engineer’s tacit knowledge of chemistry being used to develop a teeth whitening product. Technical tacit knowledge could also have a socialization outcome

(tacit) by transferring skills to other members of the organization. In our research context, research engineers taught their peer colleagues and junior colleagues the research principles and methodologies that they had learned overseas.

Table 4: Definition of returnee knowledge

Sources of Returnee Knowledge	Types of Returnee Knowledge
<p>Foreign Institutional Environment</p> <ul style="list-style-type: none"> - Foreign Academic Institutions - Foreign Firms - Foreign Social Networks - Foreign Cultural experiences 	<p>Collective Tacit Knowledge</p> <ul style="list-style-type: none"> - Cognitive <ul style="list-style-type: none"> - Broader Problem solving skills - Attitudinal <ul style="list-style-type: none"> - Unique Perspective - Relational <ul style="list-style-type: none"> - Wider social network - Understanding of Cross-institutional differences
<p>Domestic Institutional Environment</p> <ul style="list-style-type: none"> - Domestic Academic Institutions - Domestic Firms - Domestic Social Networks - Domestic Cultural experiences 	<p>Technical Tacit Knowledge</p> <ul style="list-style-type: none"> - Scientific Knowledge - Engineering Skills - Business Technology Know how

Collective tacit knowledge is most often transferred through a socialization process. It is conceivable that tacit knowledge is transferred through explication, by for example, developing manuals to help other colleagues develop a ‘global mindset’ (Levy, et al., 2007; Paul, 2000). In our research context, the managers who attempted to transfer a western or global mindset described a very tacit and social process that took place over an extended period of time.

2.6 Greater Embeddedness Leads to More Knowledge Transfer

There is an implicit assumption in the knowledge literature, particularly literature that adopts a knowledge-based view of the firm (Grant, 1996; 1996), that more knowledge and greater diversity of knowledge among individual members increase a firm's stock of knowledge. While this theoretical lens emphasizes the need for firms to integrate the knowledge of individual members, researchers have not tended to question whether there is a drawback to having too much knowledge diversity amongst individual members. They do recognize that knowledge transfer can be difficult and complicated to coordinate (Szulanski, 1996; Szulanski & Cappetta, 2003). However, there is an underlying assumption; since knowledge is a key resource for firms, if firms are able to manage knowledge well, then the more depth and diversity of knowledge that individuals bring to the firm, the more resources the firm has to exploit.

The assumption, that more depth and diversity of knowledge among workgroup members is better, is intuitively and practically reasonable. Take, for example, the following argument on the benefits of multiple perspectives on complex problem solving presented by Nickerson and Zenger (2004: 621):

Consider three actors with different and distinct knowledge sets, all of which are relevant to a particular problem. Assume that these knowledge sets reflect a set of design choices that define a solution landscape to a particular problem and that the landscape is at least somewhat rugged. Each actor can independently develop an ordering for trials based on his or her respective knowledge. However, differences in knowledge are likely to yield differences in cognitive maps and hence the recommended order of trials. Moreover, absent knowledge sharing, these independently developed cognitive maps are unlikely to be well matched to the topography of the solution landscapes. Only by developing heuristics that encompass the knowledge of all actors can the probability of discovering highly valued solutions be enhanced.

As diversity among workgroup members' knowledge sets increases, the workgroup has a richer pool of information and logic to draw from when creating its solution set. If firms can create situations that allow individuals with diverse backgrounds to share their knowledge, they can facilitate richer problem solving searches, which opens the possibility of developing a more optimal solution.

Following this logic, emerging market firms looking to capture knowledge available in more developed countries should prefer returnees who have a deeper and richer international experience. We would expect that such returnees will have potentially more knowledge to offer the emerging market firm. They will have more experiences to draw from, and a better and more diverse educational and work background. They may have deeper insight into markets and customers, and they have more experience with technologies and managerial practices unavailable to the domestic firm. They will also have deeper foreign social networks that they can draw upon as sources of knowledge. Thus, the greater the foreign expertise that the returnee has developed, the more knowledge the returnee will have to offer the workgroup. From a knowledge based view, the ideal situation is to get the most talented (knowledgeable) people into the firm. Thus, we would expect firms to seek out returnees with the most proven overseas education and work experience.

This perspective makes particular sense when the knowledge is additive to the workgroup's current knowledge base, congruent with their presently held beliefs, and when the workgroup's decision heuristics are clearly guided by the quality of individual members' knowledge (Nickerson & Zenger, 2004). When a workgroup is seeking knowledge to solve a clear and well understood problem or deficiency in their

organization, then knowledge can be understood as additive. For example, in our pilot study, a returnee was recruited into a workgroup because of her knowledge of international accounting practices that were necessary for an impending IPO that the company was preparing and the workgroup was tasked with organizing. In this case, the workgroup recognized that the returnee's international experience and knowledge contribution was necessary to solve the problem at hand; and as such, her knowledge was integrated with relative ease into the workgroup's decision making heuristics. The workgroup did not have a preset, taken-for-granted, understanding of how the problem should be solved. In addition, no one's political interest was threatened by the introduction of a novel solution. Nickerson and Zenger (2004) argue that solution heuristics will depend both on the quality of each individual member's logic and their self-interest and political positions.

2.7 Proposition 1 – Integrating New knowledge

Looked at from a knowledge-based view perspective, returnees have an ability to expand the solution search of their workgroups. Because firms are limited to the collective experiences of their individual members, all new knowledge must be acquired by their members. There are no mechanisms to perceive the external environment other than individuals (Daft & Weick, 1984). Over time, the ideas and knowledge that are available to decision makers become condensed into the dominant logics of the organization (Bettis & Wong, 2003). Dominant logics, as a kind of collective tacit knowledge, are the accepted logical frameworks used by the workgroup to search for solutions and for problem solving. They not only guide the decision process, but also determine the questions that are asked (Prahalad & Bettis, 1986).

Because returnees have been embedded in a foreign environment where they may have gained specialized knowledge and experience, their attention (Ocasio, 2011; 1997) is more likely to be directed towards international sources. Thus, when looking for new opportunities or answers to problems at hand, returnees are more likely to direct the workgroup's attention towards international sources of external knowledge and unique logical frameworks for problem solving. This same logic was applied by scholars studying the effects of international experience of upper management teams in American firms on firm performance (Carpenter, et al., 2001; Magnusson & Boggs, 2006). Although international experience is not the only known CEO characteristic to predict a firm's international expansion (Matta & Beamish, 2008), firms with CEOs with international experience tend to seek more foreign opportunities.

Through their international activities, returnees build up social ties and shared cognitive frameworks with foreign individuals (Granovetter, 1973). This relational knowledge, or social capital (Tsai & Ghoshal, 1998), can be used to help facilitate external knowledge recognition. Social capital represents the interpersonal relationships that a person has built up and the resources that are embedded in those relationships (McFadyen & Cannella, 2004). Researchers have found a link between an individual member's social capital and a firm's ability to develop innovative solutions (Landry, Amara, & Lamari, 2002). Returnees may be able to draw on the information sources, through their formal and informal affiliations with international groups and peers. These international relationships may open up avenues to explore knowledge opportunities.

Thus, for at least three reasons, people with international experience are more able to help incorporate international knowledge into the decision processes of their

workgroups. They may be more aware that such knowledge is available. Prior knowledge is key to the discovery of present opportunity (Shane, 2000). Second, they may have more ability and network relationships to search for international knowledge. Third, their attention is more likely to be focused on international sources. As Ocasio (1997) argues, decision makers can only attend to a limited number of possibilities at any time and are likely to focus on possibilities that are ready at hand.

Based on the KBV of the firm, we began this study with a somewhat simple model of returnee knowledge transfer. We argue that as holders of unique tacit knowledge from a foreign institutional environment, returnees can bridge the two institutional environments (Wang, 2009), and as such, act as boundary spanners (Schotter & Beamish, 2011; Tushman, 1977; Tushman & Scanlan, 1981) transferring knowledge from the foreign institutional environments in which they were embedded into their firms. From this perspective, we argue that returnees with deeper knowledge of the foreign institutional environment will be able to transfer more knowledge to their domestic firms. Thus, as illustrated in Figure 1, we propose our base proposition:

Proposition 1: *The more embedded a returnee was in a foreign environment, the more knowledge he/she will be able to transfer to he/she workgroup.*

2.8 Limitations of KBV Model

However, a returnee's stock of international knowledge, developed networks, and international attention are not always enough to ensure successful knowledge transfer to the workgroup. A returnee's ability to effectively broker that knowledge (Hargadon & Sutton, 1997) over to members of the workgroup is also important. This knowledge

brokering ability affects the returnee's disseminative capacity. Disseminative capacity is "the ability of knowledge holders to efficiently, effectively, and convincingly frame knowledge in a way that other people can understand accurately and put into practice, plays an equally important role in the knowledge transfer process" (Tang, Mu, & MacLachlan, 2010: 1586) . Just as the brightest and most gifted scholar is not always the best teacher (Mu, Tang, & MacLachlan, 2010), so too the returnee with the deepest international knowledge, networks, and perspective is not always the most effective at transferring that knowledge to the workgroup. This is because knowledge is not always additive. The knowledge that returnees bring to the firm often displaces old technologies and practices that are well understood and not clearly failing. In such cases, the transfer of knowledge may meet more resistance. Since knowledge is embedded in the institutional logics of the society and organizations where it is created, it is possible that the knowledge that returnees introduce may be in direct conflict with deeply rooted, taken-for-granted, home country societal norms and beliefs. Successful knowledge transfer may involve a more balanced understanding of the new knowledge and the logics of the institutional environment to which the knowledge is being transferred. People tend to favour that which is familiar and ready-at-hand. New knowledge which is distant, unknown, and developed by people in a different context may seem abstract and thus easier to dismiss.

Chapter 3 address the challenges of transferring knowledge across institutional boundaries by adding a micro-level perspective. Examining knowledge transfer through the lens of psychological distance provides a micro-institutional and educational perspective on knowledge transfer.

Based on the results of our field study and further literature review, we were able to expand Model 1 to capture the complexities of knowledge transfer by returnees. Chapter Seven presents our second model, which includes Proposition 2 through 5. These propositions were developed after our initial field interviews and supported by findings from our main study. In Chapter Eight, we will explicate our final model which presents a new time-based theoretical contribution. This final model is based on the understanding that knowledge transfer is a process that occurs over time and in incremental steps. The next two chapters lay out the theoretical underpinnings used to develop Models 2 and 3.

Chapter 3 : New Theoretical Insights

3 A Psychological and Micro-Institutional Perspective

This chapter develops and incorporates three theoretical lenses to help explain the complexities of transferring knowledge across institutional boundaries. First, we explore psychological distance from an individual psychology perspective. Then, since we are looking at the transfer of knowledge from individual returnees to their organization, we will introduce and incorporate an educational theoretical framework called the Zone of Proximal Development. We then develop a micro-institutional theory perspective on how individuals involved in transferring and receiving knowledge across institutional boundaries may act to promote or further that knowledge transfer.

3.1 Psychological Distance

Rooted in psychology and developed in fields as diverse as microeconomics, consumer behaviour, and education, considerable research has been conducted on the effects of psychological distance (Green & Myerson, 2004; Trope & Liberman, 2010; Trope, et al., 2007). Psychological distance is also a construct that has been well developed in the field of international business. However, the uses of the construct in international business—for example in the international process model (Johanson & Vahlne, 1977) and the effects of cultural distance (Kogut & Singh, 1988)—have been more at the firm to market level rather than at the individual or individual to workgroup level. Thus, in this case, our understanding of psychological distance is better rooted in the psychology literature than in the traditional international business literature.

Psychological distance “is a subjective experience that something is close or far away from the self, here, and now” (Trope & Liberman, 2010: 440). Psychological distance is subjective because it is rooted in a particular individual within a particular context. As described in Table 5, psychological distance can be seen in terms of four types of distance—time, space, social relations, and probability (Zhang & Wang, 2009). While each type of distance uniquely represents a different kind of distance relationship, experimental psychology has found them to be highly related (Kim, Zhang, & Li, 2008) and driven by the same psychological mechanisms (Zhang & Wang, 2009).

Table 5: Dimensions of Psychological Distance

Dimension	Description
Temporal Distance	‘when’ <ul style="list-style-type: none"> • The perceived distance in time from now (past or future)
Spatial Distance	‘where’ <ul style="list-style-type: none"> • The subjective understanding of how far away something is from oneself in physical distance
Social Distance	‘who’ <ul style="list-style-type: none"> • The perceived relational distance between oneself and the focal actor(s)
Hypotheticality	‘whether’ <ul style="list-style-type: none"> • The subjective probability that something will occur

Source: Zhang & Wang (2009)

Temporal distance can be seen in terms of ‘when’ something (such as an event) will occur or when the effects of an action or event will be realized (Liberman, Sagristano, & Trope, 2002). For example, making a decision today on an action that will have an outcome this week is much more psychologically proximal than making a decision today for an outcome that will be realized in a year.

The time discounted utility models developed by micro-economists in the early 20th century (e.g.: Samuelson, 1937) are an example of temporal distance. In these models, each individual has a unique utility function that determines their willingness to delay a reward. While a poor man may be willing to take \$10 today and forgo \$20 in one week, a rich man may be quite willing to wait the week. The temporal distance is thus greater for the poor man than the rich man (for a review of time preference in economics see: Frederick, Loewenstein, & O'Donoghue, 2002).

Spatial distance is concerned with 'where' or how far away in space something is from the actor (Fujita, Henderson, Eng, Trope, & Liberman, 2006). While spatial distance is perhaps the most physically measurable distance, it is also quite subjective and is rooted in the nature of the relationship between the place of reference and the individual in a given situation. For example, a place that the individual has visited often and knows well may seem less spatially distant than a place of equal physical distance but which is unknown to the individual.

Social distance has to do with 'who' another individual is in terms of how connected the actor is from the focal person. The concern in social distance is how different in terms of social connections one feels from the social target (Trope & Liberman, 2010). The more dimensions on which someone can relate to the social target, the more socially proximal one is to that target. Ultimately, social distance can be viewed in terms of self versus other (Kim, et al., 2008; Zhang & Wang, 2009), since one is most socially proximal to oneself.

Hypotheticality is concerned with the perceived probability of ‘whether’ something will occur (Todorov, Goren, & Trope, 2007). As the probability of an event decreases—or as the known probability decreases—the event becomes more psychologically distant.

The principle of bounded rationality (Simon, 1955) argues that people do not always make the most economically rational decision not only because they lack sufficient knowledge about distant choices, but also because they tend to discount distant preferences (March, 1978). As a result, choices that would, in fact, allow a person to derive a greater amount of benefit are discounted in favour of choices that are in the here and now (Green & Myerson, 2004). In addition, the potential gains of distant choices are often discounted at a greater rate than the potential losses from those choices (Murphy, Vuchinich, & Simpson, 2001).

Psychological distance is related to the level of mental construal⁵ (Trope & Liberman, 2010). The greater the distance a person is from an experience, the higher level of construal that a person will use to think about the experience. Take, for example, an economic crisis occurring now as opposed to in the distant past; or here as opposed to in another country; or to you rather than to a distant class of people. Through experimental evidence (Trope, et al., 2007), construal theory has shown that people tend to think about more distant events with a higher level of abstraction. As such, when something is perceived to be distant, it is less real, concrete and immediately relevant.

⁵ Mental construal is the level of abstraction at which a person is contemplating an idea (Trope & Liberman, 2010). High levels of construal are general and abstract thought, and low levels of construal are detailed and concrete thoughts.

While people tend to idealize things perceived to be distant, they also dismiss their importance (Trope, et al., 2007). In a study of academic officers, Logue and Anderson (2001) found while experienced academic officers had a strong appreciation for the long-term effects of administrative actions when asked to consider hypothetical situations, they tended to favour short-term solutions (less money now, instead of more money later) when given a concrete situation. When the psychological distance is high, such as temporal distance for the academic officers, there is a tendency to focus on desirability; however, as psychological distance decreases, the tendency shifts towards feasibility (Liviatan, Trope, & Liberman, 2008; Trope & Liberman, 2010).

As another example, imagine managers benchmarking a process that was currently being undertaken by another firm of similar size in the same industry and in the same city. According to construal theory, managers will tend to focus on details. They will examine what is being done and how it is being done. Their level of construal will be fairly low. However, as distance in time, space, and relatedness increase, the managers will tend to think at a higher level of construal. They may consider ‘why’ the process should be undertaken or the values of implementing the process. Benchmarking a more psychologically distant process may allow the managers to form an understanding of the ideals to which they wish to aspire; however, benchmarking a more psychologically proximal process will allow managers to create a more actionable plan (Trope & Liberman, 2010).

The foreign tacit knowledge that returnees bring to their workgroups can be psychologically distant from other workgroup members on several dimensions and, as such, perceived as more abstract and more heavily discounted than might be expected in a

more rational decision model. First, new knowledge has temporal distance. Generally, knowledge takes time to implement, and as a result the payoff lies somewhere in the future. Second, the returnee knowledge has spatial distance in that it comes from a foreign country. As such, the knowledge has less immediate presence and is less concrete.

Third, the results of making use of the new returnee knowledge are more hypothetical. While the results of current knowledge are known, the results of this new knowledge are less known in the current situation. Also, since potential gains are often discounted more than potential losses (Green & Myerson, 2004; Murphy, et al., 2001), the risks from implementing the new returnee knowledge may be given more weight than the potential payoff. In addition, the level of novelty of the knowledge is quite high. Novelty is related to hypotheticality in that “novel events are unfamiliar and often subjectively improbable. Novel objects may therefore be perceived as more psychologically distant” (Trope & Liberman, 2010).

Fourth, and potentially the most important for returnee knowledge is that the new knowledge is socially distant. It has evolved from a social collective that is in a different society. Social similarity such as, “similarity in attitudes, personality characteristics or background variables, promotes forming unit relations between a perceiver and a target. A unit relation refers to a sense of ‘belongingness’, or closeness, between the perceiver and the target on the relevant dimension” (Liviatan, et al., 2008: 1256). Returnee knowledge is being brought across institutional boundaries. Thus, the cultural, historical, language, and institutional context will be perceived by the receiver of the new knowledge as more socially distant than knowledge from local sources. Thus, while it is

possible that the new knowledge may be perceived as interesting or desirable, it may also be perceived as less practical and feasible than knowledge and solutions that are available locally and from more local sources (Förster, Liberman, & Shapira, 2009).

A senior marketing manager from a large financial firm summarized how construal levels and psychological distance play in the acceptance of the new knowledge that he was trying to implement into his firm. This returnee's comments suggest that while the senior decision makers were not opposed to his ideas, and in fact were very happy to entertain them at a high level of construal, as the knowledge became more concrete and needed practical implementation, they rejected them in favour of knowledge and practices that were more psychologically proximal.

Let's say I approach my colleagues with a fresh idea. They often buy it the first time. "WOW! That's a great idea." But they tend to still believe those who worked with them longer when it comes time to do it. They believe that they [domestic old timers] can solve the problem. They say, "He might suggest a great new idea, but I don't know that he can solve the problem." They don't have as much trust in me as they do with them. "Can he implement it because there are many hurdles to implement one project?" At first, okay it is good but when it goes to the middle point where we have to do the work, it won't work. Let's say they just really enjoy thinking about fresh ideas.

(Returnee #12, Company H)

Later in this chapter, an institutional perspective will be added to provide a complete consideration of returnee knowledge as socially distant.

3.2 Educational Theory Perspective: The Zone of Proximal Development

Psychological distance is important and we need to view it as part of the returnees' disseminative capacity. A major component of this thesis is to gain an understanding of how returnees frame knowledge that allows other people to understand it and put it into practice. The field of education, with its focus on both 'learner' and 'teacher', can provide insight into the process by which the psychological distance of knowledge can be managed. An educational definition of psychological distance is "either the distance [which can be defined using the dimensions above] between what the learner understands and what still has to be understood (intrapsychic), or ways in which others adjust information for the learner in order to be fully comprehended (interpsychic)" (Cocking & Renninger, 1993: 3). An interpsychic perspective of psychological distance can help us understand how returnees manage the process of knowledge transfer.

One theoretical framework in education that looks at the managing of psychological distance is Vygotski's⁶ zone of proximal development (ZPD) (Cole, 1985; Valsiner & van der Veer, 1993; Vygotsky, 1978). A zone of proximal development is a 'space' in which new knowledge is not so distant from a learner that it is completely abstract and beyond the learner's ability to make immediate use, but at the same time not so close as to provide the learner with little challenge or new concepts from which to work. ZPD can be seen as a distance between the knowledge and abilities of a person now and some proximal level that they could attain with the help of an expert-other (Warford, 2011).

⁶ Vygotski was a Soviet era educational psychologist. While we cite Vygotski for the main definition of ZPD, for the most part we rely on contemporary scholars. This is because the vast majority of Vygotski's work is in Russian and the construct of ZPD has undergone considerable revision in modern education theory (Valsiner & van der Veer, 1993).

Vygotsky's later work defines the ZPD as "the distance between the actual development level as determined by independent problem-solving and the level of potential development as determined by problem-solving under adult guidance or in collaboration with more capable peers" (Vygotsky, 1978: 244)

The role of the 'teacher' is to frame the knowledge close enough to the 'learner' so that they are able to grasp the knowledge and integrate it into existing experiences (Kington, 2002). If knowledge is too distant from the learner, the knowledge will be too abstract and impractical. Thus, the goal of education is to frame new knowledge in a way that allows the learner to grasp it in a concrete and usable manner, but at the same time feeds the learner with rich material to maximize development. For example, while it might be possible for a PhD supervisor to involve a student in their final dissertation from the beginning of a program, the psychological distance of a 4-year, several hundred page thesis in a somewhat unfamiliar discipline may be so distant as to be beyond the student's zone of proximal development. Involving the student in shorter more concrete academic activities can lead the student to the same eventual end of producing a major thesis. The role of the supervisor is not just to transfer knowledge, but to do so in a way that reduces the perceived psychological distance, and provides tools to the student in incremental steps.

There are, of course, multiple dimensions upon which knowledge can be proximal or distant from the intended receiver. The zone of proximal development can thus be seen as a kind of meeting ground in which the knowledge transferor (teacher) and the knowledge receiver (learner) interact. "The ZPD is the framework, par excellence, which brings all of the pieces of the learning setting together—the teacher, the learner, their

social and cultural history, their goals and motives, as well as the resources available to them, including those that are dialogically constructed together” (Aljaafreh & Lantolf, 1994: 243). Since returnees enter into workgroups and attempt to transfer knowledge in an environment in which there are multiple dimensions of difference, the ZPD can be a suitable framework for understanding this multi-dimensional process.

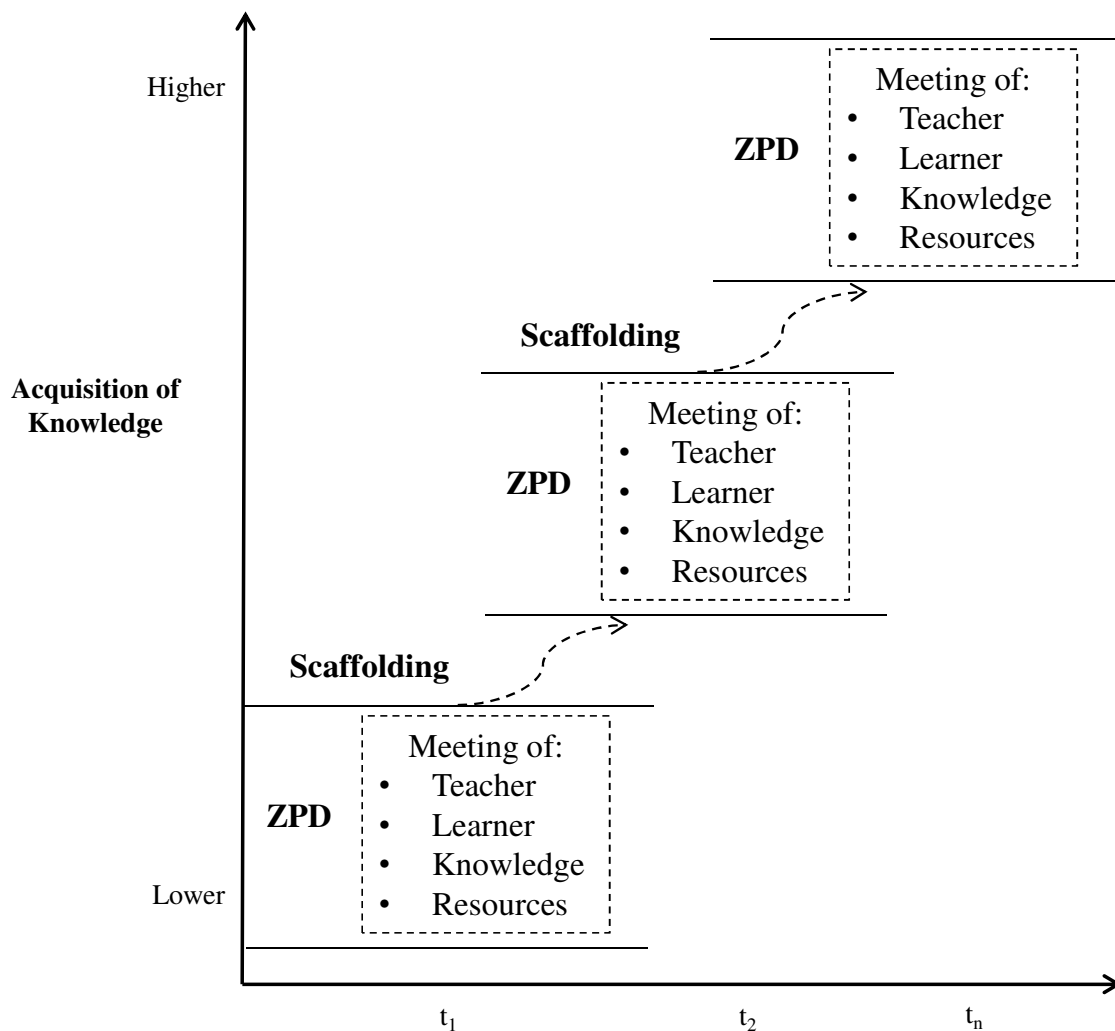
As the learners learn, their ZPD ‘increases’ incrementally. That is, they are able to use the knowledge developed in time 1 and apply it in time 2. Thus, the concept of scaffolding—providing critical tools and frameworks to help the learner achieve a progressive set of goals—has become a critical component of ZPD (Wass, Harland, & Mercer, 2011). In the construction of a tall building, scaffolding is used to create a frame to help workers build the next floor of the building. This analogy is extended to the tools that teachers provide students to help them reach their next immediate goal. The concept of scaffolding a learner’s ZPD reinforces the notion that the receiving and integrating of new knowledge is an incremental and development process.

Figure 5 presents a visualization of the ZPD over time. On the y-axis is knowledge acquisition. The x-axis is time. At each time there is a ZPD where the learner, teacher, knowledge, and available resources can be employed to help the learner acquire knowledge. With scaffolding, learners can progress over time.

Recent work by educational scholars studying the acquisition of second languages has placed less emphasis on the teacher as the ‘master’ or holder of knowledge and the student as recipient of that knowledge, and more emphasis on the ZPD being part of a collaborative dialogue (Kinging, 2002; Swain, 2000; Swain & Lapkin, 1998). This is important because it reframes the knowledge transfer processes away from the idea that

knowledge is merely replanted, as is, from one person, or context, to another. Instead, knowledge transfer becomes more about combining the resources of the ‘teacher’ and ‘learner’ within a unique context in order to construction new knowledge. In this way, knowledge building become collaborative “problem solving and, hence, knowledge-building dialogue” (Swain, 2000: 113).

Figure 5: Zone of proximal development over time



In terms of returnee knowledge transfer, knowledge which is more psychologically distant—either temporarily, spatially, hypothetically, or socially/institutionally—will be outside the individual’s zone of proximal development. Thus, it would seem that part of successful returnee knowledge transfer is to frame the knowledge within the zone of proximal development of the other workgroup members. Then incrementally, through a gradual scaffolding process, the learner’s ZPD increases over time. In this study, we will see how returnee managers had more success introducing larger changes in their organization when they began with smaller and more immediate projects. Thus, returnees’ disseminative capacity is tightly linked to their ability to frame knowledge within the zone of proximal development of workgroup members. In this way, they can lower workgroup members’ psychological distance from the new knowledge.

Using cultural-historical activity theory, Lécusay, Rossen, and Cole (2008) argue that the ZPD is tightly linked not only to the actual knowledge that is being learned, but to the cultural knowledge in which the knowledge, teacher, and learner are embedded. They emphasize the “role of culture and society in organizing the proximal settings in which individual change is studied” (2008: 93). An important dimension of the ZPD is to align new knowledge to the cultural and historical understanding of both the learner and the teacher.

An institutional theory perspective on returnee knowledge is arguably necessary to more fully understand the dynamic pressures that facilitate or hinder a returnee’s ability to help create the zone of proximal development for workgroup members, when knowledge is being transferred across institutional boundaries. In fact, the advanced management practices and innovations that provide firms in more developed nations with

competitive advantages, and which emerging market firms are looking to capture, are more likely to be deeply rooted in institutional and societal values in which they were created. These societal values are often quite socially distant.

This ‘social stock of knowledge’ that the members of a society share to different degrees is built up (‘sedimented’) from the experience of generations before them... Individuals are born into a ‘socio-historical a priori’... that makes available these institutional typifications, frames of interpretation, actor positions, pattern of action, etc., and thus delineates the boundaries and the ‘horizon’ within which people can meaningfully act—and beyond which it is impossible to see or understand (Meyer, 2008).

In this way, the capturing of advanced management technologies by emerging firms is often a process of institutional change. Implementing institutional change implies transferring knowledge that can be perceived to be at an extreme psychological distance.

3.3 Institutional Theory Perspective

Institutional theory argues that there are enduring institutions that influence practices, beliefs, and even the way that people think (Lawrence & Suddaby, 2006). In their summary of the past several decades of literature in institutional theory, Greenwood, Oliver, Sahlin, & Suddaby (2008: 5) define institution to mean “more-or-less taken-for-granted repetitive social behaviour that is underpinned by normative systems and cognitive understandings that give meaning to social exchange and thus enable self-reproducing social order.” Institutions are grounded in what Scott (2008) termed the three pillars: regulative (e.g. laws and rules), normative (e.g. common practice), and cultural-cognitive (e.g. shared beliefs and logics). Incorporating the notions of pillars, Scott (2008: 48) argues that “institutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life.” For institutional theorists, rationality itself is

bounded within the frameworks or logics of the organizational fields in which individuals and organizations are embedded (Thornton & Ocasio, 2008).

Institutional theory was originally concerned with why firms in an industry demonstrate such homogeneity⁷. DiMaggio and Powell (1983) examine the factors that influence isomorphic behaviours among individual organizations. They conclude that in order to gain legitimacy—being seen as proper in terms of socially defined norms (Suchman, 1995)—organizations must conform to the expectations of powerful actors such as shareholders (suppliers of capital), customers (purchasers of goods produced), suppliers, regulators (and others). DiMaggio and Powell (1983) consider three sources of isomorphic pressure. The first is coercive isomorphic pressures. In order to gain legitimacy, firms must follow the laws that are given by due authority (government or other legally binding groups). They must also conform to normative pressures. These pressures often come from industry practices and professional practices. Universities and professions create a pool of employees that basically look the same because they all conform to what they were taught ‘in school’. DiMaggio and Powell (1983:152) argue that “universities and professional training institutions are important centers for the development of organizational norms among professional managers and their staff. Professors and their associations are another vehicle for the definition and promulgation of normative rules about organizational and professional behaviours.” The third is mimetic pressures. In order to be legitimate, firms must act in a way that conforms to the

⁷ In its early years, institutional theory was primarily concerned with why firms in any given industry tended to become more and more similar to each other over time.

basic way that people think. It is through these mimic pressures that cultural identities are formed and sustained.

The study of institutional logics allowed institutional theory to move away from a preoccupation with homogeneity to consider how individuals and organizations come together to form institutional logics that bind and shape the reality of the individuals within the institutional environment (Thornton & Ocasio, 2008). A focus on institutional logics allowed scholars to consider both why heterogeneity exists between organizations and fields of organizations, and why organizations and fields of organizations change. Thornton & Ocasio (1999: 804) define institutional logics as the “socially constructed, historical pattern of material practices, assumptions, values, beliefs, and rules by which individuals produce and reproduce their material subsistence, organize time and space, and provide meaning to their social reality ... These rules constitute a set of assumptions and values, usually implicit, about how to interpret organizational reality, what constitutes appropriate behavior, and how to succeed.”

The totality of the external environment that shapes the understanding of the regulative, normative and cultural-cognitive elements of institutional logics is the organizational field (DiMaggio & Powell, 1983; Scott, 2008). There are many sources and levels of an organizational field, and as such, the concept should not be confused with clearly divisible organizational groupings such as industry or market sector. At the most macro-level, organizations, and the individuals in those organizations, are embedded in national societies that shape language, customs, ideologies, and rules of laws. An organizational field can also be seen in terms of the professional organizations that influence accepted practices. For example, engineers, doctors, lawyers, and

accountants establish practices that become codified and spread throughout society.

Another way to view an organizational field is to view it as a group that “in the aggregate, constitutes a recognized area of institutional life: key suppliers, resources and product consumers, regulatory agencies, and other organizations that produce similar services or products” (Scott, 2008:184). As organizational fields begin to transcend national borders, new conflicts and competition can arise as incompatible institutions collide.

3.4 Level of Analysis: Micro-foundational Approach

Institutional theory allows for multiple levels and units of analysis. Particularly when researchers are concerned with agency, it is common in the literature to see authors simultaneously refer to actors as individuals and groups of individuals (e.g., Maguire, Hardy, & Lawrence, 2004), organizations and groups of organizations (e.g., Greenwood & Suddaby, 2006), or even individuals and organizations (e.g., Oliver, 1991). While institutional theory was originally concerned mainly about homogeneity and conformity amongst organizations, recent work “gives more attention to the ways in which both individuals and organizations innovate, act strategically, and contribute to institutional change” (Scott, 2008: 77). When the study of conformity through isomorphic pressures is the main thrust of a research question, the unit of analysis will most likely be organizations embedded within a field of organizations. However, when the research questions focus on changes in institutional logics, the unit of analysis is at the actor level. A focus on institutional logics has provided “a link between individual agency and cognition and socially constructed institutional practice and rule structures” (Thornton &

Ocasio, 2008: 101). The institutional change literature tends to understand that actors can be both individuals and organizations (Scott, 2008).

Our use of institutional theory is at the micro-foundational level. We begin with the understanding that “institutions are sustained, altered, and extinguished as they are enacted by individuals in concrete situations” (Powell & Colyvas, 2008: 276). In their quest to understand the forces that create homogeneity or heterogeneity amongst organizations and organizational fields, institutional theorists have tended to focus on more macro level analysis as this is where such trends will be most salient and visible. However, in order to have an adequate understanding of the agency that drives changes in institutional logics, the role of individual actors embedded in organizations cannot be overlooked (Friedland & Alford, 1991). “An adequate social theory must work at all three levels of analysis (i.e. the individual, the organizational and the societal levels of analysis). These three levels are nested. Individual, organizational and institutional dynamics are interrelated” (Battilana, 2006: 655). Thus, our concern is how individual workgroup members, who are charged with transferring tacit and sticky knowledge across institutional fields, bring about or fail to bring about institutional change.

3.5 The Paradox of Agency

The paradox of agency has received considerable attention in the institutional change literature (e.g., Battilana, 2006; Hardy & Maguire, 2008; Maguire, et al., 2004; Seo & Creed, 2002). The central question is how actors, who are embedded in and socialized through institutions, can change the very institutions that form and shape their thoughts. “If institutions are, by definition, firmly rooted in taken-for-granted rules, norms, and routines, and if those institutions are so powerful that organizations and

individuals are apt to automatically conform to them, then how are new institutions created or existing ones changed over time?” (Seo & Creed, 2002: 222). In an attempt to answer this paradox and explain the role of agency in institutional change, a rich literature has developed that examines institutional entrepreneurship (Battilana, Leca, & Boxenbaum, 2009). Institutional entrepreneurs are “actors who have an interest in particular institutional arrangements and who leverage resources to create new institutions or to transform existing ones” (Maguire, et al., 2004: 657). They represent the agents of institutional change.

Institutional entrepreneurship is not strictly micro-foundational and the theory does not represent entrepreneurship in the strict sense of the word. Institutional entrepreneurs may be individuals, but also may be organizations and even groups of organizations (Battilana, et al., 2009). One of the key insights of this theory, which helps clarify the paradox of agency, is the understanding that the institutional entrepreneurs are often either fringe members or are embedded in multiple and conflicting institutions (Emirbayer & Mische, 1998).

Thus, while cognitive-cultural understandings shape taken-for-granted beliefs and logics, actors are not necessarily restricted to experience in a set of institutional logics. A relevant example to this present research is the Boxenbaum and Battilana (2005) study of the workplace diversity efforts of Danish repatriate managers. In addition, DeFillippi and Ornstein (2003: 28) argue that “members situated at the periphery may learn faster than members at the core of the organization. This is presumably because peripheral members are less completely socialized and embedded into the collective knowledge and sense-

making of a single group, but instead they are more able to appreciate the sense-making of other communities with divergent interests, knowledge and perspectives.”

3.6 Micro-level Institutional Change

One of the main goals in the present study is to understand the process, at the individual level, of how actors go about succeeding in introducing and failing to introduce knowledge which conflicts with current institutional logics.

A critique of institutional entrepreneurship presented by Powell and Colyvas (2008) is the view that such agents are presented as ‘heroic change agents’. As such, institutional entrepreneurs are perceived as audacious agents acting boldly to change the logics of their organizations or organizational fields. However, we believe that there is value in understanding the process by which ordinary executives and managers, toiling through the tasks for which they were hired, go about bringing institutional change; and perhaps just as importantly, failing to facilitate the institutional changes that they were perhaps touted as being able to provide.

Our motivations for a micro-foundational approach are described by Powell and Colyvas’ (2008) call for more work on micro-level institutional theorizing:

Institutions are reproduced through the everyday activities of individuals. Members of organizations engage in daily practices, discover puzzles or anomalies in their work, problematize these questions and develop answers to them by theorizing them. In turn, participants ascribe meaning to these theories and, in so doing, develop and reproduce taken-for-granted understandings. Institutional transformation is often rather subtle, not particularly abrupt, and apparent only after a considerable period. Rather than perspectives that either highlights habitual replication or savvy change agents, we stress that most micro-motives are fairly mundane, aimed at interpretation, alignment, and muddling through. And, as individuals and groups engage in such actions and resist others’ attempts as well, they may well transform logics and alter identities. (p.277)

The weakness of a heroic mindset of institutional entrepreneurs is that it may stress strengths and ability to influence change, while underemphasizing the weaknesses of being outsiders or misfits. Certainly, there is truth to Battilana's (2006) proposition that 'the higher individual's inter-organizational mobility has been, the more likely they are to conduct divergent organizational change'. However, she does not consider whether the higher individual's inter-organizational and international mobility has been, the more difficult it may be for that individual to frame knowledge within other workgroup members' zone of proximal development. Returnees who are more foreign may not be aware of the perceived psychological distance of their knowledge

With a more micro-lens, a clear trade off emerges between the knowledge needed to see the opportunity for change in institutional logics and the legitimacy and sensitivity needed to implement such change. Because returnees are a group that have varying degrees of institutional embeddedness, our context may be ideal to shed light on this important theoretical issue.

The returnee's disseminative capacity is a product of the knowledge that can be potentially transferred by the returnee to the workgroup and ability to successfully negotiate with others to effectively integrate that knowledge into the workgroup. We argue that a returnee's legitimacy as a member of the workgroup and knowledge of domestic institutional logics contribute to the returnee's disseminative capacity. Returnees can increase their disseminative capacity by actively reducing psychological distance by framing knowledge within the zone of proximal development of their workgroup members.

In her work that introduced agency into institutional theory, Oliver (1991) argues that actors have five options when faced with pressure to conform to an existing institutional logic. They can acquiesce, compromise, avoid, defy, or manipulate. When faced with pressures from outside, she argues that actors will not always conform (simply acquiesce). They may outright refuse (defy) and try to buck the system or avoid implementing the changes and try to avoid detection. They may compromise and only implement the least offensive aspects. They may manipulate the environment and try to change the rules to their favour. Orr and Scott (2008) have applied these response options to individuals—specifically to individuals in cross-cultural settings. They found a clear link between an actor’s level of knowledge of the institutions in the host country and their response choice.

When faced with an opportunity to transfer knowledge that conflicts with the institutional logics of the domestic firm, a returnee has the option of attempting to acquiesce, compromise, avoid, defy, or manipulate. In the same respect, when members of a workgroup are faced with a new knowledge that conflicts with their current institutional logics, they too may choose to acquiesce, compromise, avoid, defy, or manipulate. Given that actors have bounded rationality (March, 1978), their reaction to the new knowledge will be heavily influenced by the degree of perceived psychological distance. As psychological distance increases, actors are more likely to resist the foreign knowledge. When an individual or workgroup resists new knowledge, that knowledge, by definition, is forced outside the zone of proximal development.

3.7 Responses to Institutional Pressures

Returnees who understand the home country better, have internalized the institutional logics of that culture, and have tighter social networks, are more likely to respond to a conflict with an acquiescent or comprise strategy (Orr & Scott, 2008). There are several reasons why they may choose to acquiesce. First, they may do it out of habit. If the person transferring the knowledge is strongly embedded in the institutional logics of the organization, they are likely to perceive themselves as psychologically proximal⁸ to the logics of the domestic environment. Second, introducing new knowledge creates ambiguity and uncertainty—in such cases actors are most likely to mimic behaviours of those actors “whom they know and trust” (Oliver, 1991: 152).

Third, people strongly embedded in institutional logics and with strong social capital are likely to see themselves and their success lying within the home organization. As such, they will be more motivated to comply with existing structures in order to remain within the workgroup. Complying may increase “legitimacy, increase stability, or sustain the logic of confidence necessary to conduct organizational activities in good faith” (Oliver, 1991: 153). Thus, an acquiescent response can be advantageous for those who rely strongly on local relationships for their network and social capital. These people are more socially close to members of their own group.

Compromise is a response that is also available to individuals that are strongly connected to the institutional logics of the organization. Since a person with a significant

⁸ By ‘proximal’ we mean that psychologically they will perceive the distance between themselves and the domestic logics as less than the distance between themselves and the foreign logics. Thus, psychological proximity is not meant as a new construct, but rather as a way to express relative psychological distance.

understanding of the institutional logics knows what they can and cannot get away with in the home country, they may attempt to transfer the more palatable aspects of the foreign knowledge. Institutional knowledge and social networks may also be used to facilitate bargaining. Even when the individual attempts to go beyond only transferring the palatable aspects of the knowledge, they may seek a negotiated solution that fits within the constraints of local institutional logics. In a positive way, compromise may be viewed as creating a zone of proximal development that lowers psychological distance enough to enable members of the workgroup to construe the knowledge in a more concrete way. A compromise solution takes the workgroup members (as learners) as they are currently. Introducing just enough new knowledge brings challenge but not so much as to overwhelm others. Too great of a challenging to current logics can lead people to construe the knowledge as abstract and far away.

Acquiescence and compromise strategies require relatively little from the existing organization in terms of the psychological distance people must traverse. They may allow the new entrant to be seen as fitting in and the knowledge that is transferred may be received more enthusiastically. This conclusion fits with the logic of Orr and Scott's (2008) proposition that: "the greater an entrant's clarity of institutional knowledge, the more likely they are to select a compromise or acquiesce response strategy" (p.580). Part of being an effective instructor is to know the current knowledge base of the learners.

Individuals who have little understanding and internalization of the home country institutional logics and who rely on their foreign social capital, are more likely to respond through avoidance and defiance. One way to introduce knowledge that conflicts with

existing institutional practices is to introduce it covertly and attempt to avoid detection. This can be done by decoupling the actual practice from the practice presented to workgroup members. Oliver (1991) suggests that concealment tactics that provide ritualistic conformity may be used as a way to avoid conforming to institutional practices. In addition, techniques such as buffering activities may be used to avoid inspection and scrutiny. However, even if successful, such efforts will have limited impact on the workgroup as they will remain in tension with the institutional practices and routines of the organizations. Actors engaging in avoidance strategies are more likely to cement themselves as outsiders.

When attempting to transfer knowledge, a returnee may simply defy institutional logics that are in conflict. When institutional practices and routines are completely foreign and perceived as inferior, an individual is more likely to react with defiance. One may attempt to move forward regardless of the opposition. This may seem feasible when the individual's reliance on internal social capital is low. An individual may argue that the current institutional logics are inferior. Such attitudes may be particularly prevalent amongst actors when they consider the institutional environment from which they have come 'superior' to the home environment. Returnees from western countries may be particularly imbued with this attitude.

Defiance can be seen in degrees: ignoring, challenging, and attacking. Attacking can be seen as a direct assault on current practices. Attempts to make direct comparisons to more successful organizations that do not use such practices are a powerful way to attack institutional logics. Orr and Scott's (2008) examination of cross-cultural conflict found that the use of avoidance and defiance techniques tend to exacerbate tensions

during a clash of institutional logics, whereas acquiescence or compromise responses tend to reduce tensions and mend relationships.

Avoidance and defiance techniques introduce knowledge irrespective of the psychological distance between the knowledge and other workgroup members. Thus, workgroup members could be expected to act with high levels of construal. To them, the knowledge may be viewed as impractical, hypothetical, far away, and belonging to someone else in a different context. Avoidance and defiance do little to place knowledge within the zone of proximal development.

In the next chapter, we will consider how workgroup level dynamics that affect a returnee's ability to transfer knowledge. So far we have treated the workgroup as 'cultural dopes' (Powell & Colyvas, 2008). The model has assumed that returnees enter into workgroups that are, to a so far unspecified degree, embedded in the logics of the domestic institutional environment. However, the degree to which members of a workgroup are capable of accepting new knowledge can impact a returnee's effectiveness at transferring foreign knowledge (Oddou, et al., 2009). To this end, we believe that workgroup level absorptive capacity will impact this relationship. Our understanding of absorptive capacity departs from the view that absorptive capacity is a stock of R&D knowledge.

Based on the work of Zahra and George (2002), we conceptualize absorptive capacity as a dynamic capability. While dynamic capabilities and institutional theory have not yet, to our knowledge, ever been integrated by organizational scholars, Greenwood et al. (2008) offer this as a new direction for institutional theory. "In examining an organization's existing routines and the factors that facilitate or impede

organizational change, the theory of dynamic capabilities shares institutional theory's interest in how organizational practices become entrenched in the cognitive repertoire of organizational routines, and the ways in which the changing environment molds them” (Greenwood, et al., 2008: 29).

It is important to understand that the presence of a returnee can change the workgroup over time. If a returnee successfully introduces knowledge that is within members’ zone of proximal development at time 1, then at time 2 that same knowledge should be below the groups’ zone of proximal development. Thus, at time 2, the returnee should be able to increase the level of challenge. This, of course, implies that the workgroup is not static.

3.8 Chapter Summary

This chapter has laid out the theoretical framework that we will use in Chapters Seven and Eight to develop an understanding of the process by which returnees transfer knowledge across international and institutional boundaries. When the knowledge that a returnee is attempting to transfer is incongruent with the institutional logics of the workgroup to which the knowledge is being transferred, the process of transferring knowledge becomes much more complex. We will use the ZPD framework to capture that complexity.

The field interviews in our main study demonstrated that returnee knowledge transfer was a dynamic process that took place over time. By successfully introducing new knowledge incrementally, and in doing so gaining the trust and respect of their colleagues (juniors, equals, and superiors) returnees were often able to help push the groups’ zone of proximal development upwards for foreign knowledge acquisition.

Chapter 4 : Returnees in Workgroups

4 Overview

Returnees' relationship with their workgroup is not passive and can be dynamic in terms of the returnee knowledge transfer process. A workgroup's ability to recognize the value of the knowledge that a returnee can transfer to the organization, and its ability to assimilate that knowledge into their existing routines depends not just on the returnee's capacity to disseminate knowledge, but also on the workgroup's ability to absorb new knowledge. A workgroup's relative zone of proximal development shapes what level of knowledge the returnee can present.

We argue that how open a workgroup is to receiving knowledge that conflicts with existing logics and how new knowledge is perceived to be, depends on how actively the workgroup seeks to learn and integrate new knowledge, how important for success the workgroup perceives the knowledge to be, and how globally minded the workgroup members are (Oddou, et al., 2009). We argue that learning orientation, perceived importance of new knowledge, and global mindset represent factors that contribute to a workgroup's capacity for recognizing and integrating knowledge from international returnees. In this way, we see the workgroup's absorptive capacity as directly influenced by psychological distance. As psychological distance decreases, absorptive capacity can be increased because the workgroup is able to more immediately and concretely access and assess the usefulness of the new knowledge.

In this chapter, we also add a discussion on issue selling. Issue selling, a construct developed in the domestic micro-strategic literature by Dutton and colleagues (Dutton & Ashford, 1993; Dutton, Ashford, Lawrence, & Miner-Rubino, 2002; Dutton, et al., 2001;

Dutton, Ashford, Oneill, Hayes, & Wierba, 1997) considers how individual managers promote new initiatives to upper management. This literature can be used to further explain how returnees can manage the dynamics of promoting new ideas to their workgroups.

4.1 Absorptive Capacity

The absorptive capacity of a firm, developed by Cohen and Levinthal (1990; 1994; 1989), represents the organizational routines within a firm that allow it to “recognize the value of new external information, assimilate it, and apply it to commercial ends” (Cohen & Levinthal, 1990: 128). It is rooted in the understanding that most knowledge that is needed to innovate comes from outside the workgroup, but in order to capitalize on external knowledge, a firm (or workgroup) must have the internal resources to recognize and exploit that external knowledge.

In their original work, Cohen and Levinthal operationalized absorptive capacity as the R&D intensity of a firm. While R&D was merely the way they operationalized their construct and was not necessarily central to their theoretical understanding of the construct, absorptive capacity became associated with firm level R&D intensity. However, Cohen and Levinthal’s theorizing clearly demonstrates that absorptive capacity is a multidimensional construct (Zahra & George, 2002) that can include organizational change and development activities throughout the organizations (Benner & Tushman, 2003; Jansen, Van Den Bosch, & Volberda, 2006).

The absorptive capacity argument is that in order for a firm to capitalize on available external knowledge, they must possess the requisite routines. While a firm can invest in resources, human or other, to improve its ability to act on external knowledge in

the present, its prior activity or lack of activity in a particular area will affect both its attention to and beliefs about types of external knowledge. In this way, absorptive capacity is path dependent (Cohen & Levinthal, 1994). Exploration and exploitation activities of a firm are a highly complex mix of explicit and tacit knowledge that is embedded throughout the organization (Kim, 1997). One period's exploration and exploitation activities determine the activities of the next period.

However, because of its emphases on path dependency and R&D, absorptive capacity became associated with the stock of knowledge that a firm possesses that allows it to exploit external sources of knowledge (Lane, Koka, & Pathak, 2006). It also became overly concerned with the types of innovation, such as product and process development, associated with R&D activity. In this way, absorptive capacity was viewed as a more static capability. In addition, it was viewed as an organizational level construct rather than a multi-level construct that encompasses individuals in workgroups that together with other workgroups make up the organization (Van Den Bosch, Van Wijk, & Volberda, 2003). Because R&D is most often a firm level variable, it was difficult to capture absorptive capacity at the workgroup level.

Turning away from a static understanding, Zahra & George (2002) frame absorptive capacity within a dynamic capabilities perspective. Dynamic capabilities are higher-order routines that enable an organization to reconfigure its operating routines by incorporating new knowledge and resources and shedding outmoded routines in order to create new sources of competitive advantage (Eisenhardt & Martin, 2000). When understood as a higher-order routine, a firm's absorptive capacity is less path determinant (Zahra & George, 2002) and less associated with typical innovation activities that would

be represented by R&D. While a firm is shaped by its past decisions, it can change directions and reposition itself through managerial choice (Teece, 2007). Thus, absorptive capacity depends both on past experience and the diversity of knowledge sources available to it in the present (Zahra & George, 2002).

Looking at absorptive capacity as a dynamic capability allows the construct to be understood as a non-linear process rather than as a static resource (Lane, et al., 2006; Lichtenthaler, 2009; Zahra & George, 2002). A process view of absorptive capacity enables the researcher to more closely examine each of the dimensions of the construct. Thus, in this study, we take up the call by Lane et al. (2006) to “view absorptive capacity as a capability rather than a “thing” divorced of its context.” A process view also allows absorptive capacity to be viewed as dynamic over time. New resources—particularly human resources—can increase the absorptive capacity of an organization.

A growing body of literature suggests that groups must have a balance of knowledge diversity and similarity in order to both explore and exploit knowledge. Highly socialized and formalized environments, because they are associated stable institutional logics, are efficient for exploiting knowledge. Organizations with more diversity, in contrast, are needed for firms to acquire and assimilate new external knowledge (Boschma, 2005; Jansen, Van Den Bosch, & Volberda, 2005). In highly socialized groups, there is very little diversity or tension amongst the members’ understanding of institutional logics. However, as stated above, significant change can only occur when the institutional logics of the workgroup are challenged with new knowledge.

In critiquing the Zahra & George (2002) use of the term ‘acquiring external knowledge’ instead of the original Cohen and Levinthal (1990) term ‘recognizing the value of external knowledge’, Todorova & Durisin (2007) offer a key insight into the problematic nature of exploration that is often under-explored in the absorptive capacity literature. They argue that “the capability to recognize the value of new external knowledge represents an important component of absorptive capacity because the valuing is not automatic, it is biased, and it needs to be fostered to allow the absorption to begin at all” (2007: 777). Very distant and more abstract knowledge may be discounted before it has a chance to be tested. Recognizing the value of distant knowledge is hard because it will be discounted at a much higher rate than more familiar solutions. Knowledge that challenges existing institutional logics, and is thus highly psychologically distant, is most likely to be outside of the absorptive capacity of the workgroup.

It is not enough for the workgroup to merely acquire the knowledge; the workgroup must be able to recognize that the knowledge can create value for them if incorporated. In order to capture a process based view of absorptive capacity that allows for an emphasis on groups of individuals, we define absorptive capacity as a workgroup’s collective ability to recognize the value of external knowledge, assimilate that knowledge into the workgroup so that it can be available to relevant members, and transform and exploit that knowledge into tangible outcomes (Cohen & Levinthal, 1990; Jansen, et al., 2005; Todorova & Durisin, 2007; Zahra & George, 2002). Absorptive capacity relates to both a workgroup’s ability to absorb new knowledge and its motivation (Minbaeva, Pedersen, Björkman, Fey, & Park, 2003). From a psychological perspective, absorptive capacity has a significant connection to the zone of proximal development. New

knowledge must challenge the workgroup, but not be outside of its capacity to absorb. This is challenging as the value of more distant knowledge is more likely to be discounted over more familiar knowledge.

The path dependency of absorptive capacity rests in the understanding that the attention of the workgroup is situated in a context; this context is determined by the internal routines of the workgroup and the external structures of the environment in which the organization is embedded (Nelson & Winter, 1982; Ocasio, 1997). The ability to capture the new international knowledge from a returnee depends on the historically and situational embedded logics of the workgroup members. These include the policies that the workgroup has in place to integrate new knowledge and new approaches that may conflict with current institutional logics, the international exposure of workgroup members, and external focus of the workgroup (Oddou, et al., 2009).

To a large extent, a person's former experience determines their choice set (Elkjaer, 2003). When groups of people are highly socialized and thus have little cognitive diversity, they are more likely to face cognitive lock-in "in the sense that routines within an organization obscure the view on new knowledge or new market possibilities" (Boschma, 2005: 64). Cognitive lock-in reflects the psychological distance of the new knowledge. Groups with lower diversity and more dense structures and routines are more likely to view knowledge from the outside as more abstract and foreign. This lock-in leads to satisficing behaviours (see: Simon, 1997) at a much less optimal level than could be achieved by groups with higher diversity and thus a broader perspective and range of alternatives (Taylor & Osland, 2003). In fact, satisfaction with a working solution can

block the creation of new knowledge by shutting down the search process (Calhoun & Starbuck, 2003).

4.2 Learning Orientation

Knowledge building requires routines for incorporating a diversity of opinions on how to best solve a problem at hand. Firms need to build conduits for capturing knowledge (Almeida, Phene, & Grant, 2003). However, there must be specific strategies in place to capture that tacit knowledge. For example, Smith, Collins, and Clark (2005) argue that functional heterogeneity among decision makers facilitates knowledge generation by increasing cognitive conflict, which is likely to lead to “more productive exchanges and greater attempts to combine information and knowledge” (p. 348). In addition, Jansen et al. (2005) found that both job rotation and cross-functional interface among teams lead to transformation and exploitation of new external knowledge.

Having policies that explicitly attempt to integrate returnee knowledge into the workgroup, particularly knowledge which may challenge taken-for-granted institutional logics, can decrease psychological distance and increase a groups’ absorptive capacity. A workgroup which possesses routines and resources to better capture new ideas is in a better position to recognize opportunities as they present themselves—fortune favors the prepared firm (Cohen & Levinthal, 1994). Thus, groups that have explicit policies to integrate the ideas of members with unique external knowledge will allow those members more opportunity to transfer their knowledge. International returnees are more likely to be given opportunities to share knowledge if the workgroup has implemented policies to encourage them to do so.

4.3 Newcomer Socialization

There is a large body of research that examines the processes that groups use to socialize newcomers. Socialization is defined as the process by which outsiders are transformed into effective inside members of the workgroup (Feldman, 1976). Groups may have highly explicit and routine tactics for socializing new members such as training sessions and formal mentoring relationships. Adding formal tactics to organizational socialization routines has been shown to be a more effective way of socializing newcomers than relying on less formal tactics such as on the job training (Cable & Parson, 2001). Formal tactics tend to provide more concrete knowledge of organizational roles, expectations, and appropriate responses, which tends to lower ambiguity and anxiety among newcomers (Baker & Feldman, 1991). Thus, groups that have specific policies and procedures for socializing newcomers can help members adjust more quickly to the new institutional environment.

The goal of newcomer socialization is to equip new members with the attitudes, behaviours, and knowledge necessary to adapt to the environmental dynamics of the new workgroup or organization (Cable & Parson, 2001). Since most of the work in the field of newcomer socialization has been done by organizational behaviour scholars, studies have tended to examine the effects of socialization of new members on outcomes such as adjustment, job commitment, employee turnover, and job satisfaction (Allen, 2006). However, to our knowledge, we have not found studies in the newcomer socialization literature that have considered how socialization affects absorptive capacity or psychological distance to new knowledge.

Allen (2006) argued that a newcomer's embeddedness in the organizational field—the ability of the newcomer to make sense of the routines and expectations of the organization in the same way as other members do—significantly impacts the newcomer's socialization into the workgroup. Those who enter the workgroup with background experience and expectations similar to the existing members will adjust more quickly and effectively. Similarly, Morrison (2002) argues that newcomers who enter the organization with larger and stronger internal social networks will gain organizational knowledge more quickly and will be socialized into the organization more effectively.

In regards to the new socialization literature, the implicit assumption is that the new individual is socialized to a fixed organization. Thus, the socialization process is unidirectional, and the goal is to mold outsiders to fit the organizational context. However, since the goal of recruiting returnees is to capture their unique foreign knowledge, an overly, adjustment-focused socialization process may be less optimal for the workgroup. In fact, socializing to the institutional logics of the workgroup too quickly and too deeply may impede a returnee's ability to challenge the workgroup to accept new knowledge and practices. In this way, socialization efforts may reinforce the psychological distance between beliefs inside and outside the organization. Socialization is a process in which clearer distance boundaries are developed to separate “us” from “them”.

When one of the main objectives to bringing newcomers into the workgroup is to capture their unique knowledge and skills, such is the case with the international returnees, it may be better to focus less on outcomes such as adjustment and job satisfaction and more on effective knowledge transfer. When it is assumed that the

newcomers have little unique knowledge to offer the workgroup, quick learning is most effective.

However, as March (1991) argues, slow learners provide the greatest opportunity for organizational learning. In this way, the absorptive capacity of the workgroup is enhanced by how well they are able to manage slow learners. Too much emphasis on newcomer socialization can impede knowledge transfer. Thus, rather than a socialization emphasis, groups with a learning orientation may be more effective at capturing returnee knowledge.

4.4 Global Mindset

One of the key success factors for a returnee in transferring knowledge is the ability to translate the unique foreign knowledge into ‘language’ that other members can understand and accept. In this respect, the more a workgroup is able to share an understanding of the institutional logics of the returnee, the easier it will be to communicate the knowledge. Just as returnees can be more or less embedded in foreign or domestic institutional logics, so too will other members of the workgroup. Taylor and Osland (2003) argue that a major barrier to communicating culturally embedded knowledge can be a lack of a cosmopolitan attitude by the receiving workgroup. Other authors refer to this as a global mindset (e.g., Levy, et al., 2007; Paul, 2000; Wang, 2009). People with a more cosmopolitan attitude are more open to novel and unfamiliar knowledge and behaviours (Taylor & Osland, 2003).

As people within the workgroup gain more experience with international knowledge, their perceived psychological distance should decrease. Some positive exposure to business practices from another country makes subsequent exposures less

foreign. Members with more international experience should be able to construe foreign knowledge in less abstract terms. Psychological distance to foreign knowledge is in this way reduced as exposure increases. Thus, developing a global mindset is a way to, over time, reduce the psychological distance of that knowledge.

In fact, even the willingness to engage in knowledge seeking behaviour may depend on the global mindset of key workgroup members (Makino & Inkpen, 2003). Thus, a workgroup's ability to interpret and be open to institutional logics that challenge current thinking depends on the international experience of the workgroup as a collective unit. International orientation impacts workgroup level absorptive capacity. However, when we develop our model of returnee knowledge transfer, we will show that more successful returnees control for their groups mindset by introducing knowledge incrementally. Thus over time, by keeping knowledge within the workgroup's zone of proximal development returnees can help the workgroup increase their global mindset, and thus make them more open to international knowledge.

More recent work on newcomer socialization has focused on the process of socialization rather than merely looking at the outcomes of effective socialization (Haueter, Hoff Macan, & Joel, 2003). By examining the process of socialization, scholars have added the important dimension of time (Kammeyer-Mueller & Wanberg, 2003). As with all newcomers, we must expect that over time, returnees' potential, opportunity, and motivation to transfer knowledge will change.

4.5 Perceived Importance of Knowledge

Prior experience working with external organizations builds a workgroup's ability to integrate external knowledge (Bierly, Damanpour, & Santoro, 2009). Groups that

interact only with other domestic groups and organizations are less likely to perceive a need for changing logics. As the workgroup interacts with customers, suppliers, or other organizations outside their domestic environment, they are more likely to encounter institutional exceptions. An institutional exception “describes an occasion when a knowledge void about pertinent institutional elements interferes with task completion, and requires troubleshooting” (Orr & Scott, 2008: 566) . As a workgroup encounters more institutional exceptions, they are more likely to perceive the returnee as a critical resource. Because of this, they are more likely to value the external knowledge of the returnee. Groups that have more international involvement will have higher absorptive capacity. In this respect, the returnee’s knowledge is less discounted. Psychological distance is lowered because more value is placed on the new knowledge. Thus, the hypotheticality of the knowledge is lower.

Groups that have routines in place to integrate returnee knowledge, have members that are more externally focused and recognize that their existing institutional logics may not be sufficient to conduct business internationally, will have higher absorptive capacity and lower psychological distance to new knowledge. Groups with higher levels of absorptive capacity are better able to benefit from returnee knowledge.

4.6 Issue Selling

Issue selling represents a significant part of the dynamic knowledge transfer relationship between returnees and their workgroups. Issue selling is “the process by which individuals affect others’ attention to and understanding of the events, developments, and trends that have implications for organizational performance” (Dutton, et al., 2001: 716). Returnees in their roles in transferring foreign knowledge are very

often issue sellers. Returnees, like any manager, can direct the attention of other decision makers to possibilities and solutions that are not currently within the attention of the organization (Ocasio, 1997). Academic work on issue selling focuses on the gaining of attention to an issue more so than the actual engaging in the knowledge transfer process (Dutton & Ashford, 1993). While the concept of issue selling was originally looked at more statically, scholars began to understand it as a continuous process that can develop over time (Dutton, et al., 2001; Howard-Grenville, 2007)

Issue selling is theoretically grounded in social problem theory, impression management, and upward influencing (Dutton & Ashford, 1993). Social problem theory argues that social problems are not inherently objective, but arise from the efforts of individuals or groups of individuals to claim a condition as problematic (Spector & Kitsuse, 1977). Deficiencies and opportunities require someone to draw attention to their importance. Returnees' knowledge and experience allow them to see situations as problematic because they are able to make comparisons and contrasts to other contexts.

Impression management looks at the behaviours that individuals take to control the image that people form of them (Tedeschi, 1981). Issue sellers can gain legitimacy over time if they engage in activities that send signals that their issues are important and in the organizations' best interest. However, issue sellers can lose legitimacy by engaging in activities that are seen as impractical or harming the organizations (Dutton & Ashford, 1993). By incrementally engaging in issues—that is starting with less challenging or more immediately practical issues—issue sellers can gain the formal authority, informal relationships, expertise, and normative knowledge (Howard-Grenville, 2007) needed to engage the organization in more challenging issues. Howard-Grenville (2007) argues

that in this way issue selling can be seen as a resource or competency that is developed over time.

Upward influence looks at how people gain compliance and rewards from supervisors (Dutton, et al., 1997). One of the key elements of upward influencing is that more successful influencers tend to adjust the tactics and approaches to issue selling based on the context and the people that they are attempting to influence (Kipnis & Schmidt, 1988). Dutton, et al. (2001) examine the micro-processes of issue selling and argue that timing and preparation for issue selling are key to success. The more knowledge that a person has of how the organization works, the more likely they are to be successful at using the right channels. “Knowledge about ‘the way things get done around here’ helps to explain why certain moves during issue selling may have been viewed as more or less successful” (Dutton, et al., 2001: 730).

The limit to the work on issue selling is that it is more about attention than psychological distance. While the work clearly examines how issues gain attention within contexts, there is little consideration given to the psychological distance that may remain even when the issue is given attention. This is important in returnee knowledge transfer. The assumption in the issue selling literature is that while the social problem being presented to the organization members might be novel, the language and context in which the social problem is arising would be well understood. However, this was not the case with returnee knowledge transfer. Knowledge transfer across institutional boundaries often lacks a common language in which issue selling can take place.

4.7 Chapter Summary

This chapter has provided workgroup level theoretical frameworks in order to better understand how knowledge transfer can be affected by: a) the knowledge that the returnee is attempting to transfer; b) the returnees understanding of the institutional environment into which the knowledge is being transferred; c) the workgroup's ability to absorb that knowledge; and, d) the resources that are available to the returnee and the workgroup to help transfer the knowledge.

We return now to the main research question of this thesis. What is the process by which returnees successfully transfer the knowledge that they have learned overseas to their domestic firms? Based on the theoretical work that we have explored in the first four chapters of this thesis, the goal of the next chapters is to develop a process model of returnee knowledge transfer that emerged from our case studies research. Chapters Five and Six include our research methodology, data collection, and data analysis. In Chapter Seven and Chapter Eight, we present theoretical propositions which we have gained from our field study and understanding of current research. In Chapter Nine, we will present our conclusions and suggestions for future work.

Chapter 5 : Methodology

5 Overview

This thesis has from its inception been guided by both data and literature in an iterative manner. The process of using data to help guide theory and proposition development is a part of case study research even within the post positivist tradition (Eisenhardt & Graebner, 2007; Yin, 2009). In this chapter, we begin by describing the process of investigation. We have taken an iterative approach of first allowing literature to guide our data collection; then allowing the data to guide more literature review, which in turn has driven the theoretical propositions which we describe in Chapters Seven and Eight. Data were collected in three field trips over a one year period. After each engagement, the data were used to develop and refine our theoretical understanding.

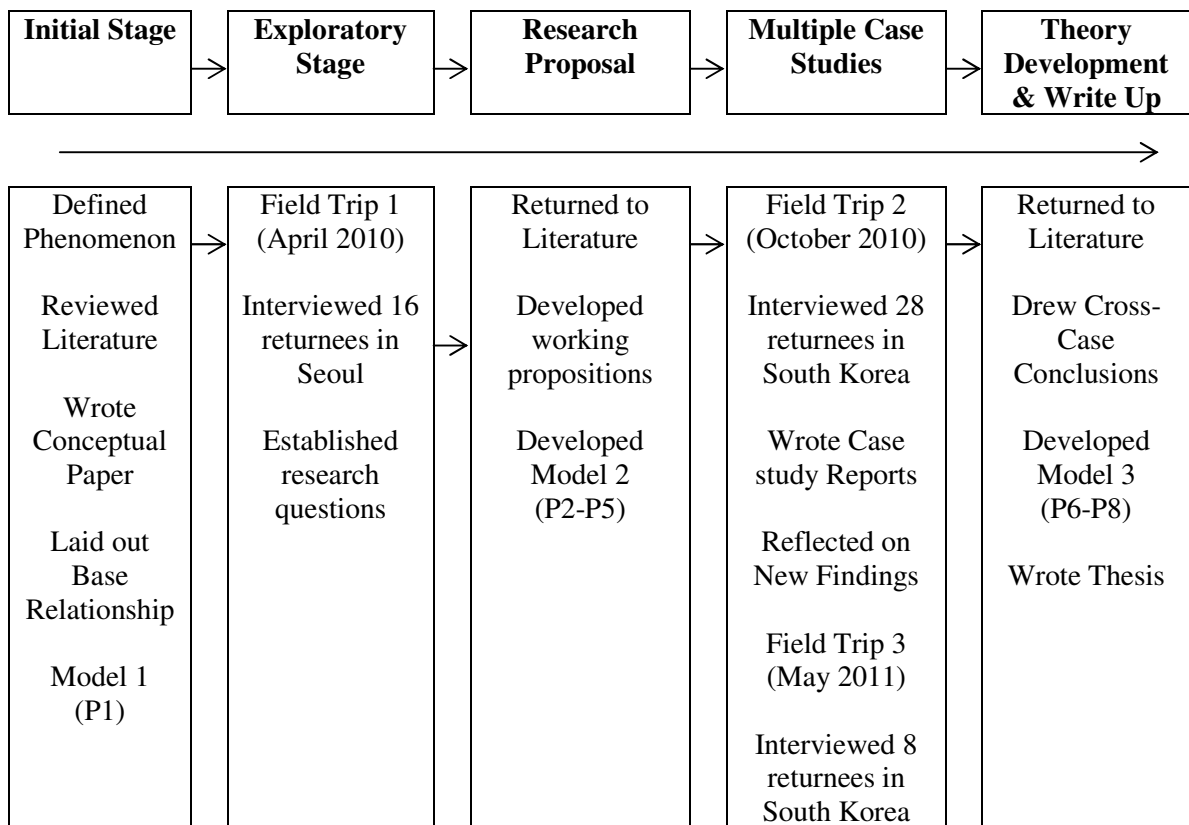
The second section of this chapter gives an overview of the case study method that we used in the thesis and a justification for using this method. We are careful to justify why we have chosen a qualitative methodology over a quantitative approach. We then describe our data collection and analyses procedures. After that we provide a descriptive overview of the participants in the study, and the companies we visited during the study. Finally, we introduce the process by which we collected and organized the vignettes used to form the theoretical model that is developed in Chapter Eight.

5.1 Process of Investigation

The project began in February 2010 as a short conceptual paper that developed a series of propositions about returnees as a dynamic source of absorptive capacity. Figure 6 illustrates the process of investigation for this thesis. Before developing the short

conceptual article into a thesis proposal, ethics approval was sought and obtained from the University of Western Ontario Ethics Review Committee for an initial set of exploratory interviews. The interviews were conducted in April 2010 with 16 returnees in Seoul, South Korea. These initial interviews helped to develop a better understanding of international returnees and the contexts in which they work. One of the most important early findings was that returnees are far from homogeneous.

Figure 6: Process of investigation phases



We found that the amount of time spent in a foreign country greatly affected the knowledge returnees had accumulated and their opportunity and willingness to transfer that knowledge to members of their workgroups. This insight led us to reconsider our theoretical lens and the design of our study. In fact, in retrospect, an overly simplistic set of propositions of returnees as knowledge brokers needed to be abandoned for a more dynamic appreciation of institutional embeddedness. In addition, because we came to view returnee heterogeneity as an important dimension of returnee knowledge transfer, we abandoned the database that we originally hoped to use to study the phenomenon⁹.

Our interview data revealed that the ‘returnee issue’ is significantly important to executives and HR managers in South Korea. Several of our pilot study interviewees admitted that their firms had experienced limited success in integrating returnees into workgroups in the organization. In addition, since many returnees received a premium salary compared to their domestically educated colleagues, several interviewees noted that colleagues and supervisors challenged their value to the organizations.

During the summer of 2010 a thesis proposal was written and defended. It was grounded in the observations from the initial pilot study and in the academic literatures of institutional theory at a micro-foundational level, expatriate and repatriate knowledge transfer, and absorptive capacity. Propositions were developed based on the field interviews and literature review. As will be explicated in more detail later in this chapter,

⁹ A database related to innovation and knowledge transfer was obtained from the Korea government sponsored research agency—Science and Technology Policy Institute (STEPI). While the dataset had many variables of interest to international knowledge transfer and overseas activities and performance, the information on returnees in the dataset was one-dimensional. The question that captured returnees asked: “How many people in your organization have been overseas and obtained a foreign post-graduate degree (Masters or PhD)?”

the propositions were not meant to be tested in the same way that quantitative hypotheses are tested, but rather to guide our line of inquiry as we moved forward in theory development (Eisenhardt, 1989; Eisenhardt & Graebner, 2007; Yin, 2009).

Our field studies were conducted in two waves. The first set of interviews was conducted in October of 2010; the second set was conducted in May 2011. In many ways, our main field study reinforced the theoretical model we had developed. However, with the addition of new interviews and considerably more time to reflect on and analyze the data produced from those studies, we realized that these propositions were somewhat static. We found that returnee knowledge transfer had a lot to do with the nature of the knowledge being transferred. At the end of the first field trip of the main study, we realized that we needed to develop a deeper understanding of the nature and types of knowledge that returnees attempt to transfer.

5.2 Methodological Approach

A case study design was used to examine and continue to develop our propositions. In order to ensure that the data collection, analysis, and reported results represent the highest level of rigour, the approach to case study research methodology presented in Yin (2009) was followed as closely as possible. While our approach to case study methodology has also been influenced by other scholars in the management field (e.g., Birkinshaw, Brannen, & Tung, 2011; Doz, 2011; Eisenhardt, 1989; 1989; Eisenhardt & Graebner, 2007; Pratt, 2009; Rynes & Gephart, 2004; Shah & Corley, 2006; Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011), we elected to systematically follow Yin's (2009) method because it provided a complete and stepwise approach to

conducting case study research. First published in 1984, the approach laid out by Yin has become widely used and accepted for case study research in business.

Figure 7 presents a visual overview of Yin's (2009) approach to the case study method that we have adapted to our study. It begins with theory and proposition development. Then, the approach focuses on preparing to collect the data, collecting data, and analyzing the individual cases. The final steps in this process are to analyze and draw conclusions. In this approach, the researcher returns to theory development by integrating the results of the case data with the initial theoretical propositions.

The goal of this methods section is to provide a convincing argument that the case study approach that we employed for this thesis was a reasonable approach to developing valid theoretical and phenomenological research outcomes. There is an increasing call for scholars using qualitative research methods to demonstrate to different audiences (editors, reviewers, and fellow scholars) that the use of qualitative methods is justified for the current study (Anderson & Skaates, 2004; Zalan & Lewis, 2004). Researchers need to thoroughly explain the ontological and epistemological assumptions of the researcher, and need to establish that the methodology will allow for an objective inquiry and carefully justify the use of qualitative methods.

Demonstrating how validity will be achieved is especially important in International Business research because qualitative research is still an "underdeveloped area in IB" (Anderson & Skaates, 2004: 480). Based on a review of current best practices, Anderson and Skaates (2004) provide five recommendations (see Table 6) that should both improve validity in qualitative research and help to communicate that validity to a potentially skeptical audience.

Figure 7: Case study design: Adapted from Yin (2009)

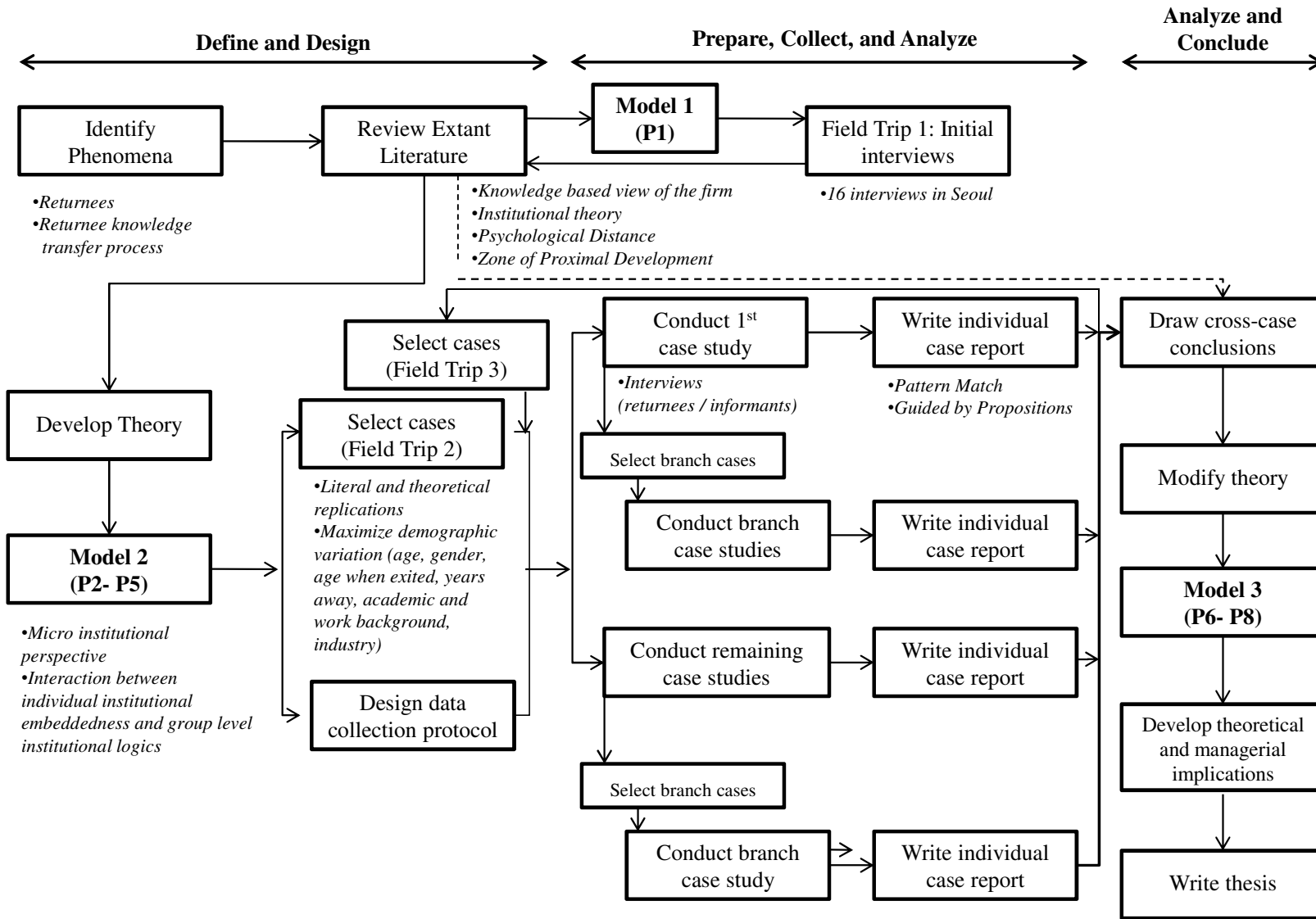


Table 6: Recommendations to improve validity of qualitative research

<ol style="list-style-type: none">1. Explicate the rationale for using qualitative inquiry in your study2. Clarify data selection procedures3. Explain data handling procedures and how possible errors of type one, two and three variety have been avoided during the data collection4. Clarify data analysis and interpretation procedures5. Use your raw data as much as possible in supporting the claims made (p. 481)
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Source: Anderson and Skaates (2004)

5.2.1 Case Study Approach

A case study is “an empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries between phenomenon and the context are not clearly evident” (Yin, 2009: 18). Very little has been studied in the academic literature regarding returnees, the type of knowledge they are able to transfer to domestic firms, and the dynamics of that knowledge transfer process. In addition, while there has been some attempt to understand the variables that affect repatriate knowledge transfer, the closest phenomena to returnee knowledge transfer, to our knowledge these studies have been conceptual and not empirical (see: Oddou, et al., 2009). Thus, there was a need to investigate not only what returnee knowledge is, but also how returnees transfer this knowledge to their domestic organizations. In addition, we were seeking to understand why some returnees were more successful than other at transferring knowledge across institutional boundaries.

A survey, questionnaire, combined with HR personal data may eventually be a good way to confirm our understanding of returnee knowledge transfer. However, we realized that returnees’ are heterogeneous; their embeddedness in foreign versus domestic

institutions varies depending on their background; their institutional embeddedness affects their ability and motivation to transfer knowledge; and the characteristics of the workgroup in which they belong affect their opportunity and willingness to transfer knowledge. In addition, we needed a better understanding of what returnee knowledge was and a micro-process of how it is transferred to members of a workgroup. Thus, we felt that it was premature to define an operationalization of the constructs that would be needed to develop the dependent and independent variables that would be required for a survey. With such a limited understanding of the variables and only a tentative theoretical model, the phenomenon was arguably too complex to test theoretical propositions using a survey tool. “The most important [application of a case study] is to explain the presumed causal links in real-life interventions that are too complex for the survey or experimental strategies” (Yin, 2009: 19).

5.2.2 Postpositivist Case Study Research

Case study research, as we understand it, is significantly different from interpretive research, grounded theory research, or critical postmodernism (Rynes & Gephart, 2004). As such, the criteria used to judge the methodological quality of the research from these philosophies of science cannot be applied to the case study methodology. Case study research is a tool for uncovering truth by finding support for theoretical propositions in much the same way as surveys, financial data, or experiments (Yin, 2009).

One of the most significant defining characteristics of postpositivist researcher that separates it from other philosophies of science is a realist ontology (Shah & Corley, 2006). Postpositivist researchers understand that the purpose of any analytical data collection tool, whether it is survey, experiment, or case study, is to uncover relationships

that exist in the world. This is radically different than a scholar who approaches research from an interpretive ontological paradigm. Since such scholars believe that social reality is constructed by the individuals who experience it, the point of research is not to uncover truth but rather to understand the experience of individuals in situations.

For us the purpose of using qualitative research is embedded discovery. Using a case study as opposed to another analytical method depends on “(a) the type of research question posed, (b) the extent of control an investigator has over actual behavioural events, and (c) the degree of focus on contemporary as opposed to historical events” (Yin, 2009: 8). A case study is best used when the question being asked focuses on ‘how’ or ‘why’. In our study, we are concerned with why some returnees are able to transfer knowledge that requires change in institutional logics while others fail. As a human resource more prevalent in the emerging market context, returnees are a relatively new human resource and the amount of historical data that can be accessed is somewhat limited.

5.2.3 Theory Building and Testing

Unlike surveys and experiments that are primarily concerned with theory testing, the case study methodology lends itself better to theory building (Eisenhardt & Graebner, 2007). Thus, although the propositions that were tested and explored during the case studies were grounded within a theoretical lens, we allowed the theoretical lens and propositions to change and develop as we learned from the data. The case study method, as we employ it, is an inductive theory building approach to learning (Welch, et al., 2011) rather than the deductive processes of surveys and experiments.

The goal of the case study research is to generalize to a developed theory rather than to a population. In this way, each individual case study is an experimental opportunity to test the veracity of the theory under specific conditions. Rather than just test whether propositions are supported or have failed to be supported, case study research seeks to understand if the theoretical underpinnings for the propositions that are being tested represent the best theoretical explanation. “If two or more case studies are shown to support the same theory, replication may be claimed. The empirical results may be considered yet more potent if two or more cases support the same theory but do not support an equally plausible, rival theory” (Yin, 2009: 38-40).

5.2.4 Trustworthiness / Ensuring Rigour

Lincoln and Guba (1985) developed the idea of trustworthiness as a method of ensuring rigour and objectivity when conducting research in a naturalistic paradigm. While our case study approach is not naturalistic research, trustworthiness is nonetheless essential in guiding case study inquiry. Trustworthiness is established when the ‘truth value’, applicability, consistency, and neutrality of the inquiry are established. The goal of trustworthiness is to persuade an audience that “the findings of an inquiry are worth paying attention to, worth taking account of” (Lincoln & Guba, 1985: 290). Truth value involves establishing confidence that the findings actually represent the participants in the context that they were studied. Applicability, somewhat similar to generalizability, involves establishing that the findings are not merely idiosyncratic to the small group of people studied. Do the findings have an application beyond this group of people?

Consistency requires establishing enough confidence that if the inquiry were to be repeated with the same or similar group of participants, the same results would be found.

Neutrality, which is particularly important to this present study because we are testing and refining propositions based partially on established theory, requires establishing that “the findings of an inquiry are determined by the subjects and conditions of the inquiry and not by the bias, motivations, interests, or perspectives of the inquirer” (Lincoln & Guba, 1985: 290).

In order to establish trustworthiness, several techniques were suggested by Lincoln & Guba and developed and refined by other qualitative researchers (see: Denzin & Lincoln, 1994; 2005). In this thesis, we will pay close attention to prolonged engagement, persistent observation, triangulation, and maximizing variation as techniques to establish the trustworthiness of our data and findings.

5.2.5 Prolonged Engagement

Prolonged engagement refers to spending enough time in the context to overcome distortions that result from a priori values, beliefs, and theories held by the researcher. Likewise, spending more time in the context allows the researcher to investigate the veracity of claims made by participants by engaging with them several times and from different lines of inquiry. In addition, prolonged inquiry is necessary to establish a trusting relationship with the participants. As trust increases over time, participants may share information that they either withheld or did not seriously reflect upon in previous meetings.

Our Approach

As was found from our initial set of interviews, our pre-conceived understanding of returnees and their ability to transfer knowledge were directly challenged by stories and descriptions provided by the interviewees. However, it took several interviews before we

realized that our initial theoretical model was incompatible with the data. We then formulated a new set of propositions with which we could return to the extant literature.

Upon returning to the field, the data revealed that our Propositions 1 to 5 were static and a process model needed to be developed. Returning to the field a third time allowed us to test our new insights before returning to the literature. Three extended field trips over the course of a year allowed us to realize the benefits of prolonged engagement.

In the main phase of research, we addressed prolonged engagement in three ways. First, we had prolonged exposure in the context. We used Korean international returnees in Korea as our context of interest. Because the primary researcher has a deep understanding of the Korean context and already conducted 16 interviews in Korea, he had established trustworthy relationships with managers in Korea. Thus, relationships were used as building blocks to access the context more deeply. In addition, since the primary investigator had a deep level of cultural knowledge in Korea, he had the necessary cultural knowledge and insights needed to decode the culturally embedded nuances of the information provided by the participants. For a discussion on the importance of cultural knowledge for interviewing in a cross-cultural setting, see Eckhardt (2004). A misunderstanding of cultural clues can lead a research to ignore important data or worse misinterpret meaning based. What a person says, and what they mean, can vary by cultural context.

Since we restricted our investigations to only one country, we could spend a considerable amount of time and energy focused on understanding the phenomena as they occur in this particular context. The primary researcher traveled to Korea twice during main phase of the research for the primary purpose of collecting data; the first time for

one month and the second time for two weeks. This allowed for sufficient time between meetings for the researcher to gain some initial understanding and interpretation of the data collected. By staying within one context, each interview progressively added to a deeper understanding of the phenomena.

Second, in order to ensure that we had prolonged engagement in each case, we interviewed several participants more than once, and we attempted to interview several people in each firm that we visited. When available, a second interview was scheduled to discuss follow up questions that were unique and insightful or that contradicted other cases or previous held theories. One of the main goals was to purposely explore ideas that contradict or rival the current theoretical model. We were particularly interested in exploring rival perspectives from returnees within the same firm.

Third, we achieved prolonged engagement by interviewing people with different international experiences, in different careers, and at different stages in their career. In addition, while we wanted people from different firms, we also wanted to interview a variety of people within the same firm. Our goal was to interview enough returnees to approach theoretical saturation (Glaser & Strauss, 1967). It was impossible to determine in advance how many cases were needed to get close to theoretical saturation, and we found that after completing our first one-month field trip we had not achieved satisfactory saturation. In the second trip, we chose a limited number of firms and interviewed several returnees at different stages in their careers from those few firms. We felt confident that we had a reasonable amount of theoretical saturation after the second field trip.

5.2.6 Persistent Observation

Persistent observation requires that the researcher mindfully engage in the data to determine the most salient and important elements of the problem and focus on them in detail (Lincoln & Guba, 1985). Thus, each step of the data collection process is a result of reflection on the data that has already been collected. In this way, some initial data analysis must be done throughout the data collection process. It is not enough to have “mindless immersion...The inquirer must sooner or later come to terms with what Eisner (1975) has termed the ‘pervasive qualities’ involved—the things that really count. That process also implies sorting out irrelevancies—the things that do not count” (Lincoln & Guba, 1985: 309). This must be balanced with focusing too quickly and risk dismissing potentially important elements or making erroneous conclusions based on too little information. The need for persistent observation is another reason why we chose to focus on a single context.

Our Approach

It is essential to achieve and communicate a balance between focusing on the things that count and discarding the things that don't count. In order to do this, we kept a careful audit trail. “Careful documentation of the conceptual development of the project should leave an adequate amount of evidence that interested parties can reconstruct the process by which the investigators reached their conclusions” (Janesick, 1994). The audit trail consists of raw data, data reduction and analysis products, data reconstruction and synthesis products, and process notes (Lincoln & Guba, 1985). In our study, we kept an audit trail using the computer software NVivo. However, to be consistent with Yin (2009) we will refer to it as a case study database.

5.2.7 Case Study Database

Yin (2009) describes the case study database as having four components: notes, documents, tabular material, and narratives. Yin's case study database provides a clear stepwise approach to providing a trail of evidence, and his format is consistent with what the authors discussed above include in the audit trail. Case notes are essentially an ongoing diary that documents all observations and insights as they occur. Other authors refer to case notes as a reflective journal. "The reflective journal supports not only the credibility but also transferability, dependability, and conformability of the study... [It] is a kind of diary in which the investigator on a regular basis records information about him- or herself. The journal provides information about the researcher's schedule and logistics, insights, and reasons for methodological decisions" (Erlandson, Harris, Skipper, & Allen, 1993).

Notes were taken after interviews and during interview analysis to describe any insights or discoveries made. Notes were taken in the form of a diary with a date and time entry. The notes were not edited or reorganized as they are not intended to be public documents. The purpose of the notes was to reflect thoughts during the process. All in depth interviews were transcribed and entered into the case database as documents. The interviews were then coded using NVivo.

The transcripts were entered into the case database unedited. Thus, the transcripts are a word for word diction of the interview with the returnee. However, when a section of the transcript was extracted to be used as part of the thesis, the text was edited for clarity and fluency. Not all the returnees are native English speakers, so minor language errors were corrected and unnecessary words, such as 'um' or 'like', were deleted. Also, when a returnee stopped midsentence to correct a thought, the text was edited to only

include the single thought. In addition, the text was also slightly condensed for redundancies. The goal was to provide an extract that was in fluent and grammatically correct English, but that remained completely faithful to the original meaning.

5.2.8 Triangulation

Triangulation refers to using multiple sources of data, methods, and theory to explore the phenomenon of interest (Erlandson, et al., 1993; Yin, 2009). Triangulation is an important method to convey the trustworthiness of the case study results. Lincoln and Guba (1985) argue that as “the study unfolds and particular pieces of information come to light, steps should be taken to validate each against at least one other source (for example, a second interview) and/or a second method...No single item of information (unless coming from an elite and unimpeachable source) should ever be given serious consideration unless it can be triangulated” (p.283).

Our Approach

For the most part, we interviewed more than one returnee in each firm that we visited in order to triangulate understandings and opinions of the context. This turned out to be very important as returnees from the same firm often had differing perspectives on what they perceived to be objective realities of the situations they were embedded within. Having more than one returnee from each firm allowed us, through comparing and contrasting, to gain insights into the individual process of knowledge transfer that were quite surprising.

We achieved triangulation by interviewing several people on each important demographic and contextual dimension. We interviewed multiple people in each firm, and for each industry we visited multiple firms. We interviewed multiple people with

short-term international experiences (2 years), longer-term international experience (2 to 5 years), and returnees that had spent a considerable proportion of their lives overseas. We also interviewed multiple people at each career stage—we interviewed junior managers, middle managers, and senior managers.

A criticism of interview data is that participants may engage in “retrospective sensemaking and impression management” (Eisenhardt & Graebner, 2007: 28). One way to avoid this pitfall is to design interviews to capture a mix of retrospective and real-time data. For example, in this study, in addition to reflecting on past experiences, participants were asked to describe concrete and current examples of successful and failed knowledge transfer experiences. In addition, having multiple data sources within the same firm helped to compare and validate the statements of the interviewees.

It is suggested that triangulation is enhanced by using multiple investigators (Janesick, 1994). However, because this is a thesis and the data must be collected by the doctoral candidate, so this was not feasible. Therefore, we used member checking as a way to not only ensure the accuracy of our data, but as a way of triangulating the results. Member checking helps eliminate investigator bias by having the interviewee verify the veracity of the case report. Following the suggested approach by Erlandson et al. (1993), in the cases for which we had follow up meetings, member checking occurred by summarizing the main points of discussion from the previous interview and checking for agreement.

One advantage of the theoretical approach that we have used is that we have allowed for multiple explanations of the data based on significantly different theoretical lenses. In this way we believe that we are employing theory triangulation—“the use of

multiple perspectives to interpret a single set of data” (Janesick, 1994: 215) First, all findings from the analysis were compared across several theoretical lenses. The simplest explanation may have been that returnees with a deeper foreign knowledge will be more effective at transferring that knowledge to their workgroup. Other authors have examined disseminative capacity (Mu, et al., 2010; Tang, et al., 2010) without considering institutional embeddedness. We needed to ask if that is sufficient for understanding the phenomena of interest. Second, all the findings may be explained by workgroup level absorptive capacity. The overwhelming factor may be that groups with the highest absorptive capacity will be the most effective at recognizing and transforming the knowledge of returnees.

Thus, before we consider the characteristics of a returnee’s institutional embeddedness, we attempted to explain the data with the knowledge based view of the firm and the absorptive capacity of the workgroup. Our theoretical model was only supported if adding the dimension of institutional logics provided a better and richer explanation for the data. We were also open to alternative explanations that were not part of the theory section of the thesis proposal. We were warned in an informal meeting with a highly experienced qualitative researcher at our university that it is easy to “find what you expect to see”. Because of this, we were constantly looking for alternative explanations from other theoretical lens. This proved to be extremely useful. We were able to realize the importance of time and psychological distance by being open to new theoretical lenses.

5.2.9 Case Sampling

Unlike surveys and experiments which require random sampling, the case study method uses replication logic rather than sampling logic as a method of choosing cases (Eisenhardt & Graebner, 2007; Yin, 2009). Rather than choose cases that represent a random sample of the population, cases are chosen because they are theoretically important. “Each case must be carefully selected so that it either (a) predicts similar results (a literal replication) or (b) predicts contrasting results but for anticipated reasons (a theoretical replication)” (Yin, 2009: 54).

Because the unit of analysis is the individual returnee embedded in a workgroup, we wanted to maximize the demographic backgrounds of the returnees we interviewed. We did this by selecting returnees that were different in the following ways: gender, current age and educational background, age and education level at time of exit, age and educational level at time of returning, industry experience, and functional experience. All of these variations helped us to develop a more complete model of the process by which returnees transfer knowledge.

Age was important because we noticed a difference between younger and older returnees. Younger returnees have come back to a country that is much more advanced in terms of business and societal development. Thus, their story of knowledge transfer is quite different than those returnees who returned a decade ago. While there was a huge technological gap between foreign countries, like the United States, and South Korea a decade ago, that gap is narrowing. A vice president of global marketing from a midsize manufacturing firm compared himself to his father:

My father's generation, all the experiment facilities were very poor in Korea, there was no equipment. If he wants to do some experiment, there is no equipment. The USA has it. So, that is a good reason to study abroad. But now Korean facilities are sometimes better. So, that is not a reason to go. (Returnee #35, Company O)

Gender can be an important demographic consideration because the process of enculturation into large Korean firms was often compared to the socialization of the Korean military. Since Korean military service is mandatory for all Korean men, but not for women, we noticed that many of the male returnees relied on their military experience to help guide their socialization back into Korean firms. However, women did not have this experience. In addition, several women complained that it was hard to transfer their knowledge because they felt the organization was “male dominated”. Though gender issues were not systematically considered in this research, there was repeated evidence from female interviewees of a gender bias in their organizations.

The main researcher had many informal discussions with academics and business people during the months that he spent in Korea regarding the topic of this thesis. A theme in a few of the informal discussions was the role that industry and function would play in a returnee’s ability to transfer knowledge. Essentially, these informal dialogue partners were suggesting that that returnee knowledge transfer may be more an industry and firm phenomena and less about individual differences. However, we interviewed returnees from a wide variety of industries and business functions. While organizational factors were often cited as frustrations, it was clear that the individual differences were extremely important. In fact, in most firms where we met multiple returnees, we found that some were more successful than others at transferring knowledge. This allowed us to develop an individual level model of the process of returnee knowledge transfer.

Chapter 6 : Data Collection and Analysis

6 Overview of Data Collection Procedure

Our goal in choosing returnees in well-established and large firms, was to separate us from the more entrepreneurial and venture firm studies that have been conducted in China (Filatotchev, et al., 2009) and India (Prashantham & Dhanaraj, 2010). Because these large firms are well established and highly structured, they are fertile ground for studying the process of knowledge transfer by returnees when such knowledge conflicts with existing institutional logics. In addition, these firms recognize the need for global talent (as evidenced by their international recruiting efforts) and understand that the integration of these highly talented people can be quite challenging.

The researcher has established a large network of colleagues that independently suggested potential returnees. This decreased bias in the sample by utilizing different points of entry. In total, the researcher made use of three independent networks, which helped maximize variation. Returnees were contact by the research through email using the letter in Appendix A. In order to create as much theoretical replication as possible, returnees were asked to suggest colleagues in their firm that might also be willing to participate in the study. This proved to be most valuable as it allowed us to compare and contrast the experiences of returnees within the same organization.

In order to facilitate the discussion, a list of discussion questions was generated. Most returnees requested the list ahead of time. When requested, the list of discussion questions was sent by email and, in some cases, a series of email exchanges occurred to help clarify the study and questions. Appendix B provides a list of the initial interview questions used. Thus, many returnees were prepared for their interview in advance. The

majority of interviews occurred in the returnee's offices. In some cases, arrangements were made to conduct the interviews at the KAIST Business School. In a few cases, interviews occurred in a coffee shop near the returnee's office. Arrangements to meet were made through phone calls and emails. The email and phone exchanges improved the efficiency of arranging meetings, and in many cases were important for gaining consent.

The interview questions in the case protocol were not survey questions. This means that the investigator was under no obligation to remain faithful or consistent to this set of questions from case to case (Yin, 2009). In fact, ideally the questions should be revisited and perhaps modified after each interview. As data were collected and analysed, new theories were built and new questions emerge (Scapens, 2004). By allowing the data to drive the questions, the researcher was able to avoid cognitive lock-in that may occur by following a pre-determined set of questions. In most cases, a returnee would identify with a particular question, and much of the interview would revolve around a few questions. When participants changed the topic or moved in a more tangential direction from the original question, they were encouraged to explore these new avenues.

One of the most fortunate results of not sticking to a pre-determined questionnaire was the emergence of 'narratives' that the returnees told. The entire process model of individual returnee knowledge transfer emerged from the vignettes that the returnees related. The insight that returnees mindfully managing psychological distance and the zone of proximal development of their colleagues, we attribute to the open-endedness of our interviews.

6.1 Descriptive Overview

Sixteen returnees were interviewed in the exploratory phase of the study; 28 returnees were interviewed in the first field trip of the main phase of the study—with 5 of the returnees from the exploratory phase being included in the main phase. Eight returnees were interviewed in the second field trip of the main study. Four of the returnees who were interviewed in the first field trip of the main study did not agree to have their interview recorded and so their cases have not been included in the study. Thus, a total of 47 returnees were interviewed. 32 returnees (24 from the first phase of the main study and 8 from the second phase of the main study) were included for data analysis in the study. Their interviews were all transcribed and entered into NVivo. Table 7 provides a brief summary of the returnees who only participated in the exploratory study. Tables 8 and 9 provide a brief summary of the returnees who were included in the first and second field trip of the main study, respectively. These tables will be referred to throughout the rest of the thesis to cite returnee quotations.

The following descriptive statistics are for the 32 returnee participants who were included in the main study. Table 10 provides summary descriptive statistics. Only including those in the main study, the age of the returnees ranged from 30-60 years in a fairly evenly distribution. Only one returnee we interviewed was younger than 30. As required for inclusion in the study, all participants had a post-graduate degree from a foreign university. Most participants' highest degree was a Masters, and 5 were PhDs. The largest percentage of returnees interviewed had an MBA (19). Thus, most of our returnees were in management as opposed to being directly involved in engineering; although, we did interview several active engineers and statisticians.

Table 7: Summary of returnees interviewed (Exploratory study only)

#	Age group	Gender	First Outside Education	Country	Advanced Degree	General Job Description	Company	Level	Previous Work Exp (Leaving / Returning)					
									Korea Co Prior	Korea Co After	Foreign Co Before	Foreign Co During	Foreign Co After	
1	30-40	M	Post Grad	USA	MBA	Senior Marketing Manager	A (large mfg)	S [†]	√					
2	30-40	M	Elementary	USA	MBA	Junior Analyst	B (large fin)	J						
3	40-50	M	Post Grad	USA	MBA	Deputy General Manager	B (large fin)	M	√					
4	30-40	M	Post Grad	AUS	MBA	Middle Manager	I (large serv)	M						
5	30-40	F	Post Grad	USA	MBA	Middle HR Manager	D (large mfg)	M						
6	40-50	M	Post Grad	USA	MSC - Engineering	Middle HR Manager	D (large mfg)	M						√
7	40-50	M	Post Grad	USA	MBA	Assistant To The President	E (large mfg)	M			√			√
8	30-40	F	Post Grad	USA	PhD	Team Leader	F (large fin)	M	√					
9	40-50	M	Elementary	USA	MBA	Executive Vice President	E (large mfg)	Ex			√			
10	50-60	M	Post Grad	USA	MBA	Deputy General Manager	G (large fin)	M	√					
11	50-60	M	Post Grad	USA	MBA	General Manager	G (large fin)	S	√					

† Ex – Senior Executive, S – Senior Manager, M – Middle Manager, J – Junior Manager

Table 8: Summary of returnees interviewed (First main field study)

#	Age group	Gender	First Outside Education	Country	Advanced Degree	General Job Description	Company	Level	Previous Work Exp (Leaving / Returning)				
									Korea Co Prior	Korea Co After	Foreign Co Before	Foreign Co During	Foreign Co After
12	50-60	M	Post Grad	USA	MBA	Senior Marketing Manager	H (large fin)	S	√	√	√		
13	40-50	M	Post Grad	USA	MSC - Comp Science	Senior Project Manager	A (large mfg)	S				√	
14	50-60	M	Post Grad	USA	MBA	Senior Vice President	I (large serv)	Ex	√				√
15	30-40	F	High Sch	USA	MA - Education	Middle Manager	F (large fin)	M		√			√
16	50-60	M	Post Grad	UK	MBA	Senior Executive	J (large fin)	Ex	√	√			√
17	40-50	M	Elementary	USA	MBA	Senior Vice President	K (large mfg)	Ex				√	√
18	40-50	M	Elementary	USA	MBA	Executive Vice President	B (large fin)	Ex				√	√
19	30-40	F	Post Grad	USA	MA - Education	Senior Specialist	F (large fin)	S	√	√			
20	30-40	F	Post Grad	USA	MBA	Middle Marketing Manager	F (large fin)	M	√	√			
21	40-50	M	Elementary	USA	MBA	Senior Vice President	A (large mfg)	Ex				√	√
22	30-40	F	Post Grad	USA	MBA	Middle Manager	F (large fin)	M	√	√			
23	40-50	M	Post Grad	USA	PhD Statistics	Senior Actuarial Manager	H (large fin)	M					

† Ex – Senior Executive, S – Senior Manager, M – Middle Manager, J – Junior Manager

Table 8b

#	Age group	Gender	First Outside Education	Country	Advanced Degree	General Job Description	Company	Level	Previous Work Exp (Leaving / Returning)					
									Korea Co Prior	Korea Co After	Foreign Co Before	Foreign Co During	Foreign Co After	
24	50-60	M	Post Grad	CAN	MBA-Marketing	Senior Marketing Manager	L (large mfg)	S						
25	30-40	M	Post Grad	JAP	MBA	Middle Marketing Manager	L (large mfg)	M	√					
26	40-50	M	Post Grad	USA	MSC - Engineering	R&D Director	C (mid mfg)	S	√					√
27	50-60	M	Post Grad	USA	PhD Sociology	Senior Manager	G (large fin)	S	√					
28	30-40	F	Post Grad	USA	PhD Statistics	Middle Manager In Statistics Office	F (large fin)	M					√	
29	50-60	M	Post Grad	USA	MBA - Finance	Senior Manager	G (large fin)	Ex	√					
30	40-50	M	Elementary	USA	MBA-Marketing	Senior Marketing Manager	F (large fin)	S					√	
31	50-60	M	Post Grad	CAN	PhD Engineering	Senior Division Director	N (large mfg)	S	√					
32	40-50	M	Post Grad	GER	PhD Engineering	R&D Engineer	N (large mfg)	M		√				
33	20-30	F	Post Grad	USA	MA - HR	Junior Recruiting Manager	F (large fin)	J						
34	50-60	M	Post Grad	USA	MSC - Engineering	Vice President Of Planning	P (mid mfg)	Ex	√	√		√ - JV		
35	40-50	M	Post Grad	USA	MBA / Msc	Vice President Of Global Marketing	O (mid mfg)	Ex		√				

† Ex – Senior Executive, S – Senior Manager, M – Middle Manager, J – Junior Manager

Table 9: Summary of returnees interviewed (Second main field study)

#	Age group	Gender	First Outside Education	Country	Advanced Degree	General Job Description	Company	Level	Previous Work Exp (Leaving / Returning)					
									Korea Co		Foreign Co			
									Prior	After	Before	During	After	
36	40-50	M	Post Grad	USA	MBA-Marketing	Marketing Manager	G (large fin)	M	√					
37	40-50	M	Post Grad	UK	MBA	General Manager	J (large fin)	S	√					
38	30-40	M	Elementary	USA	MSC - Comp Science	Sales Manager	J (large fin)	J		√		√		
39	50-60	M	Post Grad	USA	MBA	General Manager External Relations	M (large fin)	S						√
40	30-40	M	Elementary	UK	MBA	Analyst	J (large fin)	J						
41	30-40	M	Post Grad	USA	MBA	Analyst	M (large fin)	M					√	
42	30-40	M	Post Grad	USA	MBA	Analyst	M (large fin)	J	√					
43	30-40	M	Post Grad	USA	MA Statistics	Deputy General Manager	M (large fin)	M	√				√	

† Ex – Senior Executive, S – Senior Manager, M – Middle Manager, J – Junior Manager

Table 10: Characteristics of returnees in main study

N=32

Returnee Characteristic	Dimension	#
Age group	<30	1
	30-40	11
	40-50	11
	50-60	9
Gender	Male	26
	Female	6
Foreign Country	US	25
	UK	3
	Canada	2
	Germany	1
	Japan	1
Type of Advanced Degree	PhD	5
	Masters	27
	MBA	19
	Education	2
	Science and Engineering	6
Broad Industry	Financial	21
	Manufacturing	10
	Telecommunications	1
Managerial Level	Senior executives	8
	Senior Managers	10
	Middle Managers	10
	Junior Managers	4
Work Experience Prior to Current Position	Korean Company Prior to Leaving	16
	Korean Company After Returning	10
	Foreign Company Prior to Leaving	2
	Foreign Company While Oversea	9
	Foreign Company After Returning	8

Seven returnees left Korea when they were children, and completed some elementary or high school in a foreign country. The rest moved abroad after completing their undergraduate degree in Korea. The vast majority of the participants returned from the United States (25); the rest returned from the UK (3), Canada (2); Germany (1); and Japan (1). We interviewed 6 female returnees and 26 male returnees, which is probably a reasonably fair representation of the demographics of returnees working in major Korean firms.

Twenty one of the returnees worked in the financial industry, 10 in a manufacturing industry, and 1 in the telecommunications industry. Based on their Korean job titles, we classified the returnees as senior executives (8); senior managers (10); middle managers (10); and junior managers (4). Sixteen of the returnees had some form of job experience in a Korean firm prior to leaving Korea to pursue their overseas studies, which is not surprising given the entrance requirements of many MBA programs. Two returnees had experience in a foreign firm in Korea prior to leaving Korea to pursue their overseas studies. Nine returnees worked for a firm in the country they lived (e.g. an American firm in the USA), and 8 returnees worked for a foreign firm in Korea after they returned to Korea, but prior to taking their current position in a domestic firm.

In total, throughout all phases of the study, we visited 16 firms. Table 11 presents a summary of firms visited. We interviewed a maximum of 8 and a minimum of 1 returnee in any given firm. While we only interviewed 1 returnee at each of the midsize manufacturing firms we visited, it is worth noting that these returnees were all socially connected and referred to each other during the process of their interviews. Thus, while we did not have replication at the firm level, we did have replication at mid-size

manufacturing firms from socially connected returnees. Five of the firms we visited were member firms of large Korean Chaebols and we visited returnees at the head office of 2 large Chaebols. Thus, 7 firms belong to a Chaebol. In terms of size and geographic scope, 6 firms were very large multinational enterprises (MNEs); 7 firms were very large domestic firms such as insurance companies, banks, and a telecommunications company; 2 of the firms were mid-size MNEs—one firm with 95% of its sales overseas, the other with more than 50% of its sales overseas; and 1 firm was a midsize domestic firm in the engineering and construction industry.

6.2 Vignette Selection and Analysis

Our analysis of the data revealed a pattern amongst many returnees of engaging in activities that lay the ground work for knowledge transfer. Specifically, returnees actively engage in activities to lower psychological distance, tailor knowledge to their colleagues ZPD, and attempt to work with colleagues to increase their ZPD. This process emerged through the narratives that returnees told about how they attempt to bring foreign knowledge into their firms. First, we began by coding instances of these activities in NVivo. When it was clear that this was a dominant pattern, the transcripts were systematically re-read to capture these narratives. Following the method described by Orr and Scott (2008), we collected these examples into short vignettes.

Table 11: Summary of firms visited

Company	# of Contacts	Description of Firm	Chaebol Member	Business Scope	Main Business
A	3	Large Mfg	Yes	MNE	Electronics
B	3	Large Financial	No	Large Domestic	Banking & Investments
C	1	Midsized Mfg	No	Midsized MNE	Medical Equipment
D	2	Large Mfg	No	MNE	Steel Manufacturing
E	2	Large Chaebol	N/A	MNE	Corporate Headquarters
F	8	Large Financial	Yes	Large Domestic	Insurance
G	5	Large Financial	No	Large Domestic	Banking & Investments
H	2	Large Financial	Yes	Large Domestic	Insurance
I	2	Large Gen Services	No	Large Domestic	Telecommunications
J	4	Large Financial	No	Large Domestic	Investments & Banking
K	1	Large Chaebol	N/A	MNE	Corporate Headquarters
L	2	Large Mfg	Yes	MNE	Electronics
M	4	Large Financial	No	Large Domestic	Banking & Investments
N	2	Large Mfg	Yes	MNE	Steel Manufacturing
O	1	Midsized Mfg	No	Midsized MNE	Medical Equipment
P	1	Midsized Mfg	No	Midsized Domestic	Construction

In order to compare and contrast, the vignettes were re-read and categorized by the type of activity being performed; who or what the activity was being directed towards; and the type of psychological distance that was being addressed. This was done to allow us

to stack comparable cases (Miles & Huberman, 1994) for cross-vignette analysis. Cross-vignette analysis “provides a factual basis for the generic narrative model or typical story that emerged from the analysis” (Orr & Scott, 2008: 568). To further help compare and contrast cases, each vignette was given a very short tag description of a few words, and a slightly longer (one-sentence) description of the vignette. Table 12 presents a summary of the vignettes. Appendix C includes the full text for all of the vignettes. Of the 32 returnees, 23 described a situation in which they laid the ground work. In total 41 vignettes were identified and classified. Chapter Eight will discuss the results and theoretical implications drawn from these vignettes.

The interview data that we collected and analyzed led us to develop new models and propositions that will be presented in the next two chapters. In all cases where a returnee is quoted, reference is made to the returnee’s number, which references Tables 8 & 9, and the letter of the firm that the returnee worked for, which references Table 11. While quotes from returnees will be used in Chapter Seven, the systematically analyzed vignettes will be used only in Chapter Eight when we present the model of returnee knowledge transfer over time. Thus, when quoting a returnee in Chapter 7, reference will be made to the vignette, returnee, and company.

Table 12: Summary of vignettes

#	Type of Activity	Focus of Effort	Type of PD	Tag Description
Short Description				
1	Building Scheme / Language	Colleagues	Social / Spatial	Working one on one with colleagues
A senior vice president from a large manufacturing firm spends time, one-on-one, with colleagues to help them understand the perspectives and expectations of their foreign business partners (Returnee 21).				
2	Building Scheme / Language	Colleagues	Social / Spatial	Helping understand multiple perspectives
A middle manager from a large financial firm tries to help her colleagues understand that they should always consider multiple perspectives (Returnee 22).				
3	Building Scheme / Language	Colleagues	Social / Spatial	Developing creative and global thinking
A senior marketing manager from a large manufacturing firm pushes his employees to think more creatively by opening their eyes to a wider perspective outside the domestic context (Returnee 24).				
4	Building Scheme / Language	Colleagues	Social / Spatial	Developing skills to understand foreign markets
A senior manager from a large financial firm works with colleagues to improve their understanding of foreign financial markets and to improve their English language skills (Returnee 29).				
5	Building Language	Colleagues	Social / Spatial	Providing skills needed for problem solving
A senior vice president from a large manufacturing firm teaches and encourages members of his team to participate in problem-solving sessions in a 'western' style. (Returnee 17).				
6	Building Language	Colleagues	Social / Spatial	Encouraging people to engage during meetings
An executive vice president from a large financial firm encourages his team members to participate in discussion and problem-solving with him. (Returnee 18).				
7	Building Scheme / Language	Colleagues	Social / Spatial	Developing creative thinking and discussions
A R&D director from a midsize manufacturing firm encourages his team members to participate in discussion and problem-solving with him during meetings (Returnee 26).				
8	Building Scheme / Language	Colleagues	Social / Temporal	Guiding juniors through planning process
A senior division director from a large manufacturing firm uses the knowledge that he gained by doing a PhD to help guide junior engineers in effective project planning (Returnee 31).				
9	Building Scheme / Language	Colleagues	Social / Temporal	Encouraging open discussion
A general manager of external relations from a large financial firm has created an environment in his team where junior members can participate in discussions and make productive suggestions (Returnee 39).				
10	Providing Educational Opportunity	Colleagues	Social	Providing educational opportunity to female colleagues
A senior vice president from a large manufacturing firm provides an opportunity for female colleagues to meet business and political leaders so that they can break out of stereotypical Korean roles (Returnee 17).				

Table 5 cont.

11	Providing Educational Opportunity	Colleagues	Social / Spatial	Sending employees to training center
A senior marketing manager from a large manufacturing firm sends his people for training to help them develop their global business skills (Returnee 24).				
12	Providing Informal Educational Opportunity	Colleagues	Social / Spatial	Joining foreign meetings
A senior vice president from a large manufacturing firm brings team members when he travels abroad so they can be directly involved in negotiations and can learn foreign business culture. (Returnee 21).				
13	Mentoring	Colleagues	Social	Mentoring a junior returnee
A senior vice president from a large manufacturing firm mentors a junior returnee so that he could function in a Korean organization and prove himself to the other executives (Returnee 17).				
14	Information Sharing	Colleagues	Social / Spatial	Providing foreign information for CEO
A senior manager from a large financial firm takes thirty minutes each week to provide information on foreign markets that his boss can use in meetings or for strategy planning (Returnee 29).				
15	Building seminars	Colleagues	Social / Spatial	Finding opportunity to educate colleagues
A senior marketing manager from a large financial firm worked with HR to create a seminar on the importance of corporate branding as this was not part of the organization's logics (Returnee 30).				
16	Conducting Workshops	Colleagues	Spatial (Doing Business Overseas)	Educating colleagues
A senior marketing manager from a large financial firm holds seminars in which he invites former business colleagues to speak to the executives of his firm about expanding their business overseas (Returnee 12).				
17	Conducting Workshops	Colleagues	Spatial (Foreign Knowledge)	Educating colleagues
A senior project manager from a large manufacturing firm holds classes for colleagues to explain the technical knowledge he learned while working in the USA for an American firm (Returnee 13).				
18	Conducting Workshops	Colleagues	Spatial (Foreign Knowledge)	Educating colleagues
A general manager from a large financial firm holds classes for colleagues to explain technical knowledge he learned from his overseas studies (Returnee 37).				
19	Conducting Workshops	Colleagues	Spatial (Foreign Knowledge)	Educating colleagues
A deputy general manager from a large financial firm holds classes for colleagues to explain technical knowledge he learned from his overseas studies (Returnee 43).				
20	Providing Background Knowledge	Colleagues	Hypotheticality	Providing concrete examples
A senior marketing manager from a large financial firm uses foreign case studies to show colleagues and superiors how other foreign firms have handle similar business situations (Returnee 12).				
21	Providing Background Knowledge	Colleagues	Hypotheticality	Educating and convincing people of value add
A senior actuarial manager from a large financial firm sees it as part of his duties to both educate his juniors and convince his seniors of the usefulness of the work he is doing (Returnee 23).				

Table 5 cont.

22	Syndicating Knowledge	Colleagues	Social / Temporal	Explaining new ideas before meetings
A senior vice president from a large manufacturing firm meets with other decisions makers prior to a 'discussion' meeting to ensure they have a clear understanding of what will be introduced. (Returnee 21).				
23	Positioning And Selling	Colleagues	Social / Hypotheticality / Temporal	Positioning a project
A senior marketing manager from a large financial firm was able to successfully navigate through the process of introducing shift in strategy from product marketing to corporate branding (Returnee 30).				
24	Explicating Knowledge	Knowledge	Social / Spatial / Temporal	Documenting procedures
A junior sales manager from a large financial firm was the first to conduct a foreign 'Non Deal Roadshow (NRD)' for his firm, so he documented all the procedures as a guide for non-returnees (Returnee 38).				
25	Helping With Interpretation And Translation	Knowledge	Social (Knowledge)	Giving support / making it easier
A senior project manager from a large manufacturing firm attends meetings only tangentially related to his duties to help colleagues understand cultural context when meeting foreigners (Returnee 13).				
26	Helping With Interpretation And Translation	Knowledge	Social (Knowledge)	Giving support / making it easier
A junior analyst from a large financial firm does interpretation and translation work that is not directly related to his own work to help other colleagues (Returnee 42).				
27	Making Contact With Foreign Firms	Knowledge	Social / Spatial	Bridging through networks
A middle manager from a large financial firm uses her network of foreigners and returnees to help her company develop relationships with USA companies for benchmarking purposes (a duty outside her immediate job description). (Returnee 15).				
28	Tailoring Information	Knowledge	Social / Spatial / Temporal	Tailoring information to learning styles
A senior manager from a large financial firm tries to understand how his superiors would prefer to receive information and then tailors information to each person's learning style (Returnee 29).				
29	Working Within The System	Knowledge	Social	Adapting knowledge to system
A senior actuarial manager from a large financial firm is mindful of the organizational processes and tries to bring his knowledge in through those processes (Returnee 23).				
30	Informal Relationship Building	Returnee	Social	Building networks / gaining trust
A senior project manager from a large manufacturing firm goes out on a regular basis for dinner and drinks with colleagues throughout the organization in order to build relationships and trust (Returnee 13).				
31	Informal Relationship Building	Returnee	Social	Building relationships with insiders
A senior vice president from a large manufacturing firm builds strong relationships with insiders, which helps him learn important information about the organizations that would not be otherwise available. (Returnee 21).				

Table 5 cont.

32	Informal Relationship Building	Returnee	Social	Building networks / gaining trust
A senior marketing manager from a large financial firm goes out for dinners and drinks with colleagues throughout the organization, so that they will know him and respect him when he attempts to 'push the envelope' (Returnee 30).				
33	Developing Local Skills	Returnee	Social	Improving Korean language skills
An executive vice president from a large financial firm began speaking in Korean from the first day he started working in Korea in order to build communication skills and legitimacy. (Returnee 18).				
34	Building Respect	Returnee	Social / Temporal	Overcoming newcomer disadvantage
A middle manager from a large financial firm is willing to do jobs that at her level she could order a junior to do because she recognizes that she does not yet have their respect (Returnee 22).				
35	Building Respect	Returnee	Social / Temporal	Overcoming newcomer disadvantage
A senior actuarial manager from a large financial firm relies less on the power of his position and more on persuasion to convince people to accept his ideas. (Returnee 23).				
36	Building Respect	Returnee	Social / Temporal	Doing unrelated work to gain respect
A senior marketing manager from a large financial firm will do interpretation and translation work for colleagues in other departments in the hope of gaining their trust and respect (Returnee 30).				
37	Hiding Foreign Experience	Returnee	Spatial	Underplaying foreign knowledge
A general manager from a large financial firm does not tell some clients about his background until he has gained their trust in order not to bias them against his ability (Returnee 37).				
38	Creating Structures	Organization	Social / Temporal	Creating lean reporting structures
A vice president of global marketing from a midsize manufacturing firm uses the lean reporting structures that he learned during his MBA to build a more creative and involved team (Returnee 35).				
39	Finding A Champion	Organization	Hypotheticality / Social	Having a senior VP champions her ideas
A middle manager in statistics office from a large financial firm had a senior VP champion her project of improving customer data using advanced statistics (Returnee 28).				
40	Finding A Champion	Organization	Hypotheticality / Social	Finding someone to champion project
A senior manager from a large financial firm was able to get bring his boss on board a new project and then had his boss present the project to senior decision makers (Returnee 29).				
41	Finding A Champion	Organization	Hypotheticality / Social	Having chief of the research institute support his work
An R&D engineer from a large manufacturing firm was supported by the chief of the research institute, who found ways to support his research even though it was not popular amongst other managers (Returnee 32).				

Chapter 7 : Micro-Institutional Perspective

7 The Tension between Domestic and Foreign Institutional Embeddedness

The preceding chapters reflect the theoretical insights gained from iterative field research and literature review. Based on the literature and field data, this chapter explores the importance of understanding foreign institutional logics and domestic institutional logics when a returnee attempts to transfer knowledge. The propositions in this chapter set up a tension between a returnee being too foreign or too domestic. For the most part, the findings reported in this chapter support the theorizing that was done at the proposal stage of this thesis. However, new insights were gained when we returned to the field. Thus, this chapter lays out the static propositions in which knowledge transfer is looked at as an event. The goal of this chapter is to explicate Model 2. Chapter Eight goes one step further and considers returnee knowledge transfer over time. In doing so, Chapter Eight develops a process model.

Our original proposition was that the more deeply a returnee was embedded in foreign institutional logics, the more the returnee would be able to transfer knowledge to their workgroup. In many ways this proposition was supported by the data collected during the main field study. Returnees that have spent more time and have had a deeper cultural experience in a foreign country often have more unique knowledge to offer their workgroup.

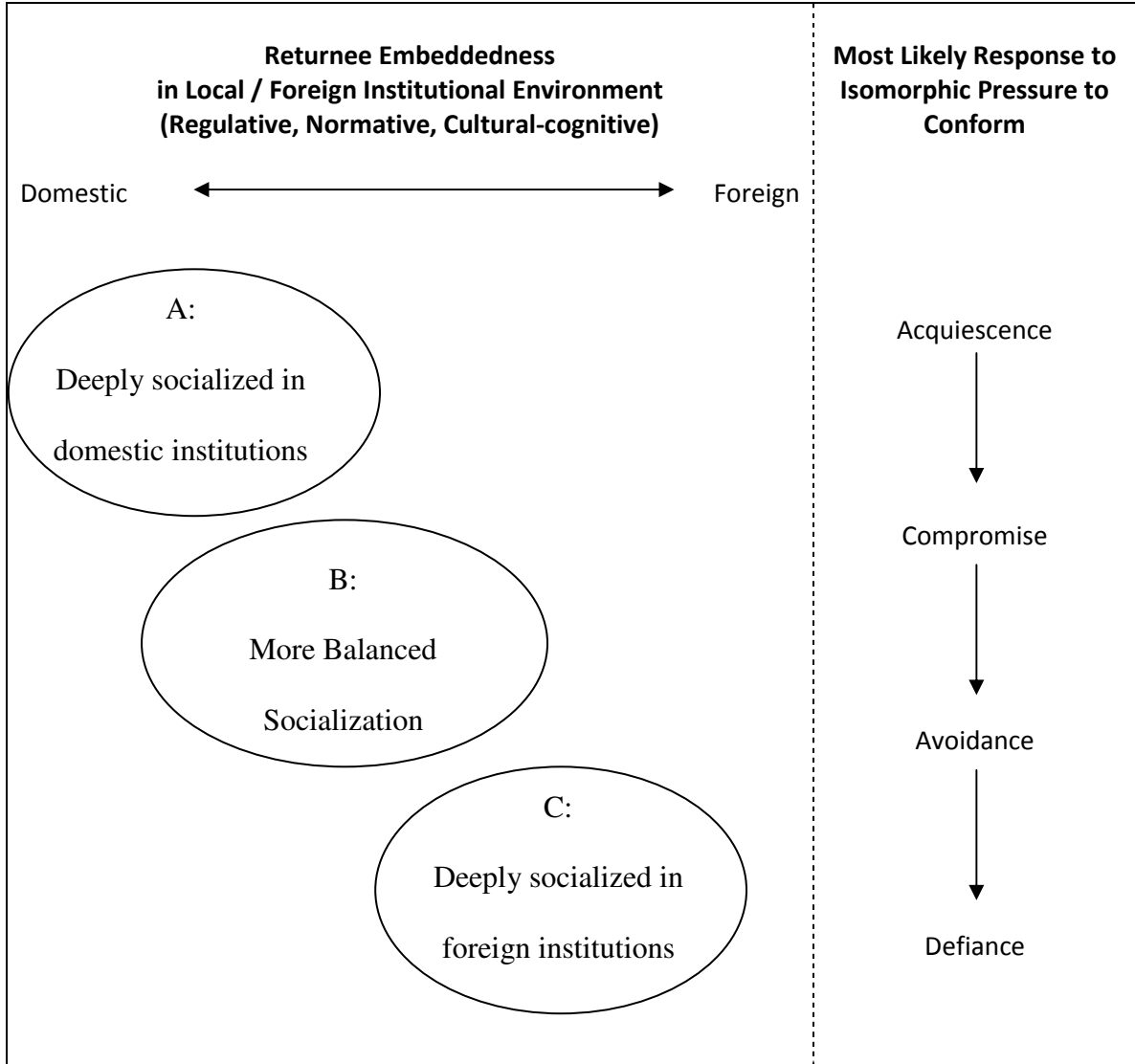
7.1 Proposition 2 – Embeddedness in Multiple Institutional Fields

Reinforced throughout the course of our interviews was that returnees are never really fully embedded in two national institutional environments. One cannot fully

internalize two sets of conflicting institutional practices, and as such, conform to two conflicting institutional environments. Regulative, normative, and cognitive-cultural institutional practices are internalized in individuals through a socialization process. With more time and depth of experience, the individual becomes more embedded in the environment. As individuals become more embedded in their environment, they are more likely to internalize the institutional practices of that environment. Since this takes time and rich experience, internalizing one set of institutional codes comes at the expense of internalizing the other set of codes.

While to some degree, an individual can appreciate two conflicting institutional practices, it is likely that a person will merely understand one practice and internalize the other or internalize some hybrid of the two. The point is that foreign work and education experience is not about developing or conforming to two sets of embedded institutional practices—two ways of understanding the world—but is rather more of a continuum from being fully embedded in domestic institutional environment to being fully embedded in a foreign institutional environment. The first column in Figure 8 presents a visual representation of this argument.

Figure 8: Returnee institutional embeddedness



Alternatively, we can imagine a returnee with much more limited international experience (represented as A in Figure 8). Consider a returnee who left the home country as an adult to pursue post graduate studies after having five years of local work experience. Such a person will have completed high school, undergraduate studies, and some work experience in the home country. They could be expected to have internalized a great deal of the institutional logics of domestic firms. As the expatriate and repatriate

literatures clearly show, such people can learn a significant amount from their foreign experience (e.g., Carpenter, et al., 2001; Lee & Park, 2008; Sambharya, 1996). They may learn important foreign knowledge, and internalize some foreign institutional logics. However, we would expect that a person with that much domestic socialization would still be firmly embedded in the domestic institutional environment.

A senior vice president from a large manufacturing firm, who had spent most of his life in the United States and in American firms, felt that the knowledge that he brought could not be duplicated by his Korean colleagues because they simply did not have the depth of experience and understanding of foreign markets. He emphasized knowledge of cultural and business norms.

*So you can have a global company, yes sales are very global. But if you look at the organization, it's not that they don't have foreigners but the structures are very Korean and Korean centric. And I think that over time people are figuring out that if we want to be successful in your own country that's okay, but if you want to be successful in another country, you will eventually have to have top management that actually understands that country and can shape the organization to work in that market. Because no matter how smart someone is from Korea, their knowledge of foreign markets, foreign competitors and other ways of conducting business is quite limited. You have to have someone who is in a leadership position that knows other markets and can give you the insights and understand the nuances that are going to make the market very competitive. That can make a real difference.
(Returnee #21, Company A)*

Another senior vice president, who had spent most of his life in the United States before returning to Korea to work for an American firm before joining a large Korean Chaebol, believes that there is a fundamental difference between people who have been socialized in American education and business institutions and those who have been socialized in the domestic environment. For him, the main differences were in deeply

rooted cognitive-cultural maps and schemas. He sees a fundamental difference in the way people approach problematic situations.

*The population that grew up here, worked here, and then went out for a couple of years for school and came back, would I put them in a category of returnees? I don't know. I think the mindset is very different. The experience base from which to add and contribute I think is also very, very different versus those who actually lived, right? Those with early years in school in the U.S, who went on to get an MBA or whatever, worked for a handful of years in the USA and then returned, are for me the real returnees. I find their cognitive maps are more similar to mine. I do not have to spend a great deal of time working with them on how I want them to think and approach problems.
(Returnee #17, Company K)*

This relationship between time spent in a foreign country and the degree of embeddedness in foreign versus domestic institutional environments was a pattern that clearly emerged from the initial interviews and has been a repeated theme throughout our field work. In this way, it seems more reasonable not to conceive of returnees as bi-institutionalized (as one may conceive of a person being bi-lingual), but rather, it makes more sense to understand returnees as semi-institutionalized into two institutional environments.

A senior marketing manager from a large financial firm was discussing his efforts to have his ideas become more accepted by his colleagues. He emigrated from Korea with his family in the later part of his childhood, completed an MBA, and worked for several years in the United States before returning to Korea. He describes himself as neither Korean nor American. For him, a returnee with his depth of experience in both countries places him as an outsider in both countries.

My expectations are totally different than other returnees who come from the outside and say I am going to drink hard and establish networks and really become an insider in this company. That is not realistic for me because I am too different. Just as I was never fully American back in the States because of my appearance and background, I will never be fully accepted here. My expectation is totally different. I am here and if I get things done and help this organization grow, that is great. And as long as the company sees value in what I am doing and I contributing, I don't need to be fully accepted. I try to take baby steps.
(Returnee #30, Company F)

Returnees who have been embedded in a foreign environment for a longer period of time will be less likely to take for granted the institutional logics of the norms and practices of the domestic workgroup. Their international experience provides them with novel technical and cognitive knowledge that helps them see new possibilities. Technically, they bring knowledge that is new to the workgroup. Cognitively, they bring a perspective that allows them to see alternatives to current institutional logics. In sum, returnees who are more deeply socialized in foreign cultures will have more unique knowledge to offer the workgroup than a person with limited experience.

Thus, they have a greater amount of potential knowledge that they could transfer. This argument parallels Battilana's (2006) understanding of the positive relationship between inter-organizational mobility and attempts to introduce institutional change. In fact, several interviewees who spent a significant portion of their lives overseas referred to themselves and others like them as "real returnees". They clearly viewed themselves as being more foreign, less Korean, than returnees who had only been overseas for a few years. One long term overseas returnee stated that "*we are Korean-American, they are just Koreans*" (Returnee #15, Company F).

However, several of our interviewees demonstrated that time spent in a foreign country is only one dimension of institutional embeddedness. Our interviews revealed that some returnees who spent a relatively short period (even two years) overseas had profound learning experiences and became acutely aware of the institutional differences between Korea and their country of experience. Thus embeddedness is a function of the richness of experience as well as the length of time.

A vice president of global marketing from a midsize manufacturing firm was able to compare and contrast his own experience between his MSc and his MBA. For him, the level of embeddedness in an American culture and logics significantly increased when he entered his MBA program after completing his MSc. He demonstrates that embeddedness is more than just being in a foreign country. It is an active process of learning, through experience, the institutional and social norms and logics of that foreign country. He argues that explicit knowledge taught in an academic environment is only part of the learning equations. The tacit knowledge must be learned through participation with members of the workgroup. For him, the collective tacit experiences were far more valuable than the academic knowledge that he learned overseas.

Lectures, textbooks, professors to plan the lectures, and that kind of thing, all exist in Korea too. But, that is just lectures, but the real life is totally different. One good example is someone who got the PhD in engineering for 5 years in the USA. He felt like he knew the USA because he spent 5 years there. But, I don't think he necessarily did. They always go to school and have an experiment alone, and once a week they have a group meeting, and once a week they have a face to face meeting with professor. In real life, the USA is totally different. It is life. The funny thing is that when I was at the Masters for engineering, I felt that my knowledge of the USA and my English was really good. I had no problems. When I moved to the MBA, I was shocked. It was a totally different world. It pushed me to learn about the way of thinking—to become more globalized. I had to work with other students in groups, argue intelligently with the professor in class, and do a lot of

*problem solving. I spent a great deal of time with other Americans, and I felt that I really began to see the differences in thinking (for globalized thinking). If we do not understand the foreigner, it is a big problem.
(Returnee #35, Company O)*

In addition, we found that a number of returnees had spent a relatively short period of time abroad, but then had their initial overseas experience augmented by continuous interaction with foreigners and foreign travel. For them, they continued to learn about foreign institutions and logics.

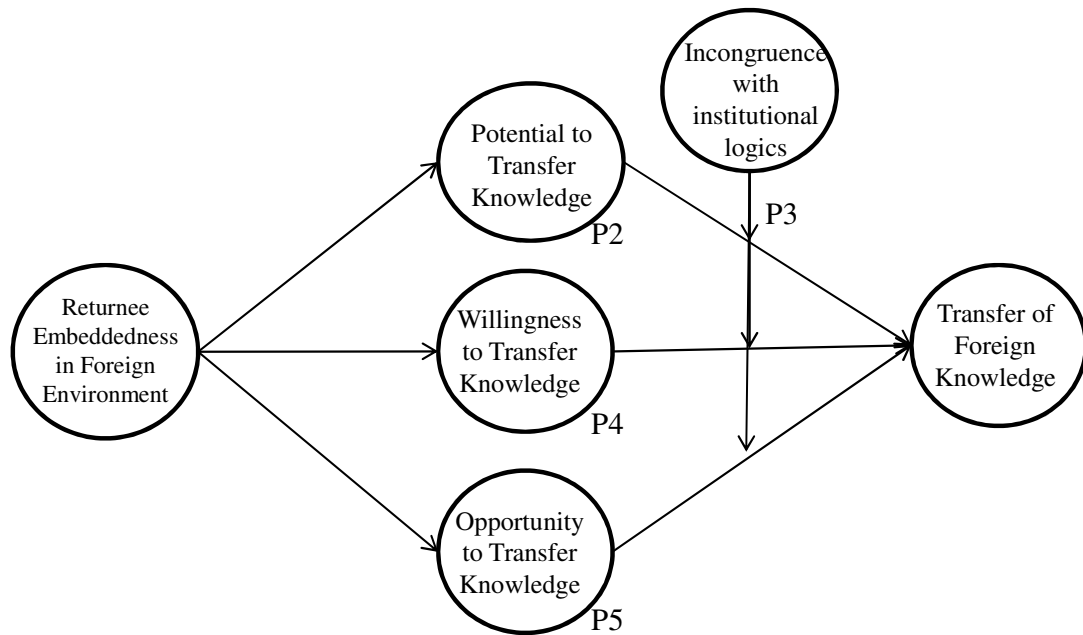
A senior marketing manager from a large financial firm explained how his two year overseas experience getting his MBA in England was part of becoming more globally minded. From him his international education was part of learning about international organizations, culture, and institutions.

*It was not that hard for me to adjust to overseas life because I had traveled frequently overseas for business. Before I left for my overseas study, I was working in the foreign sales department, so I had already been overseas more than a dozen times. So, I had an idea of what life would be like outside of Korea...At school, I learned a lot because the studying framework is totally different than in Korea. In Korea, we didn't use cases; we only study the law or textbooks. When I came back to Korea, many people didn't even know what a SWOT analysis was. I guess things have changed. But 10 years back, it was really different. But I think going out of Korea for a short time might not be enough to really give you enough understanding of the foreign environment. I think you have to stay for 5 years or more. Or you should go back and forth. It is good to go back and take small courses for a few months at a time. When I graduated, I think I was globalized. I was trying to use many global cases. However, after that, you must continue to be engaged in international work or you will slip back into Korean thinking and Korean mindset. I think that is very important that I keep in touch with the overseas world... I am often called to participate in meetings with foreign visitors and work on projects with foreign companies. I enjoy this because it allows me to continue to learn about doing business overseas.
(Returnee #12, Company H)*

What was made clear in the interviews was that returnees brought a tacit knowledge to their firms that would not otherwise be available to members of the organization. That knowledge could be technical, cognitive, cultural, or normative. Only a few of the returnees whom we interviewed (4 out of 32) believed that they had very little unique knowledge to offer their firms. Most returnees were able to identify either specific knowledge or mindsets that could be helpful to their organizations. However, it was clear that the degree of potentially unique knowledge that returnees could offer to the organization depended significantly on the richness of the experience they had overseas. Most often this was a function of time, but not always. This leads us to our second proposition, which along with Propositions three and four develop a mediating relationship between foreign institutional embeddedness and returnee knowledge transfer. These relationships are expressed in Model 2 (Figure 9).

Proposition 2: *The returnee has more potential to transfer knowledge to the workgroup when he/she has greater embeddedness in a foreign environment.*

Figure 9: Model 2 - Static model of returnee knowledge transfer based on micro-institutional perspective



7.2 Proposition 3 – Conflicting Isomorphic Pressures

When a returnee is faced with an opportunity to transfer knowledge that simply fills a knowledge void and does not conflict with existing institutional practices, the knowledge transfer is likely to meet very little institutional resistance. However, when returnee knowledge conflicts with existing institutional logics, it is quite possible that countervailing conformity pressures may arise. The depth of the institutional practice or routine being challenged will influence the level of resistance (Katz & Allen, 1982). If the transferred knowledge replaces a normative routine that appears to be easily changed, perhaps little resistance may be met. However, as new knowledge increasingly

challenges deeper institutional logics, members embedded in the logics of that institution are more likely to construe the foreign knowledge with higher levels of psychological distance and thus be less open to the new knowledge.

If the knowledge or technology being transferred by the returnee would require a fundamental shift in cognitive-cultural beliefs or ways of thinking—an upheaval of core institutional logics—the knowledge is likely to meet greater resistance.

Our interviews revealed that the knowledge that returnees attempt to transfer can be quite marginally psychologically distant for workgroup members or quite significantly different. We present three examples from the research. In the first example, the returnees encounter almost no resistance because the knowledge was immediately relevant and nearly costless both in terms of time and money. In the second example, the returnee was initially unsuccessful at transferring knowledge because his ideas and approach were quite social distant from some workgroup members. Our third example represents an extreme case. In this example, the returnee, a senior manager, is attempting to use the knowledge he gained during a five year PhD program to fundamentally shift the organizational structure and strategy.

In the first example, a manager in a stock trading department of a major financial institution explained how he had brought a more systematic use of statistical programs for “*creating an arbitrage opportunity in the bond market*” (Returnee #43, Company M). He learned this knowledge in his MBA program and through his intern experience with an American financial institution. His knowledge, while unique to his colleagues and superiors, was not psychology distant from them. The knowledge could be explained in a relatively short amount of time, using language that most of his colleagues understood.

Thus, once explained, the knowledge was easy for them to grasp, was not culturally embedded, and was immediately beneficial. There was also very little investment in terms of time and money for his colleagues and superiors

In our second example, a senior marketing manager in a large financial firm (who at the time was a middle manager) attempted to create an online presence for his firm to sell insurance directly through the internet. He had worked for several firms in the USA where online sales had become common practice. Looking back on the situation, he was able to articulate why he was not successful. It is not that the ideas were difficult for other managers to understand, but rather the way he went about attempting to introduce the project created a psychological distance.

Now I have had conflict in other projects and I had to give them up. When I first came in, we had no online presence. WOW this is strange. We are a corporation with such huge assets, and we have nothing online. We need to start to do this. We need to get in there and target younger kids. And so I put together a proposal, I did a lot of research with another person. I asked for money; 1.3 million dollars! I did 5 months of work. We need to do this and this. But they said no. There was a lot of conflict. My direct boss bought into it; my VP bought into it; but the budget department said no, we can't give it to you. We argued, we fought, I screamed at him, but nothing. They gave me all these reasons--like why do we need internet presences. Exactly how many sales can you generate directly from this advertisement? How exactly can you separate out the value of this advertisement from the other advertisement? How can I answer that perfectly? They were asking questions that there simply are no answers to--no one ever has those answers. It was a huge conflict. So, I just let it go. Guess what, just a few years later, another department makes the same proposal and gets the budget and they are doing it right now.

But I really have learned from that. Actually, they wanted an online presence. That was not the problem here. The problem was my overzealous passion, and I realized that it doesn't mean a thing; you have to really understand how the company makes decisions. It is not the same as American firms. It is not a competition for the best ideas. It's not 'convince me and we will pave the way for you'. You have to know how their egos play into all this. The decision processes here are complex. You need a sponsor

to raise your project. And I did not have all of that understanding. I see too many returnees get angry at the company for being backwards, instead of learning that there is a process by which things get done around here. Returnee #30, Company F)

Our third example represents a more extreme case. However, it is useful for illustrating an attempt to transfer foreign knowledge which is completely incompatible with the institutional logics of the organization into which the knowledge is being transferred. The returnee in this case is somewhat atypical. He was granted leave from his company to pursue a PhD in the United States. His company is a rural cooperative financial institution. His goal was to learn about rural cooperative financial institutions in other countries and bring that knowledge back to his company in order to restructure the firm. He met extreme resistance from other senior colleagues.

I wanted to study the cooperative systems of advanced countries--such as USA, Canada, or Europe. In my PhD dissertation, the main subject was a comparative study of the agricultural sectors in Korea, Japan, USA, and EU... When I returned, I introduced the social economy of Canada, especially Quebec, and the social economy of southern Europe--Italy, Spain, and Portugal--Recently, the [company] and the Korean government wants to develop the social economy business in rural sectors. So, I think I contribute to the Korean model of social economy in rural sectors. So that is my job at the research department...It is very difficult to convince and explain this to the officials. I feel that it is somewhat difficult to introduce the western model of social economy into the rural society of Korea.

And I wanted to introduce a genuine system of cooperative movement in Korea. I wanted to democratize the agricultural system here. I wanted to restructure the basic highly bureaucratic system of the [financial institutions]... But there is a big difference between the upper managers and me. It is a conceptualization difference between us about the prospects of the cooperative sector in Korean society. Actually, this conceptual difference has escalated after I returned home.

I felt that there is no progress. The decision making system or the other kind of the culture...I have limited capability to restructure and inform my company. Actually, I am one man among the many people and decision makers...Many of the [Company] people recommend me to not rock the boat: "Why don't you adopt the current system. Otherwise, it will hurt your chances of promotion. Do you want to be promoted as a high ranking officer?"
(Returnee #27, Company G)

Shifting deeply rooted cognitive-cultural beliefs can be seen in terms of our understanding of psychological distance. As institutional distance between the knowledge receiver and the new knowledge increases, we can expect that knowledge to be increasingly construed at higher levels of abstraction and thus increasingly discounted. Abstract knowledge that conflicts with deeply held cognitive-cultural beliefs would be more likely to be discounted.

Proposition 3: *The more incongruent knowledge is to the current institutional logics of a workgroup, the more resistance the returnee will face when attempting to transfer that knowledge.*

7.3 Proposition 4 – Opportunity

As discussed in Chapter 4, when an individual is attempting to transfer knowledge that conflicts with current institutional logics, they have the choice to acquiesce, compromise, avoid, and defy (Oliver, 1991). There is, in fact, another option, which is to educate, as suggested by Orr & Scott (2008). We will consider that option in Chapter 7.

Since avoidance and defiance techniques are much more likely to lead to conflict and tension between the new entrant and the workgroup members, such strategies may lead to the new member being ostracized from the group. Workgroup members who

have internalized more home country institutional logics and have deeper social capital are more likely to choose to acquiesce or compromise when faced with a knowledge transfer situation that conflicts with existing institutional practices. Such choices will reduce tensions and conflict with other members of the workgroup. As such, this should lead to a higher level of acceptance of the returnee by other members of the workgroup.

A senior manager from a large manufacturing firm describes the difference between returnees who had left Korea after completing their undergraduate and military service and those that went abroad at a younger age. He believed that the second group of people are not able to understand how things get done in a domestic firm and are more likely to insist on following an “American” approach. Their approach will often lead to their ideas being rejected by colleagues and supervisors.

I have two colleagues who went straight to university in the USA – one of them who did his high school in the USA. His cultural shock was worse than mine. Since he spent his younger years in the USA, he doesn't know how the hierarchy works in an organization. His way of thinking is completely westernized. So, he has a lot of conflict with his colleagues and bosses. In Korea we have a somewhat unique system because we have to do army. Most young Korean men spend one or two years in the army service. Because of this, they spend a period learning what is the organization, what they need to do in the organization, and how they have to do it. Most men think that the army service is very similar to the company way of life. It is quite a problem for those who spend high school and university in the USA. Even if they go to the army, it will only be for a couple of months. So, he doesn't know how to behave in a Korean company. He thinks that the American way can work here, but it doesn't. So, he fights a lot and is not given much respect. (Returnee #1, Company A)

Kane (2010) found that when knowledge was highly tacit, an individual was more likely to be successful at transferring that knowledge to the workgroup when the members of the workgroup and the individual transferring the knowledge shared the same

superordinate social identity. Superordinate identity is a similar concept to our understanding of the social distance dimension of psychological distance. Psychological distance is lowered when the knowledge is introduced by a person socially close (Stephan, Liberman, & Trope, 2010; Trope & Liberman, 2010).

A senior project manager from a large manufacturing firm was discussing the failure rates among people who did not understand Korean organizations. He argued that in order to be effective at work, one must build up strong social relationships with other members of the groups. Those who did not understand the domestic ways or who insisted on following more “western” social norms had difficulties fitting in and selling their ideas.

*I saw some of this. There are two different groups who study abroad and join [the company] again. Those who understand Korean culture, and at the same time understand some western cultural, and can just mix the two together. And they are really well adapted to Hwa-Sic culture [drinking culture—for him this meant social norms]. They will be successful here. But some people, they say I am not a Korean. I have experience in the United States. I am going to do things my way. I'm not going in for all the social obligations. I am just going to follow the western style. In that case, it is like oil and water. They cannot mix together. I saw those people. But those people are not going to stay long time here because no one is going to listen to them. They are useless here.
(Returnee #13, Company A)*

In sum, individuals who have a better understanding of the institutional practices and norms of the home country are more likely to choose an acquiesce or compromise strategy when faced with incongruent institutional logics (Orr & Scott, 2008). Acquiesce and compromise strategies build and repair relationships (Orr & Scott, 2008) and, as such, improve the social capital of the new entrant. As Oddou et al. (2009) argue, the

greater a new entrant's ability to develop social capital in the workgroup, the more opportunities they have to share and thus have their ideas heard by other members of the groups. On the contrary, those with weak internal social ties are more likely to be viewed as outsiders, and as a result, be less trusted by and listened to by other workgroup members (Levin & Cross, 2004).

Thus, we suggest that returnees who have a deeper understanding of the domestic institutional logics will respond to incongruent norms and cognitive-cultural practice in a way that creates more opportunities, due to increased openness and acceptance from other workgroup members, for knowledge transfer. Creating opportunities to transfer knowledge increases a returnee's disseminative capacity; without opportunity there can be no knowledge transferred.

Proposition 4: *The returnee has more opportunity to transfer knowledge to the workgroup when he/she has greater embeddedness in a domestic environment.*

7.4 Proposition 5 – Willingness

In regards to the relationship between perceived trustworthiness and knowledge transfer, Szulanski, Cappetta, & Jensen (2004) argue that the literature has focused too exclusively on the value of increased trust in knowledge transfer, and, has not looked at the negative aspects of increased trust on knowledge transfer. They accept the argument that as a recipient's trust in the actor who is the source of knowledge increases, the more likely the recipient is to accept and act on the new knowledge. In addition, they understand that the recipient is more likely to reproduce the knowledge faithfully when trust is high. They argue, however, that this does not always lead to optimal knowledge

transfer. When trust levels are high, the recipient is less likely to challenge or question the accuracy of the knowledge. In this respect, trust limits the search for alternative and perhaps more accurate or useful knowledge.

By looking at returnee knowledge transfer through an institutional lens, we are able to uncover a somewhat parallel phenomenon. The expatriate and repatriate literature centers around the adjustment process. In fact, adjustment has been equated with expatriate performance. However, Thomas and Lazarova (2006) point out that the “strong positive relationship between adjustment and performance is often uncritically assumed, thus forming a law-like generalization in the expatriate paradigm.” They go on to argue that “a set of logical and intuitive, but ultimately data-driven propositions that lack theoretical (and even empirical) substantiation, established the standard for over a decade of subsequent research” (p.251). The point here is that while individuals who are more embedded in the local institutional logics, and are thus more accepted by other members of the workgroup, may have more opportunity to engage in knowledge transfer, this does not necessarily mean more knowledge transfer will occur.

Oddou, Osland, & Blakeney (2009) argue that the more trust, more in-group membership and more domestic social capital a repatriate builds, the more successful he/she will be at transferring knowledge. However, an institutional perspective reveals a limit to this argument. Becoming an in-group member is a legitimacy process characterized by conformity to institutional logics, and as such, is characterized by acquiesce and compromise strategies to conflicts in institutional logics.

If people who have internalized domestic institutional logics and who rely on domestic social capital are more likely to acquiesce or compromise, then they are less

likely to attempt to transfer knowledge that may conflict with the institutional logics of current members. In fact, this may help explain the finding of Furuya, Stevens, Bird, Oddou, and Mendenhall in (2009). While they found support for their hypothesis that intercultural skills facilitate learning, they did not find support that intercultural skills will lead to management competency transfer.

However, researchers in organizational conflict argue that conflict is not always negative. In fact, transferring knowledge and management practices internationally almost invariably leads to conflict (Birkinshaw, Holm, Thilenius, & Arvidsson, 2000) because there are very often perception gaps. At the organizational level, these gaps often arise because of the geographical, institutional and cultural differences between the foreign party (often the HQ) and the local party (Schotter, 2009). However, Schotter (2009) argues that conflict, when managed well, can have positive outcomes. Conflict is a natural part of testing and negotiating the value of new knowledge. In addition, he found that when the conflict between the parties remained task or process focused, rather than relational, the conflict was more likely to lead to positive outcomes.

A middle manager from a large manufacturing firm discussed his own lack of willingness to push his ideas that conflicted with the logics of his colleagues and superiors. His split international and domestic background had given him an appreciation for everyone's ideas, but a lack of conviction of his own.

I guess I am a little more flexible than others probably because I had to fit into a different environments several times. That has actually made me a little more flexible and a little more adaptive to the environment. Personally, I think that I am too flexible. I had to force myself to think with different hats. I was raised in the States for a few years, Japan for a few years, and then in Korea again. Then, later I went back to Japan to study...Even at work here I became a bit more of a listener than a talker. I try to listen rather than

*express my ideas. People have different points of views, they quarrel a lot and have a lot of discussions but I can understand both sides. So, I can't really fight with them or discuss with them. As long as something is logical, I say that makes sense. So, in that sense, I can't really decide which side I should be on. I see that happening to myself quite frequently. But if you want something to get done you have to kind of ignore the other side or try to persuade them to your opinion. Your thoughts should be stronger. My mind is like 51 /49 so I kind of get both sides. So in that sense, that is why I feel that I am a little too adaptive.
(Returnee #25, Company L)*

In sum, returnees who are more embedded in the domestic institutional environment are more likely to acquiesce or compromise. This means that such people may give up (acquiesce) or partially give up (compromise) on knowledge transfer opportunities when the knowledge to be transferred conflicts with the institutional logics of the domestic workgroup. Thus, maintaining a close social distance can come at the cost of challenging institutional logics.

On the other hand, returnees who are more embedded in a foreign institutional environment are more likely to avoid or defy the workgroup when faced with knowledge transfer opportunity that conflicts with current institutional logics. While such strategies may create tensions and conflict, they demonstrate willingness on the part of the actor to attempt to implement institutional change.

In this context, willingness refers to the likelihood that a returnee would acquiesce to or compromise with the workgroup rather than avoid or defy them when the knowledge to be transferred conflicts with institutional logics. Willingness is an important component of a returnee's disseminative capacity. Without a willingness to challenge the institutional logics of the workgroup, the returnee is less likely to transfer more radical or controversial knowledge. Those who are less willing run the risk of

being below colleagues' zone of proximal development. People cannot learn when the instructor does not provide enough new input.

Proposition 5: *The returnee is more willing to transfer knowledge to the workgroup when he/she has greater embeddedness in a foreign environment.*

7.5 The Tension

If the goal is to transfer knowledge, and such knowledge is often in conflict with institutional logics, then organizations that are serious about gathering that knowledge need human resources that are less likely to acquiesce or compromise when faced with pressures to conform to current institutional logics. This is the argument made in proposition 4. However, avoidance and defiance strategies, which are typical responses of people who have to a larger degree of internalized foreign institutional logics, lead to increased conflict and poorer relations (Orr & Scott, 2008)—leading to lower trust, less legitimacy, and being treated as an out-group member. This is the argument made in proposition 5. As such, people who are more embedded in the logics of a foreign institutional environment may not be as good conduits of knowledge transfer as those who are more embedded in the logics of the domestic institutions.

Chapter eight attempts to deal with this tension by framing the problem within the workgroup's Zone of Proximal Development. A returnee that acquiesces and compromises too much may end up under-challenging colleagues. The returnee is not providing new knowledge to spur the growth of the workgroup. In this sense, the returnee—who was likely hired because of special foreign knowledge—is not providing what they were hired to provide. On the other hand, returnees who rely too heavily on

avoidance and defiance do nothing to lower the psychological distance to within the zone of proximal development of their colleagues.

On one extreme, a person who is highly socialized into the logics of domestic institutions would have much less to offer and would more often opt to acquiesce when faced with institutional resistance. Thus, the knowledge they transfer to the workgroup should be quite low. On the other extreme, a person who was almost totally socialized into foreign institutional logics, through education and work experience, and did not rely on domestic social capital, is more likely to choose strategies that create conflict and cause them to be ostracized from the workgroup. They would remain out-group members that are not trusted and thus not a legitimate source of knowledge. Thus, putting aside workgroup level factors, the ideal individual is arguably a person who represents a middle ground.

Balance between embeddedness in domestic institutional logics and foreign institutional logics should maximize disseminative capacity by helping to create the zone of proximal development. The most effective returnee for knowledge transfer is one who understands this balance.

In this chapter, we demonstrated that the transfer of knowledge from one context to another involves a tension between the knowledge and willingness needed to transfer foreign knowledge, on one hand; and the sensitivity to the domestic logics of the workgroup, on the other hand. Chapter Eight introduces a model in which returnees solve this tension by incrementally introducing knowledge. By ensuring that knowledge remains within the ZPD of the workgroup, returnees can gradually introduce new knowledge which conflicts with institutional norms and logics.

Chapter 8 : Emerging Themes

8 Time-Based Model of Knowledge Transfer

Our exploratory interviews revealed the tensions between potential, opportunity, and willingness that were described in Chapter Seven. Our initial propositions were that returnees that had a balanced understanding of both foreign institutional logics and domestic institutional logics would represent the ideal group for transferring knowledge. From a KBV of the firm, we argued that this would be a function of the time spent in foreign and domestic institutional environments. While this seems to some extent to explain the successful stories of knowledge transfer, our initial theorizing was somewhat static. The data from our main field studies revealed that while the transferring of knowledge requires returnees to be sensitive to both foreign institutional logics and domestic institutional logics, it also revealed that the transfer of knowledge is a process that takes place over time and in incremental steps. Returnees who are attuned to the level of foreign knowledge that their colleagues are willing and able to receive—their zone of proximal development for new foreign knowledge—and who are sensitive to their own positions within the workgroup are much more likely to be successful at transferring knowledge.

Our first five propositions were static in that they look at the returnee's attempt to transfer knowledge to the workgroup as a single event. However, in reality, the transfer of knowledge occurs over time. Our interview data revealed that, over time, returnees can 'educate' (Orr & Scott, 2008) members of their workgroups by managing the psychological distance of the knowledge they wish to introduce. Our interview data suggest that returnees that are more successful at transferring knowledge do this

incrementally by: a) building trust and legitimacy amongst their peers and superiors, and thus lowering distance; b) helping colleagues access foreign knowledge in a way that they can understand and use; c) helping colleagues develop the skills needed to understand and make use of foreign knowledge; and, d) making use of organizational resources needed to provide structure and authority to the new foreign knowledge.

8.1 Knowledge Transfer and Scaffolding

We found that returnees who are more successful at transferring their knowledge provide the language and mental frameworks needed for workgroup members to understand the knowledge they are attempting to transfer. We also found that returnees who are more successful at transferring knowledge seek opportunities to transfer knowledge that is more immediately relevant to their colleagues and has more certain payoff. They also seek to transfer knowledge that can be applied to their colleagues and superiors current needs before they attempt to introduce knowledge which is more distant to the workgroup. In this way, we have found that more successful returnees follow an incremental pattern of introducing new knowledge that is similar to what has been suggested by educational scholars who are proponents of the Zone of Proximal Development framework of learning (Cole, 1985; Valsiner & van der Veer, 1993).

An analysis of the data after the first main field trip revealed a pattern that differentiated returnees who reported successful knowledge transfer experiences from those who did not. We noticed that returnees who were reporting successful knowledge transfer examples often provided narratives that described an incremental process of knowledge transfer that occurred over time. Many senior returnees were able to clearly

link their later successes in transferring knowledge to their workgroup to the ground work that they had done over several years.

On the other hand, some returnees reported that most of their experiences in attempting to transfer knowledge ended in failure and frustration. Most insightful was that while most returnees who were less successful at transferring knowledge were able to identify a particular initiative that they had attempted, they did not share the same narrative of the incremental steps that they took to prepare their colleagues to accept the new knowledge. They seemed to make fewer attempts to lower the psychological distance. After reviewing the case reports and transcripts, we began to categorize returnees into two groups—returnees more successful at transferring knowledge and those less successful at transferring knowledge. We defined success as those returnees who provided examples of knowledge transfer. Those who were less successful mainly reported stories of frustration and disappointment. Table 13 presents a descriptive summary of what we found through the categorization process.

Table 13: Link between knowledge transfer success and scaffolding activities

# of Returnees	Success Story	Frustration Story	Scaffolding Vignette
11	Yes	Yes	Yes
6	Yes	No	Yes
2	No	Yes	Yes
1	No	No	Yes
3	Yes	Yes	No
1	Yes	No	No
8	No	Yes	No
0	No	No	No
Total	18	24	23

Each of the 32 interviews was analyzed first to compile the 41 vignettes of the activities that returnees undertook to incrementally introduce foreign knowledge into their groups. We call the actions taken by the returnees ‘scaffolding activities’. As reported in Chapter 6, 23 returnees offered a total of 41 vignettes. In Table 13, we show 23 as the total number of returnees to provide a scaffolding vignette.

The interviews were then reread to categorize which returnees gave examples of successful knowledge transfer, and which provided examples of ‘frustration’ in knowledge transfer. We use the terms ‘frustration’ rather than failure because only very few examples discuss a project or initiative that was formally canceled by the workgroup. Table 13 shows that of the 32 returnees, 11 returnees provided an example of knowledge transfer success, frustration in knowledge transfer, and engaged in scaffolding activities. Six returnees who engaged in scaffolding activities provided an example of knowledge transfer success, but did not provide an example of frustration in knowledge transfer. In some of these cases, the returnee may have provided an example of difficulty or frustration in cultural adjustment or relationship building, but not an example of frustration in knowledge transfer. A total of 3 returnees reported that they had attempted to engage in scaffolding activities, but did not have a knowledge transfer success story.

Four returnees were able to give examples of transferring knowledge to the workgroup, but did not provide an example of engaging in scaffolding activities. However, the largest group of returnees that did not offer examples of scaffolding activities—8 returnees—only provided examples of frustration in their attempts to transfer knowledge. Through this descriptive analysis, we found that scaffolding activities are an important element of successful knowledge transfer.

8.2 Narrative

As described in Chapter Four, scaffolding provides the framework and tools needed to develop the next incremental learning objective (Sanders & Welk, 2005; Wass, et al., 2011). In Chapter Four, we argued that the ZPD is the environment in which the teacher, learner, knowledge, and resources meet. After we extracted each vignette, we re-read them and categorized each for the purpose of cross-vignette comparison (Miles & Huberman, 1994). We also included a tag description (a few words) and a one sentence description. Our process of categorization revealed that returnee scaffolding activities can be primarily classified by ‘who’ or ‘what’ is the target of the scaffolding activity. We called this ‘the focus’ of the scaffolding activities. The data revealed that the focus of the scaffolding activities can be: a) the returnees’ colleagues (*learners*), b) the actual knowledge being transferred (*knowledge*), c) the returnees themselves (*teacher*), d) or organizational resources (*resources*). For each focus, we found several typical activities in which returnees tend to engage. For example, giving workshops and seminars to colleagues is one way that returnees scaffold their colleagues. Translating documents is a way that returnees scaffold the actual knowledge. Engaging in informal relationship building is a way that returnees change themselves to make their knowledge more socially proximal to their colleagues. Finding a champion is a way that returnees use organizational resources to help lower the risks of accepting new knowledge.

In the next section, we develop propositions that consider the results of scaffolding knowledge in such a way to lower psychological distance and position knowledge within the workgroup’s zone of proximal development. We first develop general propositions

about scaffolding knowledge so that the knowledge is transferred incrementally and within the ZPD. We then develop propositions related to each focus of the scaffolding activity. With these propositions, we will have developed our final model. Figure 10 illustrates Model 3. Figure 11 presents the propositions from this chapter (those inside the dashed box of Model 3) in an illustrative time-based model of knowledge transfer.

Figure 10: Model 3 – Time-based model of returnee knowledge transfer (Final theoretical model)

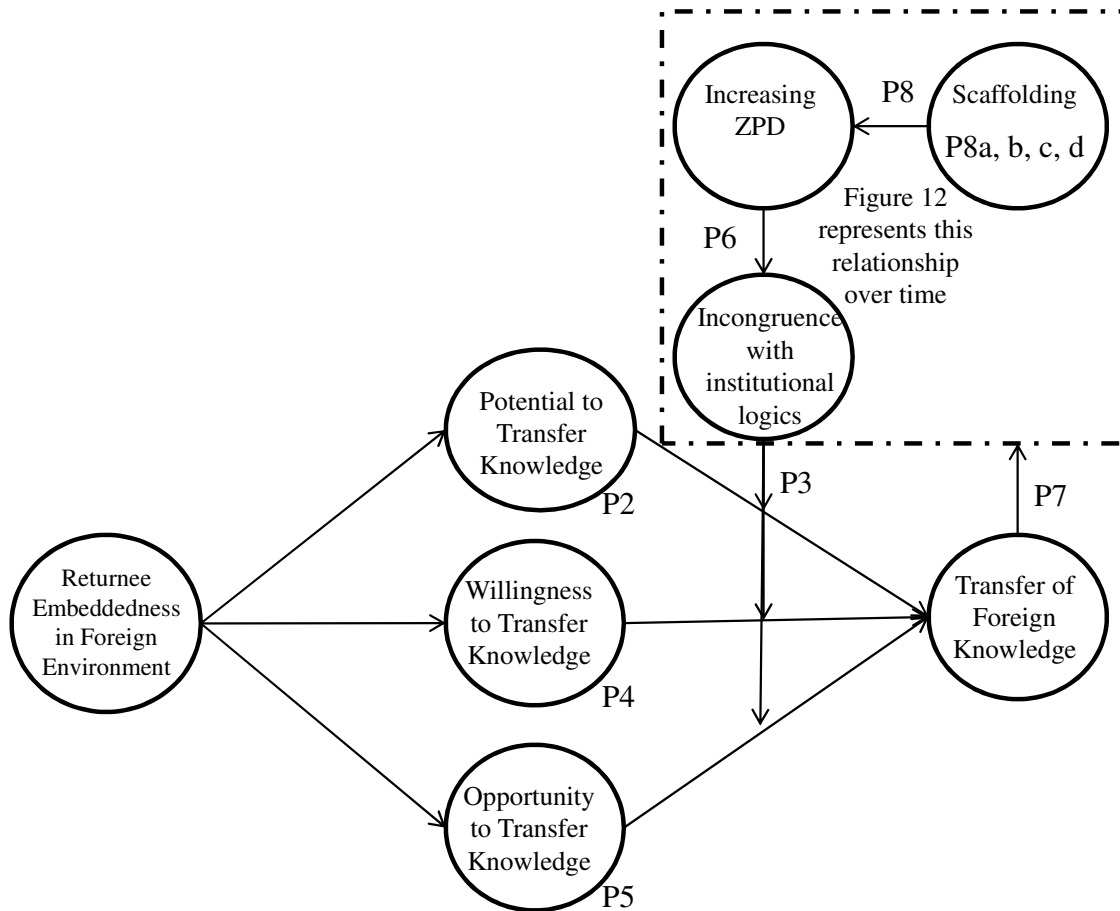
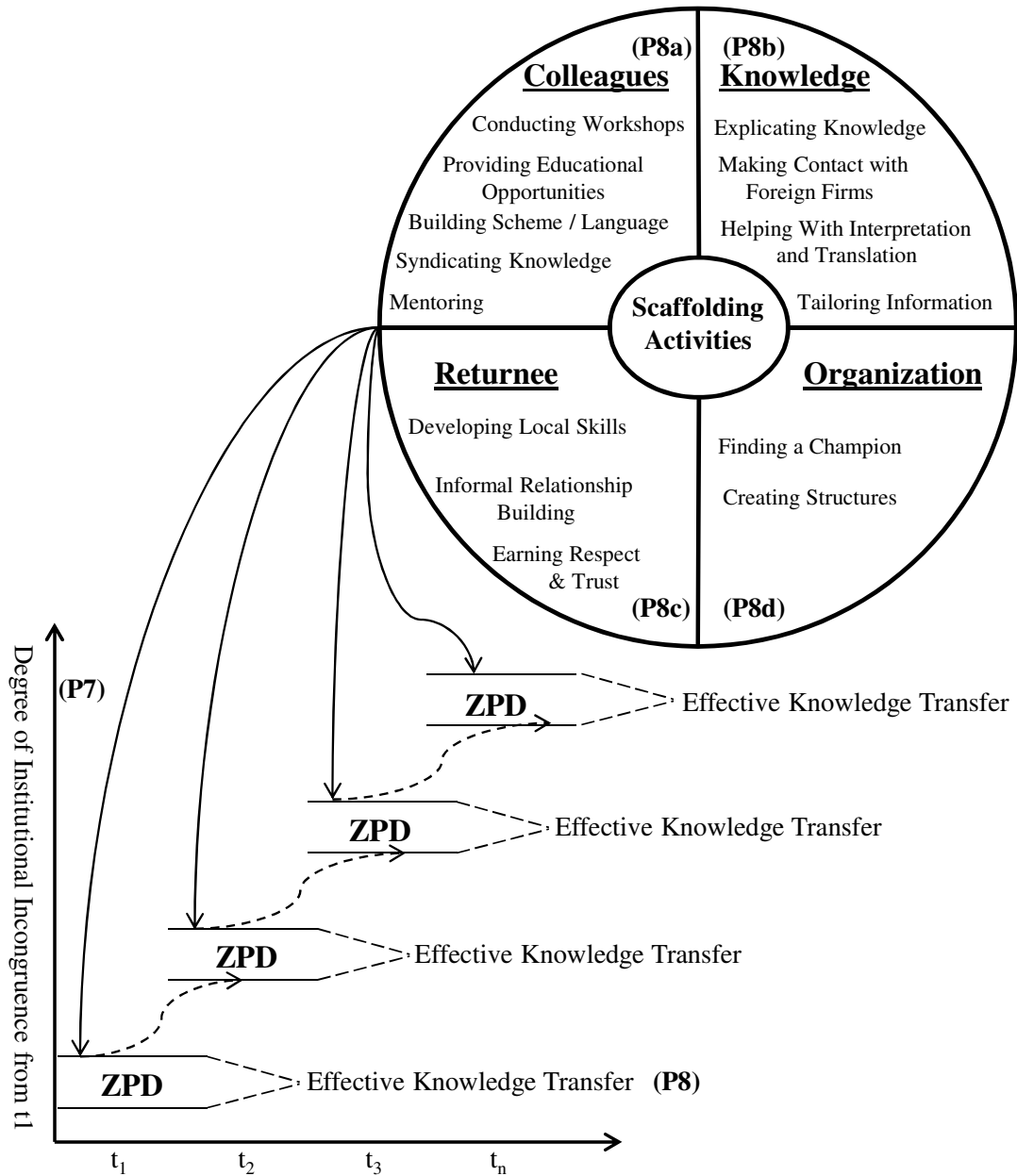


Figure 11: Time based model of returnee knowledge transfer



8.3 Proposition 6 & 7 – Scaffolding and the Zone of Proximal Development Overtime

When knowledge is incongruent with current institutional logics, the zone of proximal development of workgroup members to receive that knowledge is narrow.

Foreign knowledge that is incongruent with current logics is certainly socially different in

that the roots of the tacit knowledge are from a completely different society. It is spatially distant in that examples of where such knowledge has been applied are foreign. It can be temporally distant if it will take time to implement the new knowledge, and its hypotheticality is often greater because it is novel, and as such, unproven to work in the current context. We found that returnees were able to lower psychological distance and thus address their colleagues' ZPD by engaging in scaffolding activities. A comparison of returnees who told narratives of how they attempted to scaffold compared to those who did not reveals this as a crucial aspect of returnee knowledge transfer.

An example from the second field trip of the main study comes from a senior manager at a financial institution. Like many other returnees who were successful at transferring knowledge, he sought out opportunities to promote his knowledge to colleagues in a way that was educational and non-threatening. He held short lectures or seminars to explain knowledge that he learned overseas which he thought could be helpful to other workgroup members. For him, the seminars were a way of introducing new ideas to his colleagues and superiors in a setting that was not overly intimidating for them.

*I had to have sessions because I needed to persuade my colleagues of my expertise and I tried to show my contribution to my organization and to my colleagues. That was my way of getting people to understand my method. So, if they don't understand, they will fear you or your ideas or they will reject that way of doing things...People here want to learn. They want to know the knowledge that I gained overseas. In a seminar, they don't feel that there is any threat because it is only a lesson.
(Returnee #37, Company J)*

As a counter example, an extremely frustrated manager (Team Leader) from the marketing department of a financial institution spoke quite disparaging about his opportunities to transfer the knowledge he gained during his MBA to his organizations. He gave a few examples of when he tried to transfer knowledge, but what was clearly lacking was an explanation about how he attempted to lower the psychological distance or frame his knowledge within a zone of proximal development that would be acceptable to his colleagues and superiors. After noticing that he had not provided any explanation about how he ‘sold’ his knowledge, the interviewer probed him with the question; ‘Do you have a technique to sell your knowledge?’ His response included:

I try to sell my ideas, and I wrote some personal letters to explain my ideas to them. However, their typical response is that "well that sounds good" but it is too hard to implement those ideas...I am looking for opportunities to make use of my skills. During my MBA program, I was focused on marketing. Here in Korea, marketing is less developed in many companies. So, basically, at first I approached our senior managers and top executives, and told them we need a marketing department. Actually, even though we do marketing, we do not have a unified marketing department, which is in charge of organizing the marketing activities of our company. But for them, having a department is a big job and so they rejected my idea. (Returnee #36, Company G)

What we noticed from this interview was that it lacked an explanation about what he did to lower psychological distance between the knowledge that he possessed and the decision makers in his firm. Setting up a new marketing department would most likely require money and effort. Because this had not been done before, the senior managers may not have been able to think about it in concrete terms. As such, we might expect them to construe the idea at a much higher level and thus discount the likelihood of success and the potential rewards. In other words, the idea of setting up a new marketing

department would be psychologically distant and thus be discounted. The returnee recognized that the institutions in which he worked, his superiors and colleagues were very conservative, but presented that as a reason why his initiatives were rejected rather than discuss how he attempted to reshape their thinking. Contrary to this experience, one of the most successful returnees at bringing about large institutional change was from the very same organization. This returnee also went abroad to complete an MBA.

A senior manager from the same financial institution used the knowledge he had gained from his MBA and the network of people he had met during that time to lead his firm through its first international joint venture. However, this project came after nearly a decade of more incremental activities on his part. Upon returning to Korea after his MBA, this returnee realized that his colleagues and superiors lacked some basic financial literacy and information about foreign markets. He believed that this was a problem because at the time the Korean financial market was beginning to open up and foreign investors were entering the Korean market. He felt that members of his organization were at a disadvantage because of information asymmetry. He took it upon himself to train his junior employees, colleagues, and superiors.

All of a sudden the local markets became dominated by what was happening overseas, so everyone was keen to know what was going on in the overseas markets. Later on, the government tried to provide such information to the local markets about what was going on overseas, but, I did that before the government ever did. So, usually in the morning, I gathered them [the dealers] together at 8:00 am for 30 minutes. We would go through all the important events. Thus, before I met them I would read all the important financial newspapers, like the Wall Street Journal, and watch CNN before I left home. By doing so, I could understand what was going on in the U.S. markets. I sometimes explained to them the specific techniques or market structures or government institutions that are forming the U.S. market systems. For example, there are some specific differences between the local market practice and the U.S. market practice. In order for them to

*understand the market, they needed to understand the structure of the market in foreign countries. So, I needed to explain this to them. So, every day I did that for five days a week. We kept that up for about one year.
(Returnee #29, Company G)*

This returnee engaged his workgroup members with knowledge that they needed immediately. He provided that knowledge to them in a format that was within their zone of proximal development. As such, the knowledge was well received and utilized. He was successfully able to lower the psychological distance between this important foreign knowledge and the individuals in his organization. This became a successful knowledge transfer story, in and of itself, and set the stage for him to make a larger contribution to his firm.

As shown in Table 13, the lowering of psychological distance by offering new foreign knowledge to workgroup members incrementally was a pattern that clearly emerged from the successful returnees. From the above example, we see that incrementally seems to mean that returnees first introduce knowledge that is recognized as immediately relevant by other workgroup members and is less incongruent with current institutional logics. Over time, returnees are able to introduce new knowledge that is more incongruent with the original institutional logics of the workgroup. Thus, we propose that:

Proposition 6: *When the knowledge that returnees attempt to transfer is within the workgroup's Zone of Proximal Development, the likelihood of successfully transferring that knowledge is greater.*

Proposition 7: *Over time, returnees are more likely to be successful at transferring knowledge that is incongruent with institutional logics if they transfer knowledge in incremental steps.*

8.4 The Four Types of Scaffolding Activities

Patterns of scaffolding activities emerged from the data. The most noticeable pattern to emerge was the target or focus of the scaffolding activity. We categorized the focus of the scaffolding activity as: directed at colleagues (*learner*); directed at knowledge (*knowledge*); directed at the individual returnees themselves (*teacher*); or directed at organizational resources (*resources*). The 41 vignettes could all be classified into one of these categories.

8.4.1 Proposition 8a – Scaffolding Directed at Colleagues

Over half of the vignettes (23 of 41) collected through the data analysis process were about scaffolding activities that were directed at helping develop colleagues. While the type of activities was to some degree associated with the returnees' position of power, these types of scaffolding activities were conducted by returnees at all levels (from senior executives to junior managers). Also, while many of the activities of senior managers were directed downwards towards junior colleagues, and the activities of more junior and middle managers tended to be directed laterally, there were vignettes that described scaffolding directed upwards at more senior colleagues, downwards at more junior colleagues, and laterally at peers. Thus, the vignettes demonstrated that scaffolding activities are not as much a matter of authoritative instruction, but are quite often collaborative knowledge building dialogues (Swain, 2000). The top-left hand section of

the circle in Figure 11 summarizes the scaffolding activities which are directed at colleagues.

Of the 23 vignettes that discussed scaffolding efforts directed at colleagues, 9 dealt with building the language and social scheme necessary to engage the foreign institutional logics. Many of the returnees explained that they could not propose new managerial or organizational practices because their colleagues did not have the language or conceptual scheme needed to understand the proposal. They had to first find a way to lower the social and spatial distance of the language by creating a local language base to discuss the knowledge.

Some of the activities that returnees engaged in to build language and social schemes included providing skills needed for problem solving, developing creative thinking and discussion skills, working with juniors to help them through planning processes, and working one-on-one with colleagues to help them understand foreign business practices and expectations.

Returnees reported that language building activities occurred in the context of regular work, during formal meetings, or in small classes specially design to transfer these skills needed to understand foreign institutional logics and norms.

In vignette 1, a senior vice president from a large manufacturing firm reported that he spends time, one-on-one, with colleagues to help them understand the perspectives and expectations of their foreign business partners. He found that before his colleagues could fully participate in foreign business, they needed to develop the language and skill set that their partners would be expecting.

I end up spending a lot more time with the individual team members than an average [domestic] executive would because I believe that there is a lot in terms of learning just working side by side. It is one thing to get great people and tell them to put together the materials and then send it over and I'll finalize it, versus "hey let's sit down and spend an hour and problem solve through this." I think then they actually get to see the process and get indirect learning. I can say "here is how the foreign person thinks through things, the logic, how the perspective they use when thinking about things." They can learn everything from "here is the story line for the document, to here is the key analysis that we should do or let's go talk to some of these key analysts." So I think just spending time with them and giving them exposure helps to get things done and develops some experience.
(Vignette 1, Returnee #21, Company A)

Vignette 3 describes the activities of a senior marketing manager from a large manufacturing firm who pushes his employees to think more creatively by opening their eyes to a wider perspective outside the domestic context. He uses his foreign experience to help members of his team look beyond the local context. He believes that his colleagues are not going to be open to changing their attitudes and logics if they have 'fixed eyes' on the domestic context.

Korean guys can be creative, but very often they just follow. So, I ask them to push their creativity more. I often focus on empowering them to generate ideas and share those ideas with others. This makes me different than many of the other directors because I have a much more global background. I need people to challenge me and our organization. We don't do enough of that at [company]...Sometimes, my guys are not very comfortable with this because I am very aggressive and proactive to them. Sometimes they are very shy and sometimes they are very passive. But most of them are following some ideas and guidelines. So, that is the current situation to change their mindset for becoming globalized. If they expanded their thoughts, they would see that they can learn from the global environment, but they do not always do that. They simply stay focused on the domestic perspective. They have fixed eyes. I say look around, don't only see what is in front of you.
(Vignette 3, Returnee #24, Company L)

Vignette 9 represents a very common activity in which returnee managers engaged in order to create the free flow of information that makes up the foundation of the modern communication structures of many western based firms. In this vignette, a general manager of external relations from a large financial firm has created an environment in his team where junior members can participate in discussions and make productive suggestions. There were several vignettes that focused on the need to create meetings that were open to challenging institutional norms and logics.

*So, I think that Korean companies could get a lot more value from their human resources if they could create a culture of more open discussion. Communication could add more value and relative to other firms, the Korean commercial banks are conservative in terms of the business culture. So, that is one of the areas that we need more openness. Listening is very important. I think we need some kind of more openness communication among our colleagues or within the company itself...Oh yeah absolutely, I think our investor relations team [the team that he heads] is one of the most open and has the freest communication anywhere within the entire holding company itself. I have worked very hard to encourage this and my team is better for it. So that kind of thing is most important, definitely.
(Vignette 9, Returnee #39, Company M)*

Five of the 23 vignettes related to developing colleagues, discussed returnees' direct efforts to conduct workshops or offer seminars that introduced foreign concepts. The returnees who engaged in these types of activities found that when they presented their knowledge at a formal seminar, their colleagues were less resistant to the new knowledge. This provided the basic scaffolding needed to engage in the practice during an actual work situation. Several of the returnees commented that they could not expect their colleagues to accept an idea that was completely foreign to them. Workshops lower

psychological distance and increase ZPD by giving people tools to understand foreign knowledge and logics in a non-threatening environment.

Vignette 16 describes the efforts of a senior manager from a large financial firm. He holds seminars in which he invites former business colleagues to speak to the executives of his firm about expanding their business overseas. In this vignette, he seems to be attempting to lower spatial distance by introducing more local examples of international expansion.

*I invited many of my foreign friends to give seminars to people here at the company. I was trying to open their eyes to new ways of doing business, new approaches to thinking. In fact, when I was in [previous large domestic firm], my company was only interested in domestic business; they had no business in other countries. So, they had no idea of how to expand abroad. I opened seminars and invited some of my old business colleagues. We opened a series of seminars for the company executives. They really appreciated it. They quite valued me and the information from this seminar.
(Vignette 16, Returnee #12, Company H)*

Vignette 15 describes the efforts of a senior marketing manager to build recognition for an important marketing concept that was considered quite foreign to members of the organization. Most of the marketing efforts of the organization had been focused on sales; however, this senior marketing manager proposed to refocus the company on branding. Before he could do that he had to educate colleagues on branding and its potential importance to their branding strategy

So, I wanted to communicate what branding is and what marketing is, so that people will know that it is important when I suggest that we do a project. But first, they need to know what it is. So, I talked to our [HR Center] and suggested to them that I would be willing to give one or two hour lectures on

marketing or branding. They need to understand what [company] branding is all about. I created a presentation and now I go there and talk for about two hour sessions. I really like to do it and it goes a long way to making good relations and not only that, it changes the organization so that they can see that what I present is important. They must first understand branding before they will be willing to expect it.
(Vignette 15, Returnee #30, Company F)

Another way of developing colleagues was referred by, one returnee as, ‘syndicating knowledge’. In vignette 22, a senior vice president from a large manufacturing firm first meets with other decision makers prior to a ‘discussion’ meeting to ensure they have a clear understanding of what will be introduced. He feels that many senior decision makers are embarrassed if they do not fully understand the ideas and concepts that are being discussed at a meeting. Thus, before the meeting he ‘syndicates’ the knowledge by visiting each senior decision maker individually to ensure that they understand what he will be presenting. A closed door meeting is a much less risky environment for the senior executives to learn, and is thus within their zone of proximal development.

By definition, you have to work with other departments, divisions or whatever, and I think many returnees don’t spend the time to syndicate their ideas. Especially, if I want to introduce something very new, before the meeting I go and talk with all of the key individuals ahead of that meeting because I think most executives here like to understand what’s been discussed before they go into the meeting. In the US, if there is a meeting called, we give a general overview about what it is about and then everyone shows up. They meet for the first time and just discuss in real time. So I think you see individuals who are kind of like, ‘okay, I will see you in the meeting, and they don’t understand how important it is to go in and syndicate. Some of the meetings are more just formal—the decision is already made before everyone walks in. I think that’s where the people [domestic executives] get surprised. So, then they don’t focus on the content but rather on the procedure. They have shut their mind before the discussion. Also, executives here don’t like to be in a position where they are seen as not knowing the answer. So, unless

they really understand, they will reject your idea. They are not going to be constructive, right. You know that's kind of an example where returnees get in to trouble. They don't spend the time to explain novel ideas to people. I think you see returnees who struggle because of that.
(Vignette 22, Returnee #21, Company A)

The above vignettes describe returnees' attempts to educate and develop their colleagues in order to make them more receptive to the new knowledge that they wish to introduce. If the new knowledge was congruent with current institutional logics and norms many of the activities that the returnees were engaged in would be unnecessary. They would have introduced the new idea and the idea would have been debated on its merits. However, when knowledge is distant, more successful returnees engage in incremental scaffolding activities to bring that knowledge within the zone of proximal development of their colleagues.

Proposition 8a: *Over time, returnees can increase their workgroup's ZPD by engaging in scaffolding activities that develop their colleagues understanding of, and openness to, foreign knowledge.*

8.4.2 Proposition 8b – Scaffolding Directed at Knowledge

In the previous section, we examined activities that returnees engage in to prepare their colleague to accept foreign knowledge. Another important aspect of scaffolding knowledge into a learner's zone of proximal development is to focus on making the knowledge 'easier' or more accessible to the learner. The theme of 6 of the vignettes that we collected was on how returnees actually made foreign knowledge easier for their colleagues to access. They did this by helping colleagues with interpretation and

translation needs; contacting foreign firms for colleagues; and explicating foreign knowledge so that it was accessible to colleagues in the future. In this way, the returnees act as boundary spanners that bridge foreign knowledge and networks (Wenger, 2000).

In vignette 24, a junior sales manager from a large financial firm was the first to conduct a foreign 'Non Deal Roadshow (NRD)¹⁰' for his firm. Given his foreign background and language skills, he was able to do the research and contact the necessary agencies with relative ease. However, there would have been few people in his firm that could have completed this task. In order to make this knowledge available to his colleagues to use in the future, he documented all the procedures and developed a guide for non-returnees.

*Our department had never done an NDR for IR [investor relations] outside of Korea. But last year we went to Hong Kong and we did the IR for a company which we were going to get listed. Nobody in the company knows how to do this. I was able to do the work since nobody knows about the full process. I had to start from scratch. I had to ask people, use the entire network that I know. It was pretty hard work but it was possible because I can speak English. I think that was the only reason...I basically built the system, and made everything systemized. So, even if I am not there, the work can be done. After the trip to Hong Kong, I made everything into a document and I passed it out to my colleagues. Without me, maybe they can't do an international NDR...This year they went to India without me. They ask me a lot of questions about how this works. Then, I just gave them my documents and then explained it.
(Vignette 24, Returnee #38, Company J)*

¹⁰ Non-Deal Roadshow (NDR) or Roadshow—a series of presentations made to investors and other interested parties in advance of a new issue, usually of equity. It provides potential investors with an opportunity to meet management and to ask question (Moles, P. & Terry, N. 1997. roadshow, *The Handbook of International Financial Terms*. Oxford, UK: Oxford University Press.)

In vignette 25, a senior project manager takes on the role as a boundary spanner for his colleagues by attending meetings that are only tangentially related to his duties to help colleagues understand cultural context when meeting foreigners.

We meet many different foreign companies and subsidiaries from the States, UK, France, Finland, and Japan. So, the common language is English and the common mind is the business mind of the western business. So, we have to be close to western people's mind. That is why it is much easier for me to access them. Of course, people here speak English well, but sometimes they need interpreters. Also, a lot of meaning and understanding gets lost in the translations. You need to be close to western people's mind to understand them. So very often, I am asked by colleagues in other departments to join in meetings. I can explain a lot of the details that get lost in translation. This has been really helpful in getting some projects on track... Understanding international business matters and also understanding how they do international business is important. I think I help people a lot that way. (Vignette 25, Returnee #13, Company A)

Vignette 27 retells a narrative from a middle manager in a large financial firm. Her international experience had allowed her to develop a large network of people working in firms in the USA. She was able to contact that network to help set up benchmarking tours for senior members of her firm. Because she was able to access a network of people for the purpose of benchmarking, her firm was able to access foreign knowledge that would not have been possible without someone like her. Her boundary spanning role eliminated the social distances that would have made benchmarking less feasible.

At [University], we have a strong alumni association—we have more than 2,000 alumni. I am a key member of the association in Korea. I was the President of the Chapter. So, I have a large network there. Those people range from Presidents of their company to junior managers. So whenever I need to make a contact in the US or Korea, I use the network. Now we are starting a benchmarking project. Some executives want to visit global companies in US. I helped them using my network. So they use me for that

kind of things. I offer my contacts in the US and my language skills... Whenever people come to me for help, it is because they do not have a network outside the company; they only have a network within the company. My colleagues have only stayed in Samsung their whole life. I have worked in several companies both in the US and in Korea. Because I have been working on building networks for a long time, I can easily do it. I can just write the company and ask for help.
(Vignette 27, Returnee #15, Company F)

Like a good teacher, who presents knowledge in a way that is accessible to the learner, returnees are able to facilitate the learning of foreign knowledge of their colleagues by taking the necessary steps to make proximal foreign knowledge and networks that are distant to other members of the organization. In this way, the foreign knowledge needed to implement change is within workgroup members' zone of proximal development.

Proposition 8b: *Over time, returnees can increase their workgroup's ZPD by engaging in scaffolding activities that makes foreign knowledge more accessible to their colleagues.*

8.4.3 Proposition 8c – Scaffolding Directed at Returnee

Considerable research has been done that links the social capital that flows from the building of trust to the effectiveness and efficiency of knowledge transfer (Finn, Currie, & Martin, 2010; Janowicz-Panjaitan & Noorderhaven, 2009; Landry, et al., 2002; Levin & Cross, 2004). Many of the vignettes described scaffolding activities that were meant to build trust and legitimacy amongst members of the workgroup in order to facilitate the acceptance of the returnee into the workgroup, thus opening the members of the workgroup to the returnee as a legitimate source of knowledge. Building trust is an

essential element of lowering social distance. Members of the workgroup are more open to accepting knowledge from socially similar individuals (Liviatan, et al., 2008).

Of the 41 vignettes, 8 discuss returnees' attempts to engage in scaffolding by decreasing the social distance between themselves and members of their workgroup. We have termed this 'scaffolding directed at the returnee' because the activities represent concrete steps that the returnees took to change, develop, and grow themselves. Thus, rather than being primarily directed outwards towards the development of others or tailoring of knowledge, these scaffolding activities are inward or relational.

The three dominant themes from the vignettes are: developing informal relationships; learning local skills; and building respect from workgroup members. An interesting pattern in these vignettes was that many of the returnees who reported engaging in these types of scaffolding activities seemed to be cognitively aware that these activities were important. Several of the returnees claimed that they had met other returnees during their career that did not do these 'returnee directed activities' and as a result had difficulties and even outright failure to keep their job.

Four of the vignettes described concrete examples of returnees developing informal relationships with workgroup members in order to develop personal trust and legitimacy. Several of these returnees engaged in these activities because they believed that it was a crucial aspect of their job to have lunch and dinner with their colleagues. Since returnees often have shorter tenure in the firm than many of their colleagues in similar positions, actively engaging in informal relationship building brings them into the social fold of the organization. A senior project manager from a large manufacturing firm

explains that he goes out on a regular basis for dinner and drinks with colleagues throughout the organization in order to build relationships and trust.

*So, I like drinking, and I never had a problem with Hwa-shik (business dinners) in Korea. I try to approach people with a very humble manner and method, so it easier for me to get close to my colleagues. Most of the work at a huge company like [name deleted] must be done in connection with others. You cannot work by yourself. You have to connect with different kinds of departments and different kinds of people. So, you have to be able to develop good relationships with people in other departments... So, I spent 6 months trying to get to know people from other departments, and then I started my own project with them. I think that is why I was promoted every year. Especially in Korea, I feel that relationship building is so important. Of course, it is the same everywhere, but especially in Korea.
(Vignette 30, Returnee #13, Company A)*

In vignette 31, an executive vice president from a large financial firm explains that in order to build communication skills and legitimacy amongst members of the organization, he began speaking in Korean from the first day he started working in Korea. Because he was a Korean American, his Korean communication skills were quite limited. By developing his language skills in the workplace, he was able to demonstrate his commitment to Korea and develop the necessary skills to communicate with colleagues.

*I made it a point to speak Korean for work almost from the start. Initially, you know, probably people who talked with me actually thought I was an idiot because while I would use the Korean grammar structure, about 80% of the words I was using were English. It sounded really odd, I'm sure. I actually discovered that over the course of six to nine months I got pretty good at it. People gave me a lot of respect for my effort to improve my Korean and a lot more access because I could actually speak Korean.
(Vignette 33, Returnee #18, Company B)*

Another group of vignettes discuss the need to build the respect of organization members by ‘doing whatever they have to’ do. These vignettes reflect a theme of humbly making oneself useful to the organization. By doing this, the returnees are able to build respect and trust. In vignette 34, a middle manager from a large financial firm says that she is willing to do jobs that at her level she could order a junior to do because she recognizes that she does not yet have their respect.

It's not easy, but my character is work hard and no talk. I don't complain much; I just do whatever I have to. There are some circumstances where I don't get respect from my juniors compared to those people who have been here for 10 years. So, sometimes I have to do work that is not commensurate to my level. But I don't complain much because I have been here just 2 years or so. I think sometimes I have to do whatever I have to do rather than to raise my voice and seek for my rights. So, I think that's one of the reasons why I don't have many conflicts. Because of that people are giving me more respect gradually. Not as much as people who have been here for 10 years, but gradually increasing.
(Vignette 34, Returnee #22, Company F)

Building legitimacy, trust, and respect are key components to lowering psychological distance between the knowledge holder and the other members of the organization. Thus, when returnees develop themselves by engaging in activities that gain respect from their colleagues and when they learn local skills, they are providing scaffolding for knowledge transfer.

Proposition 8c: *Over time, returnees can increase their workgroup's ZPD by engaging in scaffolding activities that build the returnee's legitimacy amongst colleagues.*

8.4.4 Proposition 8d – Scaffolding Directed at Organizational Resources

Scaffolding can also take place by using available resources within the organization to help lower the psychological distance of new knowledge. There is, of course, a limitation with employing organizational resources to help transfer knowledge that is incongruent with the current institutional logics of the organization. One quickly meets the paradox of institutional change discussed in chapter 3. However, two themes emerged from the vignettes that describe how returnees made use of organizational resources to help transfer their knowledge. The first was an appeal to the hierarchy of the organization to lend legitimacy to their project. Some returnees described how a champion was able to help them transfer knowledge. This is an important scaffolding activity as it provides ‘instant’ social legitimacy to the knowledge. A middle manager in a statistics office from a large financial firm described how a senior VP championed her project of improving customer data using advanced statistics

There was a Vice President who really liked my work. The work is about reports on customer numbers. Usually, we just reported the total number. I reported more segmented numbers; she really liked that. Actually, this type of report is on its way to being part of the systematic reports that we use in the company. Right now we make the report every month. Our goal is to get it into every part of the company. She has a similar background with me. She has a PhD from [famous US school]. She got a PhD in sociology from [famous US school] and became a very powerful member of the BOD in [this company]...She has an expertise in my field and she understood the knowledge that I was bringing. It was quite different than the attitude that the others have. She really wanted to promote a knowledge based firm rather than just a tradition based firm.
(Vignette 39, Returnee #28, Company F)

In some cases, the returnee has the power to first change the organizational structures and then begin to introduce new knowledge. These cases are more limited and

our best example came from a mid-size organization where, admittedly, changes in organizational structure can be less complex. While perhaps an activity that is less often available, rearranging organizational structure can be an effective way of scaffolding knowledge. A vice president of global marketing from a midsize manufacturing firm described how he used a lean reporting structure that he learned during his MBA to build a more creative and involved team

My workgroup has about 20 people, and we have completely removed the hierarchical structure. I came here and broke it...It was very hard, and it took about 6 months. But now, everything is parallel because I assigned the people by project not hierarchy. So, some lower level staff members can also be the project leader. That would not happen before or in a very large company. So, then that is kind of an American way. There are some positives and some negatives. One positive is that they are very direct and close to me because I control directly—person by person. But between them, there is some gap. If there was a hierarchical structure, they should cross upper and down. But in a parallel structure, they just look at me. So, between them they have some gap. So, now that is my question, how can I join those gaps?...We can get a much broader range of ideas. If I go with the hierarchical structure, the only source of information comes from the top because I only talk with the top. But if I go with the parallel, I can talk to everyone. Sometimes this is very hard because I have to discuss more, but the ideas can come directly to me. Also they feel like they are really involved in the company, so their opinions can go up to the CEO by me directly. So, the CEO can also say, let's do it. In a hierarchical structure, the bottom option never goes up to the CEO, but in this kind of structure, they feel like 'wow I am a real person in this company' and their opinion goes up to the CEO and sometimes we do that project.
(Vignette 38, Returnee #35, Company O)

Resources and structures within the organization can be used by returnees to help scaffold the introduction of foreign knowledge into the work workgroup. Since the organizational structures are often the target of the change effort, there is a limit to this.

However, if approached incrementally and by using the available resources of the day, returnees can scaffold knowledge using these resources.

Proposition 8d: *Over time, returnees can increase their workgroup's ZPD by engaging in scaffolding activities that make use organizational resources.*

8.5 Summary of Time-Based Model of Returnee Knowledge Transfer

The time-based model of returnee knowledge transfer argues that the transferring of returnee knowledge is a process that occurs over time. While returnees can change the institutional logics and norms by introducing knowledge which is incongruent with the current logics of the organization, they must mindfully do this by ensuring that the knowledge they are attempting to introduce remains within the zone of proximal development of the other members of their workgroup.

By providing scaffolding to workgroup members at t_1 , returnees can transfer knowledge within a ZPD. After knowledge has been successfully transferred, at t_2 returnees can provide more scaffolding and push up the workgroup's ZPD to accept new knowledge that would have been more incongruent with the institutional logics at t_1 . In this way, there is a process of moving away from one set of logics to a new set of logics.

Scaffolding can occur in several different ways. Returnees can engage in activities that educate their colleagues; they can manipulate the actual knowledge so that it is more accessible to colleagues; they can change themselves so as to lower the social distance of the knowledge; and, they can attempt to use organizational resources as a means of scaffolding.

Chapter 9 : Discussion and Future Research, and Managerial Implications

9 Overview

This chapter presents a discussion of the main findings, the future research that we intend to carry out based on these findings, limitations of the research, and managerial implications of the study.

9.1 Discussion

This study has employed a qualitative, multiple, case-based research approach that utilized an iterative process of field studies and literature review to develop an individual level model of knowledge transfer. In doing so, we believe we have contributed to the call by Foss to provide a micro-foundational perspective to organizational theory (Foss, 2011; Foss & Pedersen, 2004). By using this method, we have developed an understanding of international returnees and the transfer of knowledge by returnees from foreign institutional environments to domestic institutional environments. In the Korean context studied, we found that international returnees are being recruited by large firms. Firms have dedicated significant resources to recruiting and training them, and they have become an important component of the human resource needs of many Korean organizations. However, compared to expatriates and repatriates, management scholars have not focused much attention on returnees. In fact, the few studies that specifically looked at returnees tended to be focused on returnee entrepreneurs in emerging economies. Thus, we believe that this thesis has set the stage for studying this important human resource trend in large emerging market firms.

9.1.1 Returnees

An important initial finding from this thesis is that returnees are heterogeneous on many dimensions, and as such, will resist a general definition. Thus, researchers studying returnees must begin with a definition of returnees that captures both the types and extent of international experience the returnees have had and the context into which they are returning. The context of this thesis was unique in that we studied returnees that had returned to work in large and established domestic organizations. This is different than the studies that examine returnee entrepreneurs because such studies do not need to focus nearly as much on the institutional structures that will act to resist the transfer of new knowledge.

An advantage of the cases selected in this thesis was that we interviewed returnees at all levels of the organization. While there were some unique challenges in transferring the knowledge for returnees who were at the beginning of their careers compared to more senior managers, the data revealed common strategies that were employed by members of the firm at all levels. For example, we found that returnees who have been back in Korea for many years and are now in senior positions, engaged in many of the strategies for knowledge transfer similar to those of younger returnees with less experience. We also found that knowledge transfer was important for returnees at all levels within the firms we studied.

9.1.2 Knowledge Transfer

By interviewing returnees in a wide variety of functions and industries, we found that the type of tacit knowledge greatly affects the stickiness of transferring that knowledge. In particular, knowledge that is collectively tacit—that is knowledge that is

deeply rooted in the social systems of the institutional environment in which it was created—is much more difficult to transfer than tacit knowledge that is about things that are independent of social actors. This allows us to make a distinction between the technical knowledge that returns transfer, such as engineering knowledge or technical financial knowledge, and the cultural, cognitive and relational knowledge more often associated with organizational and managerial knowledge.

We found that tacit knowledge exists on a continuum from being tacit because of complexity to being tacit because the knowledge is socially collective. Developing this understanding was helpful as it shed light on why some types of tacit knowledge seem to resist transfer more than others. In fact, our field studies revealed that while Korean organizations seem to have done well at adopting and integrating foreign technical and scientific knowledge, they have been slower to adopt the best practices from foreign organizational and managerial practices.

Thus, one finding from this thesis is that while all knowledge tends to resist transfer across organizational and institutional boundaries (Inkpen, 2008; Inkpen & Tsang, 2005), collective tacit knowledge that is deeply rooted in the societal structures in which it was formed tends to be even more resistant to transfer. This is because the transfer of collective tacit knowledge often involves changing the institutional logics of the environment into which it is being transferred.

Another important finding in this thesis was that knowledge transfer through ‘learning by hiring’ (Song, et al., 2003) adds a layer of complexity and resistance that goes beyond the intra-firm or inter-firm knowledge transfer that has often been examined by international business scholars (Björkman, Barner-Rasmussen, & Li, 2004; Fang, et

al., 2010; Jensen & Szulanski, 2004; Makino & Delios, 1996; van Wijk, Jansen, & Lyles, 2008). Intra-firm knowledge transfer, such as from headquarters to subsidiary (or vice-versa) is challenging because the knowledge transfer is across national level institutional boundaries; however, it is within the same firm. In the case of returnee knowledge transfer, they are often attempting to transfer new knowledge across national level institutional boundaries into a separate firm that has its own set of institutional logics. Thus, returnee knowledge, particularly returnee collective tacit knowledge, may require more change to institutional logics. Thus, the transfer of returnee collective tacit knowledge represents a very challenging example of knowledge transfer.

This finding has important implications for research being conducted on global talent management (Tung, 2008; 2007). Globalization has allowed for the movement of talented human resources on a global scale. The challenge for the firms that hire such people is to manage the knowledge and skills people have acquired in foreign institutional environments so that it can be transferred into the domestic organizations. When such knowledge is collectively tacit, it may be costly and challenging to integrate the new knowledge. This thesis challenges the notion that firms can exploit knowledge from other institutional environments by simply hiring foreign trained talent and exploit their knowledge without investing into the management of knowledge transfer.

9.1.3 Institutional Boundary Spanning

This thesis makes a contribution to the literature on knowledge transfer across institutional boundaries. First, the transfer of collective tacit knowledge requires that the person not only understand the knowledge that he/she wishes to transfer, but also be aware of and sensitive to the institutional environment into which the knowledge is being

transferred. Our second proposition was that the more embedded a returnee is in the foreign institutional logics, the more potential he/she would have to transfer knowledge. Embeddedness comes from the amount of experience a person has had overseas and the richness of that experience. Thus, while potential success seems to be related to the richness and depth of experience in a foreign country, our interviews revealed that this was not a linear relationship. Proposition 4 on opportunity and Proposition 5 on willingness, together support a need for returnees to balance foreign knowledge with local institutional norms and logics. Because socially collective tacit knowledge resists transfer, returnees who are successful at transferring knowledge must be sensitive to local logics.

9.1.4 Scaffolding and the Zone of Proximal Development

Another contribution of this thesis is the development of the understanding that knowledge transfer is a process that occurs over time and in incremental stages. It is a process that returnees can mindfully manage through the use of scaffolding. By engaging their colleagues, developing themselves, tailoring knowledge, and making use of organizational resources, returnees can create an environment where workgroup members over time come to understand, accept, and apply knowledge which was previously incongruent with local institutional logics. They do this by ensuring that knowledge transfer remains within the ZPD of workgroup members.

To our knowledge, this is the first study that has developed a process model at the individual level for the transfer of sticky tacit knowledge over time. Increasing the ZPD through the use of scaffolding in order to transfer knowledge is a contribution that significantly adds to the organizational learning literature (Crossan, Lane, & White, 1999;

Lam, 2000; Saka-Helmhout, 2010). Organizational learning theory has been chiefly concerned with routines and practices at the organizational level (Bierly, et al., 2009; Janowicz-Panjaitan & Noorderhaven, 2009; Lane & Lubatkin, 1998; Lane, Salk, & Lyles, 2001; Mudambi & Swift, 2011), and has given far less attention to the micro-activities that individual managers engage in to facilitate the transfer of knowledge.

For example, while scholars have recognized that social capital increases acceptance of new knowledge (Inkpen & Tsang, 2005; Kane, 2010; Landry, et al., 2002), they have not described this link within a time-based model. In our model, the development of social capital, such as developing informal relationships or building respect amongst colleagues, is an individual level scaffolding activity in which returnees participate in order to lower distance between themselves as the knowledge holder and their colleagues as knowledge receivers. They are engaging in activities that stretch their colleagues' ZPD. This increased ZPD allows their colleagues to accept knowledge that is more incongruent with the domestic institutional logics. It is in this way that the building of social capital opens workgroup members up to accepting new knowledge over time.

9.1.5 ZPD Beyond International Returnees

Returnee knowledge transfer represents a good context in which to study the scaffolding process of increasing ZPD overtime. However, the insight that we have gained by studying the transfer of knowledge in this context makes a theoretical contribution beyond the study of returnee knowledge transfer. Because the new knowledge that returnees offer can be “very distant” from their workgroup members, the process in which they transferred their foreign knowledge became quite salient and emerged as a dominate theme in the field studies. However, the ZPD model can be

applied in any situation in which knowledge is being transferred into an organization through human resources being hired from the outside. Thus, the ZPD contributes to a better theoretical understanding of the “learning by hiring” (Song, et al., 2003) literature. We believe the ZPD model could be integrated as a key component of organizational learning.

9.1.6 Interdisciplinary Contribution to Organizational Learning

Psychological distance at the individual level and construal level theory has become an important area of research for marketing scholars studying the behaviour of consumers (Coulter & Norberg, 2009; Liberman, et al., 2002; Trope & Liberman, 2010). In this thesis, we have demonstrated that individual level psychological distance and construal theory can also inform organizational scholars. The literature on organizational learning and change can benefit from incorporating this understanding of psychological distance as a factor in accepting or resisting new knowledge.

The field of education, with its focus on teacher and learner, has potential to offer significant insight for organizational theorists and international management scholars. In this thesis, we have adapted the concepts of scaffolding and the zone of proximal development to show how learning occurs at the more micro-level. Educational theory allows organizational learning scholars to at least partially open the black box of organization at the individual level.

9.2 Future Research

We believe that this thesis marks an important contribution to structuring the study of returnees in large organizations. Our next step will be to attempt to replicate the findings from this study in a larger and more quantitative study. This study has

uncovered the scaffolding activities in which returnees engage in order to drive the ZPD of members of their workgroup. However, it would be worthwhile to more concretely measure how scaffolding activities lead to actual outcomes at the workgroup level. A future study may use survey or HR data to test these propositions with specific hypotheses.

9.2.1 Managerial Role and Level

Returnees as agents of institutional change can occur anywhere throughout the organization. This study has interviewed returnees in a variety of functions and levels. Future research may be able to create more nuanced theoretical models by narrowing the focus to a particular group of returnees. For example, in a working paper, Lee and Roberts (2012) are currently examining the effect of returnee outside directors on the restructuring efforts of large Korean firms after the financial meltdown of 1997. This paper looks at the knowledge transferred by returnee directors and its implications for corporate governance.

9.2.2 From Individual to Organization

This thesis mainly focused on the scaffolding activities performed by individual returnees attempting to transfer their knowledge to a workgroup. In this way, such returnees contribute directly to the absorptive capacity of their firms. They are able to help their firms realize the potential of external knowledge (Lane, et al., 2006; Zahra & George, 2002) by creating a basis for bridging new and incongruent knowledge into the firm. In our theoretical model on scaffolding, the fourth dimension was making use of organizational resources. Focusing on this dimension could potentially lead to a broader organizational level understanding of the ZPD. If firms are able to create scaffolding

routines into their organizational structure, these routines may be a dynamic capability of the firm.

In this thesis, we only briefly considered the role of newcomer socialization by the organization on the lowering of social distance. However, the socialization efforts of Firm J (in which we interviewed 4 returnees) were quite unique. They seemed to have created an organizational culture that does a better job than other large firms at lowering social distance for newcomers. While the evidence is anecdotal, it presents an interesting avenue for future research, especially for scholars of Asian organizations.

In most large firms we visited, social status, and thus insider versus outsider status, was determined by rigid categories. Social position was determined by such things as age, the year one entered into the firm, the schools one attended, one's military experience, etc. Many returnees that we interviewed suggested that these social barriers made it difficult for them to gain the trust and respect of other. However, Company J had instituted an official policy that banned these types of social exclusivity. As one example, in many of the large firms, people would form clubs consisting of members who graduated from particular universities. These clubs would be used for social networking. However, Company J outlawed the forming of such clubs. The end result was that many returnees in this firm recognized this policy and strongly supported it. They believed that because of this policy, their colleagues were more open to them. The social policy directive of Company J raises the question of what can be done at the firm level to support an environment in which newcomers, with potentially valuable external knowledge, can be better integrated into the firm.

9.3 Limitations

A limitation of this study is that we cannot generalize to a population of returnees because we have employed a case method approach. The case based method is used to generate theory rather than to test it (Eisenhardt, 1989; Eisenhardt & Graebner, 2007). Thus, while we believe that we have developed a richer understanding of the process by which returnees transfer knowledge to their workgroup, a causal link between the scaffolding activities in which returnees engage and the outcomes of those activities has not been established in this thesis. A longitudinal and quantitative analysis would be necessary to test our model.

The second limitation is that our data primarily consists of interviews with returnee managers. It is possible that social desirability bias was at play in some of the responses provided to us by the managers trying to highlight their accomplishments. However, because we interviewed over 40 managers and derived our findings from patterns in the data, we see the problem of social desirability as a matter of degree. In addition, we attempted to overcome retrospective sensemaking (Weick, 1995) by asking returnees to focus on concrete examples. The researcher almost always asked for an example to support the interviewee's opinions and answers.

The third limitation in this study was our inability to study the role of effective communication abilities on knowledge transfer. One of our key findings was the scaffolding activities of returnees as they attempted to transfer knowledge. However, we discovered these activities by asking returnees to verbally communicate to us how they communicated their knowledge to members of their workgroup. The confounding factor here is that those who were able to retell richer stories may also be the people who are better able at communicating and thus scaffolding their knowledge. This raises the

question of the extent to which communication ability affects a person's ability to engage in scaffolding.

A fourth limitation is that this study was conducted on a single country. The returnee phenomenon in large organizations is important for many emerging market firms, and there is value in comparing and contrasting this across national cultures. The ZPD is a generalizable enough theoretical framework to be applied to most large organizations attempting to capture foreign knowledge through the use of international returnees. However, the scaffolding activities that are employed by returnees and organizations may vary by national culture. Valuable insight may be gained by studying how scaffolding occurs in other context. By studying several national settings, a 'best practices' of scaffolding activities may emerge.

9.4 Managerial Implications

Returnees are becoming an important human resource for emerging market firms. However, our findings have clearly demonstrated that making full use of the talents that these returnees can bring to an organization requires careful human resource management. Capturing their knowledge requires firms to integrate tacit knowledge that may be quite different and incongruent with the current logics of the organization. Thus, it is not enough for senior managers and HR departments to find and recruit returnees from the global talent pool. They must find ways to ensure that they are able to participate as full members of the organization.

Providing returnees with support so that they can more effectively scaffold their knowledge is a concrete step managers could take to help returnees. Formalizing scaffolding activities such as scheduling formal and informal seminars and educational

activities for workgroup members can prepare the organization to better integrate returnee knowledge. Providing training for returnees prior to joining the company and during their initial period of adjustment could also help returnees understand the dynamics of adjusting to the organization and then making the best possible use of their knowledge. This thesis has demonstrated that successful adjustment is more than a personal effort by the returnees to fit into the new organization. Adjustment to the organization requires the returnees have the tools to transfer their unique knowledge into the firm in a way that is sensitive to the logics, learning needs, and skills of other workgroup members.

With its focus on learner, teacher, knowledge, and resources, the ZPD is a useful framework for management education. The foreign assignee literature has been struggling to move away from a purely adjustment focus to an integration of adjustment and performance (Thomas & Lazarova, 2006). The ZPD captures this by placing all players, their social context, and the organizational resources into one meeting ground. International human resource management experts could use the ZPD as a way of holistically framing foreign assignee adjustment and performance.

Finally, given the numbers of people who have immigrated to more developed countries for economic or educational purposes, the pool of returnees for emerging market firms is quite large. Thus, returnees are primarily an emerging market human resource. However, firms in more developed countries should take note of this powerful resource. Given their large diaspora, firms in emerging markets have a national level competitive advantage. They have potential employees who have extensive experience in foreign countries. Given the technological and social progress that is being made in

many emerging markets such as South Korea, China, Russia, and India, firms in the traditionally most developed countries can now certainly learn from the successes in these economies. However, tapping into the expertise and knowledge from emerging markets may require a significant shift in the HR practices and institutional logics of western firms.

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Appendices

Appendix A: Letter of Invitation

Name
Title
Company
Address
Address
Tel:
Email:

Dear [Name of participant],

My name is Michael Roberts and I am a Ph.D. Candidate at the Richard Ivey School of Business at the University of Western Ontario. I am writing to invite you to participate in a study investigating the role of returnees (people who have gone abroad to pursue their post graduate studies and then returned home) in helping their firms capture foreign knowledge. I am conducting this study together with my advisor Dr. Paul W. Beamish. We are interested in interviewing a variety of international returnees. Some of the returnee managers we hope to interview will have had extensive education and work experience in a foreign country, while other will have gone abroad for a relative short period of time to pursue a graduate degree.

We hope this study will have long-term benefits for you as a manager in Korea. As Asian countries, like Korea, begin to take a more prominent role in the world economy, your unique issues and resources should become more central to management researchers. This research attempts to do that by examining how knowledge is transferred by managers like you—international returnees—through the global talent pool.

I will be conducting interviews during the month of October. During this time, I will be at the KAIST Business School in Seoul. If you agree to participate in our study, I will arrange to meet you at a location of your choice to ask a series of questions about your opinions on how your international experience and knowledge is being utilized in your firm. It should take approximately 60 minutes to complete the initial interview. In order to get the most accurate and richest information from you, I would also like to conduct a follow-up interview approximately one week after the first interview. In addition, to understand your history, I would appreciate a copy of your resume.

To thank you for your time, if you'd like we can send you a copy of the completed study, which we will submit for publication to major academic and management journals. If

you wish to receive a copy, please provide me with your business card during the interview.

To indicate that you are willing to participate in this project, please complete the attached information form and email it to [REDACTED]. We look forward to hearing from you, and wish to thank you again for your time and participation.

Yours sincerely,

Michael Roberts

[REDACTED]

Important Notes Regarding Our Commitment to Ethical Research

With your agreement, the interview will be audio taped and later transcribed while using pseudonyms to guarantee your anonymity. All audio data will be kept secured and password protected immediately after your interview. When they are no longer needed, they will be systematically destroyed.

There are no risks associated in participating in this study. Please note that your responses are strictly confidential, that your participation is completely voluntary, and that you may choose not to answer any or all of the questions or withdraw from the study at any time with no effect on your personal status or employment status. Should the results of the study be published, neither your name nor your company's name will be used.

If you have any questions about the conduct of this study or your rights as a research participant, you may contact the Office of Research Ethics [REDACTED]

Should you have any questions or concerns in regards of the content of this study please contact me at [REDACTED] or Dr. Beamish at [REDACTED] to talk about the study.

If you would like us to send you a copy of the completed study, please provide the address where we should send the results to on a separate sheet of paper.

If you agree to participate in the study, please read the instructions, fill in the information below, and email this form to Michael Roberts at [REDACTED].

If you have an electronic version of your resume, please send it along with this form.

Your Name: _____

Email: _____

Cell Phone: _____

Preferred Meeting location: _____

Closest subway stop (if applicable): _____

If preferred meeting location is your office, please provide a link to your company's website where directions can be found (if available).

Please feel free to contact us anytime at: [REDACTED]

[REDACTED]

Appendix B: Guiding Interview Questions

- Introduction, outline broad purpose of research.
- Based on the returnee's resume, the interviewer will ask clarification questions to understand the returnee's work experience, education experience, and international experience.

The following questions are meant as a guide and may not be strictly followed and may not be asked in the order presented.

1. Because of your overseas experience, what knowledge do you have that other members of your workgroup (those who do not have the same overseas experience) lack?
Consider technical knowledge, knowledge of managerial and organizational practices, knowledge of foreign markets and people, problem solving skills, and other knowledge.
2. How do you share that foreign knowledge with other members of your workgroup?
3. How do you help integrate that foreign knowledge into your workgroup?
4. Do you experience conflict with other members of the workgroup when attempting to share or integrate the knowledge that you learned overseas? Please provide an example.
5. When you are attempting to share your foreign knowledge, how do you usually react to conflict that may occur between you and workgroup members?
For example, do you find that you have to give up? Do you push hard to implement your ideas? Are there other techniques that you use when you face conflict with your workgroup members?
6. How do the people in your workgroup usually react to conflict that occurs when you are attempting to share your foreign knowledge?
For example, do they give in? Do they ignore your ideas? Have you noticed any other reactions?
7. Do you believe that workgroup members accept your insights and opinions equally to the opinions and insights of other members of the workgroup? Why?
8. Would you describe yourself as an insider or an outsider in your organization (in general) and your workgroup (in particular)? How so?

9. Discuss the following statement: For me, it is more important to fit in with the other members of my workgroup than it is to transfer knowledge or change the work practices of the workgroup.
10. How has the knowledge that you have gained overseas impacted your workgroup?
Try to think about this from as many angles as possible: technical changes; product changes; managerial changes; changes in the way and places people seek information and opportunities; etc.
11. Have you helped connect people in your workgroup to people or markets in foreign countries?
12. Does your workgroup have policies that help you share and integrate your foreign knowledge and experience?
13. Do members of your workgroup seek out advice to help them solve problems related to international issues?
14. In what ways are you called upon by your colleagues (peers, juniors, or superiors) to help them understand an international problem or difficulty they are facing?
15. Do members of your workgroup recognize you as an international expert? Do they seek your advice on foreign business practices, markets, or the way people think?
16. Do people in your workgroup tap into your network of foreign colleagues?
17. To what extent does your workgroup have an international role?

Appendix C: Full Vignettes

1	Returnee #21	Company A
	Type of Activity:	Building Scheme / Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Working one on one with colleagues

Short Description

A senior vice president from a large manufacturing firm spends time, one-on-one, with colleagues to help them understand the perspectives and expectations of their foreign business partners.

Full Vignette:

I end up spending a lot more time with the individual team members than an average [domestic] executive would because I believe that there is a lot in terms of learning just working side by side. It is one thing to get great people and tell them to put together the materials and then send it over and I'll finalize it, versus "hey let's sit down and spend an hour and problem solve through this." I think then they actually get to see the process and get indirect learning. I can say "here is how the foreign person thinks through things, the logic, how the perspective they use when thinking about things." They can learn everything from "here is the story line for the document, to here is the key analysis that we should do or let's go talk to some of these key analysts." So I think just spending time with them and giving them exposure helps to get things done and develops some experience.

2	Returnee #22	Company F
	Type of Activity:	Building Scheme / Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Helping understand multiple perspectives

Short Description

A middle manager from a large financial firm tries to help her colleagues understand that they should always consider multiple perspectives.

Full Vignette:

You can segregate returnees from non-returnees by just discussing a newspaper article. I think there's a big difference in the perspective when you interpret a newspaper article, and even interpret how the people cope with life or how they draw implications from real life situations. There are two worlds; two ways of seeing things. So, I try to help people see that there are two worlds. When people open up to a different way of looking at the world, they are often more willing to accept new ideas.

3	Returnee #24	Company L
	Type of Activity:	Building Scheme / Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Developing creative and global thinking

Short Description

A senior marketing manager from a large manufacturing firm pushes his employees to think more creatively by opening their eyes to a wider perspective outside the domestic context.

Full Vignette:

Korean guys can be creative, but very often they just follow. So, I ask them to push their creativity more. I often focus on empowering them to generate ideas and share those ideas with others. This makes me different than many of the other directors because I have a much more global background. I need people to challenge me and our organization. We don't do enough of that at [company]...Sometimes, my guys are not very comfortable with this because I am very aggressive and proactive to them. Sometimes they are very shy and sometimes they are very passive. But most of them are following some ideas and guidelines. So, that is the current situation to change their mindset for becoming globalized. If they expanded their thoughts, they would see that they can learn from the global environment, but they do not always do that. They simply stay focused on the domestic perspective. They have fixed eyes. I say look around, don't only see what is in front of you.

4	Returnee #29	Company G
	Type of Activity:	Building Scheme / Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Developing skills to understand foreign markets

Short Description

A senior manager from a large financial firm works with colleagues to improve their understanding of foreign financial markets and to improve their English language skills.

Full Vignette:

All of a sudden the local markets became dominated by what was happening overseas, so everyone was keen to know what was going on in the overseas markets. Later on, the government tried to provide such information to the local markets about what was going on overseas, but, I did that before the government ever did. So, usually in the morning, I gathered them [the dealers] together at 8:00 am for 30 minutes. We would go through all the important events. Thus, before I met them I would read all the important financial newspapers, like the Wall Street Journal, and watch CNN before I left home. By doing so, I could understand what was going on in the U.S. markets. I sometimes explained to them the specific techniques or market structures or government institutions that are forming the U.S. market systems. For example, there are some specific differences between the local market practice and the U.S. market practice. In order for them to understand the market, they needed to understand the structure of the market in foreign countries. So, I needed to explain this to them. So, every day I did that for five days a week. We kept that up for about one year.

5	Returnee #17	Company K
	Type of Activity:	Building Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Providing skills needed for problem solving

Short Description

A senior vice president from a large manufacturing firm teaches and encourages members of his team to participate in problem-solving sessions in a 'western' style..

Full Vignette:

So, when I say problem-solving in [USA firm], everybody knows what that means; everybody knows what mode we're in; everybody knows what the objective of a problem-solving session is; everybody understands how people should behave in such a setting. It is completely foreign to the folks here. "you're five levels superior to me and you want to have a discussion. I don't understand what that concept is." They don't have the vocabulary necessary to convey what I want and how we're going to interact. So, I had to build that from the ground up. It has been challenging...It's not just the language, right? By language, I guess I mean on several levels.

First level is just simply is it Korean or is it English. Second level is to describe the concept, what does problem-solving mean. The third is the working culture associated with that language. So, explaining intellectually what a problem-solving session is—it is people sitting around a table, on a very equal basis, being able to look at a problem, an issue, and working on it together. It's easy to describe intellectually, but to get a fresh graduate sitting around the same table as me, an executive five levels up, and to comprehend that it is okay for them to speak up and tell me that they think I'm wrong, is a completely different realm. So, I had to chase after these guys for a year and a half to say, look if you're going to sit around this table, I'm going to invite you, you can certainly invite yourself, but if you're going to sit and this table and not say anything, I don't want you here. So, it's taken me a year and a half of drilling that into their heads for them to contribute. I really had to build the language.

6	Returnee #18	Company B
	Type of Activity:	Building Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Encouraging people to engage during meetings

Short Description

An executive vice president from a large financial firm encourages his team member participate in discussion and problem-solving with him.

Full Vignette:

When I first took over this team, it was very difficult for me to get the team to talk in meetings. However, I have them functioning much better now. They would just kind of sit there, and just open their little book and write down every word I said and not look up. So, while I don't do it in a heavy-handed way, whenever I see that I encourage more discussion, and ask people what they think. I try to use a bit of self-deprecating humor and I say things like, 'I hate it when a team brings me back something that's exactly what I said because I'm pretty stupid and I haven't given you the right answer'. So, I think it's those reinforcing mechanisms that get people to start thinking on their own and more importantly start expressing what they think. So, I've tried to do that quite a bit over the past couple years. And also, I try to bring in people who do that to show others a good example. These people don't necessarily need to be Korean-American like me.

7	Returnee #30	Company F
	Type of Activity:	Building Language / Creating Opportunity
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Finding opportunity to educate colleagues

Short Description

A senior marketing manager from a large financial firm worked with HR to create a seminar on

the importance of corporate branding as this was not part of the organization's logics.

Full Vignette:

You have to see how to add value. In many ways, you have to create opportunities. Korean companies, if you do not ask, they will leave you alone, especially, if you have a language barrier or a culture barrier. In many ways, they are testing you out to see how you do. If you show a bit of assertiveness and create some things, they say hey this guy is trying to work on something—that is good. If you can give some things that they need that don't cost them anything, you can go a long way to making yourself valuable to them. You will be someone they respect and want to help. So, I wanted to communicate what branding is and what marketing is, so that people will know that it is important when I suggest that we do a project. But first, they need to know what it is. So, I talked to our [HR Center] and suggested to them that I would be willing to give one or two hour lectures on marketing or branding. They need to understand what [company] branding is all about. I created a presentation and now I go there and talk for about two hour sessions. I really like to do it and it goes a long way to making good relations and not only that, it changes the organization so that they can see that what I present is important. They must first understand branding before they will be willing to expect it..

8	Returnee #26	Company Q
	Type of Activity:	Building Scheme / Language
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Developing creative thinking and discussions

Short Description

A R&D director from a midsize manufacturing firm encourages his team members to participate in discussion and problem-solving with him during meetings.

Full Vignette:

The same is true with my staff. Sometimes they do not agree with what I am saying, but they do not tell me at the meeting time. It is just a reporting time. They just listen to what I say even though I ask them for their opinion. But it is getting a little better as I train them...I am trying to change the procedure to have more creative meetings. I have been here for just over a year. We have open discussions during our meetings to try to find the best solutions. However, when I overhear the meeting styles of the other teams, they have a very typical Korean style meeting. The boss just talks and the others listen to what he says. So, my style is different and I like it. So, every Monday morning, I have a meeting with the employees. I try to make it a very free style. However, still it is hard to get them to really talk with me about issues.

9	Returnee #31	Company N
	Type of Activity:	Building Scheme / Language
	Focus of Change:	Colleagues

Type of PD: Social / Temporal
Tag Description: Guiding juniors through planning process

Short Description

A senior division director from a large manufacturing firm uses the knowledge that he gained by doing a PhD to help guide junior engineers in effective project planning.

Full Vignette:

Well, if you first order some project, the people who did not earn a PhD degree and perhaps have less experience are not quite sure how to start from the beginning and get the systemic approach right. He should go out and do benchmarking and do literature review, and do the planning and scheduling—in terms of strategy and implication—he may have some problems. This is a big part of PhD training; to see things from the beginning to the end. We focus on making plans that try to eliminate trial and error. He can start with some very effective experimental approach. When it comes to the discussion time and analysis of the results and plans, he has a much better ability to communicate and determine a much more precise conclusion from the work. So, this is something that doctorates can do better than others. Logic and fundamental unbiased approach is what separates us from others...As I have grown in the company, I have become less a specialist and more a generalist. I have more colleagues and juniors who depend on me, so it is quite important when giving guidance to young engineers to help them develop these skills. I see it as a major part of my job. Not just order them to do things, but help them develop the thinking skills and understand the process of what they are doing...I always try to get them to think about the vision or strategy. I try not to give too much of a direct answer, but guide them towards finding the correct way. Actually, I think this is also something that really separates those of us with a western PhD from others. The Korean style is more to dictate to the juniors, but that does not develop their minds.

10 **Returnee #39** **Company M**
Type of Activity: Building Scheme / Language
Focus of Change: Colleagues
Type of PD: Social / Temporal
Tag Description: Encouraging open discussion

Short Description

A general manager of external relations from a large financial firm has created an environment in his team where junior members can participate in discussions and make productive suggestions.

Full Vignette:

So, I think that Korean companies could get a lot more value from their human resources if they could create a culture of more open discussion. Communication could add more value and relative to other firms, the Korean commercial banks are conservative in terms of the business culture. So, that is one of the areas where we need more openness. Listening is very important. I think we need some kind of more openness communication among our colleagues or within the company itself...Oh yeah absolutely, I think our investor relations team [the team that he heads] is one of the most open and has the freest communication anywhere within the entire holding

company itself. I have worked very hard to encourage this and my team is better for it. So that kind of thing is most important, definitely.

- 11 **Returnee #17** **Company K**
- Type of Activity:** Providing Educational Opportunity
- Focus of Change:** Colleagues
- Type of PD:** Social
- Tag Description:** Providing educational opportunity to female colleagues

Short Description

A senior vice president from a large manufacturing firm provides an opportunity for female colleagues to meet business and political leaders so that they can break out of stereotypical Korean roles.

Full Vignette:

Another example might be trying to open their [colleagues] eyes on something different about life. There are bunch of women on my team, who pretty much grew up here, and haven't had much exposure to the outside. Traditional roles obviously apply. So they feel kind of capped, and so, I took a few of these folks and I said, look you understand that there is a much bigger side of contributions you can or need to make, so let's get you to talking to women leaders and pushing your expectations. Hillary Clinton came for a speech, and I said there are a couple of tickets that I think I can try and finagle. Go. I'll give you time off. Go. So, a handful of them went, came back and were just, like wow. There a few events and things I pushed them to go to. They come back saying 'wow!'

- 12 **Returnee #24** **Company L**
- Type of Activity:** Providing Educational Opportunity
- Focus of Change:** Colleagues
- Type of PD:** Social / Spatial
- Tag Description:** Sending employees to training center

Short Description

A senior marketing manager from a large manufacturing firm sends his people for training to help them develop their global business skills.

Full Vignette:

In terms of education wise, one of the weaknesses of domestic guys is a lack of communication skills in English and overseas or global cultural understanding. So in order to improve their capability and globalized way of thinking, we train them. We push back and train, and even have them study in different institutes. At [company] we have a huge training center; we even have a one year program where we send people all over the world. We call it the regional expert program. The guy who is selected will spend a year in a certain area. In fact, we just had one

lucky guy selected from my division. He will be going to Central America next year. [Company] training center is training them for language, culture, and a lot of business matters.

13	Returnee #21	Company A
	Type of Activity:	Providing Informal Educational Opportunity
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Joining foreign meetings

Short Description

A senior vice president from a large manufacturing firm brings team members with him when he travels abroad so they can be directly involved in negotiations and they can learn about other business culture.

Full Vignette:

We send a lot of our people out and get them involved in meetings/conferences. So if I'm going overseas to meet with someone, I try to include several of my own people...So they actually sit there and participate in the negotiations and discussions. Also, they get the English language exposure and those types of things. In the meetings and conferences they see how the industry works. When we have a huge conference that may be showing the next best part of a certain industry, they can actually go. A lot of these are outside Korea, so they are actually getting exposure to traveling, and to interaction with foreigners. We actually make sure that when people go overseas they are actually not just going to the conference but they are also trying to arrange additional meetings in the same trip, because we know that there is more value when you take advantage of all the companies that come to that location.

14	Returnee #17	Company K
	Type of Activity:	Mentoring
	Focus of Change:	Colleagues
	Type of PD:	Social
	Tag Description:	Mentoring a junior returnee

Short Description

A senior vice president from a large manufacturing firm mentors a junior returnee so that he could function in a Korean organization and prove himself to the other executives.

Full Vignette:

There's a guy on my team that when I initially got in, the person who I took over from, his assessment of this particular guy was smart, you know, all around good guy, but is too forceful, too independent minded, not able to navigate the organization. And so, when I first heard that I thought, okay this either could be very good news, you know, kind of diamond in the rough, or this could be very, very bad news, meaning that he had no social skills, no sort of political savvy.

Within a few weeks, it was pretty clear to me it was the former, not the latter... The only thing he needed was somebody to help give him an environment in which he would be able to apply his skills. Yeah, and in a year and half, he's taken off like a rocket. I rank him top of my team. One of the needed components is to have a superior provide an environment in which that individual can do what they can do. I bring that.

15	Returnee #29	Company G
	Type of Activity:	Information Sharing
	Focus of Change:	Colleagues
	Type of PD:	Social / Spatial
	Tag Description:	Providing foreign information for CEO

Short Description

A senior manager from a large financial firm takes thirty minutes each week to provide information on foreign markets that his boss can use in meetings or for strategy planning.

Full Vignette:

Often because I have a skill and knowledge that others do not have, they envy me. This is human nature. They don't like me to stand above them. So I have to be very cautious of this. I have to make it so that they do not get mad at me. I try to persuade them. Also, I try to get approval from my bosses by providing accurate skills and knowledge to them. First, I have to educate them, and then I can give them my idea. If I don't educate them first, then I cannot present my idea because they will not understand it. By doing so, they can make room for my activity. They can open the door a little wider. I regularly provided information to the CEO of my company. He sets aside 30 minutes a week to have a direct meeting with me to provide him with information. I provided the various management skills or information to him. For example, I look at the HBR or visit internet sites. I can screen useful information to CEO. He can use this information various occasions. For example, he can use that information when he needs to deliver a speech to others. When he gets together with CEOs of other [financial institutions], or with other top colleagues, he can use that information...There was one senior who was [a powerful member of society] and a powerful member of the bank. He was a senior manager. He is a famous lecturer at the company, and wrote more than 30 books. He is very eloquent. He is very skillful in wrapping his ideas in a simple way that can be accepted by the general public. But he doesn't speak or read English. He envied me a lot because I could read English materials. He doesn't read English materials like HBR. He would like to import the quotes of HBR from the origins but he couldn't do that. I frequently gave him such quotes or ideas to him. He was happy to have that.

- 16 **Returnee #12** **Company H**
Type of Activity: Conducting Workshops
Focus of Change: Colleagues
Type of PD: Spatial (Doing Business Overseas)
Tag Description: Educating colleagues

Short Description

A senior marketing manager from a large financial firm holds seminars in which he invites former business colleagues to speak to the current executives of his firm about expanding their business overseas.

Full Vignette:

The company asked me to start a small seminar and I invited many of my foreign friends to give seminars to people here at the company. I was trying to open their eyes to new ways of doing business, new approaches to thinking. In fact, when I was in [previous large domestic firm], my company was only interested in domestic business; they had no business in other countries. So, they had no idea of how to expand abroad. I opened seminars and invited some of my old business colleagues. We opened a series of seminars for the company executives. They really appreciated it. They quite valued me and the information from this seminar.

- 17 **Returnee #13** **Company A**
Type of Activity: Conducting Workshops
Focus of Change: Colleagues
Type of PD: Spatial (Foreign Knowledge)
Tag Description: Educating colleagues

Short Description

A senior project manager from a large manufacturing firm holds classes for colleagues to explain the technical knowledge he learned while working in the USA for an American firm.

Full Vignette:

I worked there [USA firm] for 10 years. So, I had a chance to work on projects with [large USA firm]. We developed some kinds of 3D technology, stereoscopic technology, and mobile graphic technology. This type of knowledge is very advanced, and not really available in Korea. So, I have had many chances to explain this technology to my colleagues here and I have held some classes and seminars to teach them. Right now these technologies are very popular. People really want to learn about these things. So, I offer courses, and I think that this is a real advantage for my company.

- 18 **Returnee #37** **Company J**
Type of Activity: Conducting Workshops
Focus of Change: Colleagues
Type of PD: Spatial (Foreign Knowledge)

Tag Description: Educating colleagues

Short Description

A general manager from a large financial firm holds classes for colleagues to explain technical knowledge he learned from his overseas studies.

Full Vignette:

Actually, people had mixed feelings. I had to convince them I could contribute to the project by what I had learned overseas—project by project. Like technically, I had different valuation techniques. And also I had different ways of gathering information. They didn't know about Bloomberg. It is quite simple, but no one used it here. Five years ago, they got a terminal but it wasn't popular. Slowly, they started to learn about the global peer groups.... That's why I decided to contribute from the technical side, and so I had large sessions for my colleague to transfer my knowledge... From the problem solving skills to the technical valuation skills, I had lots of sessions. Actually, my boss requested me to have five sessions to transfer my knowledge to my colleagues. So after the sessions they started to know... it's very helpful for them to implement my knowledge to the project. The first session was just the concept...Second session is a case study...Third session tried to connect my session to the real project...Then I had a feedback session...I have the session because I should persuade my colleagues of my expertise and I tried to show my contribution to my organization and to my colleagues. That's my way of getting people to understand my method. If you don't have a session people cannot get your thinking. ... People here want to learn. Because they want to know the knowledge that I gained overseas....No, they don't feel that there is any threat because it is only a lesson.

19	Returnee #43	Company M
	Type of Activity:	Conducting Workshops
	Focus of Change:	Colleagues
	Type of PD:	Spatial (Foreign Knowledge)
	Tag Description:	Educating colleagues

Short Description

A deputy general manager from a large financial firm holds classes for colleagues to explain technical knowledge he learned from his overseas studies.

Full Vignette:

Actually, when I was in the States, I took the statistics class and spreadsheet modeling class, and had an internship in a USA company. I learned to handle many types of statistics programs, and apply them in the real world. So, when I came back, I tried to apply those statistic programs to my work and I actually use those programs to generate data and to finding out the arbitrage opportunities that I tried trading with. So, I was pretty successful. Most bond dealers here in Korea do not use those statistics programs. So, I made a program for us to find out the arbitrage opportunity in the bond market. Then I made a document and I sent it to my colleagues and shared the knowledge about that. Unlike stocks, fixing a bond product, because it has a maturity, has special characteristics. So, using a statistics program is very useful. So, I talk about that kind of thing with my colleagues and boss, and they understand that. And they thought that it was

useful...I presented it to eighteen colleagues in a one hour seminar. [Using these programs] is much more common now.

20	Returnee #12	Company H
	Type of Activity:	Providing Background Knowledge
	Focus of Change:	Colleagues
	Type of PD:	Hypotheticality
	Tag Description:	Providing concrete examples

Short Description

A senior marketing manager from a large financial firm uses foreign case studies to show colleagues and superiors how other foreign firms have handle similar business situations.

Full Vignette:

I think that in Korean business society, foreign business cases were not well known. There are many business cases in other places, but in Korea they were not well known. I was exposed to so many business cases throughout the world. People are more easily convinced when you can show them an actual business case that took place that is similar to their situation. People are very surprised when they hear that their situation is not unique. This works well in my company. If you know many cases, it can really help. The business school really helped me learn how to get insights from cases. These days, I can read a case quickly and use it when the situation is appropriate for the company. It really helps to convince them [senior decision makers]. It is a kind of education for them, so a very effect tool at getting buy-in.

21	Returnee #23	Company H
	Type of Activity:	Providing Background Knowledge
	Focus of Change:	Colleagues
	Type of PD:	Hypotheticality
	Tag Description:	Educating and convincing people of value add

Short Description

A senior actuarial manager from a large financial firm sees it as part of his duties to both educate his juniors and convince his seniors of the usefulness of the work he is doing.

Full Vignette:

I do a lot of modeling and develop programs that many employees need. However, they do not have a statistical background to understand them. So, I should educate them on how to understand the programs and how to apply it in each situation...The executives need to be convinced of the usefulness of these programs. I should convince them that this is a very reasonable result. Also, the lower level people I should educate them to use these kinds of skills. I'm kind of the middleman.

22	Returnee #21	Company A
	Type of Activity:	Syndicating Knowledge
	Focus of Change:	Colleagues
	Type of PD:	Social / Temporal
	Tag Description:	Explaining new ideas before meetings

Short Description

A senior vice president from a large manufacturing firm goes and meets with other decision makers prior to a 'discussion' meeting to ensure they have a clear understanding of what will be introduced.

Full Vignette:

By definition, you have to work with other departments, divisions or whatever, and I think many returnees don't spend the time to syndicate their ideas. Returnees have to learn that meetings are very different in this context. Especially, if I want to introduce something very new, before the meeting I go and talk with all of the key individuals ahead of that meeting because I think most executives here like to understand what's been discussed before they go into the meeting. In the USA, if there is a meeting called, we give a general overview about what it is about and then everyone shows up. They do meet for the first time and just discuss in real time. So I think you see individuals who are kind of like, 'okay I will see you in the meeting, and they don't understand how important it is to go in and syndicate. Some of the meetings are more just formal—the decision is already made before everyone walks in. I think that's where the people [domestic executives] get surprised. So, then they don't focus on the content but rather on the procedure. They have shut their mind before the discussion. Also, executives here don't like to in a position where they are seen as not to know the answer. So, unless they really understand,

they will reject your idea. They are not going to be constructive, right. You know that's kind of an example where returnees get into trouble. They don't spend the time to explain novel ideas to people. I think you see returnees who struggle because of that.

23	Returnee #30	Company F
	Type of Activity:	Positioning And Selling
	Focus of Change:	Colleagues
	Type of PD:	Social / Hypotheticality / Temporal
	Tag Description:	Positioning a project

Short Description

A senior marketing manager from a large financial firm was able to successfully navigate through the process of introducing a shift in strategy from product marketing to corporate branding.

Full Vignette:

Back in late 2008, we were going through the financial crisis. So, we were trying to decide the communications strategy to go with. At that time, upper management was really pushing a focus on products because numbers were off because people weren't buying enough product. We had one product that was slated to launch and they wanted to push product. In our small workgroup, we realized that there is a real change in the consumer's attitude because of the financial crisis; there was a fear. We need to focus on the corporate message and give some hope and reassurance that the company is there, especially in a time of crisis. And so, in order to push for that type of message or strategy, you can't just say this is how I feel. So, one thing that I did is to say let's do a focus group. We had some money set aside and we quickly did a focus group. And my instincts were right that consumers felt that there was a lot of anxiety about the future, fear, uncertainty, so they want companies—especially life insurance companies to have that message -- the hope message-- so I presented my results to my VP and he agreed with the market research focus group and felt that was the right way to go...I think conflict arises for a couple of reasons. First, if it requires money, you have to argue to try to get that money. Secondly, when your opinion conflicts with another or there is a strong personality clash. I did have a personality clash, and my attitude was, "hey this is something you might want to think about." It is a very different approach. Also money was not an issue because we had a small budget set aside for market research that we could use as we saw fit. So, we replaced one type of research with another. So, money was not a major issue...There was a lot of interest. The upper guys thought that maybe we had something that was worthwhile and so we presented it without pushing it too hard. We were just showing them what we had. So you really have to understand their thinking processes and what the core issues are. As soon as you address those, then they are interested in listening to you. You have to make it relevant to them. Now I think where the conflict arises is when you have not really thought about this...Then, they say well that doesn't interest me. It doesn't make sense to us. You have to figure out how to make it make sense to them. It can't seem too foreign. What's in it for me? If you add value, then upper management is going to listen. You have to understand the culture, how decisions are made, and if you understand this process then it's not that hard.

24	Returnee #38	Company J
	Type of Activity:	Explicating Knowledge
	Focus of Change:	Knowledge
	Type of PD:	Social / Spatial / Temporal
	Tag Description:	Documenting procedures

Short Description

A junior sales manager from a large financial firm was the first to conduct a foreign 'Non Deal Roadshow (NRD)' for his firm, so he documented all the procedures as a guide for non-returnees.

Full Vignette:

Do you know 'Non Deal Roadshow, NDR'? Our department had never done an NDR, for IR [investor relations] outside of Korea. But last year we went to Hong Kong and we did the IR for a company which we were going to get listed. Nobody in the company knows how to do this. I was able to do the work since nobody knows about the full process. I had to start from scratch. I had to ask people, use the entire network that I know. It was pretty hard work but it was possible because I can speak English. I think that was the only reason...I basically built the system, and made everything systemized. So, even if I am not there, the work can be done. Because I made a system, I can go through it and check. After the trip to Hong Kong, I made everything into a document and I passed it out to my colleagues. Without me, maybe they can't do an international NDR...This year they went to India without me. They ask me a lot of questions about how this works. Then, I just gave them my documents and then explain. I just had to give a little bit of explanation.

25	Returnee #13	Company A
	Type of Activity:	Helping With Interpretation And Translation
	Focus of Change:	Knowledge
	Type of PD:	Social (Knowledge)
	Tag Description:	Giving support / making it easier

Short Description

A senior project manager from a large manufacturing firm attends meetings that are only tangentially related to his duties to help colleagues understand cultural context when meeting foreigners.

Full Vignette:

We meet many different foreign companies and subsidiaries from the States, UK, France, Finland, and Japan. So, the common language is English and the common mind is the business mind of the western business. So, we have to be close to western people's mind. That is why it is much easier for me to access them. Of course, people here speak English well, but sometimes they need interpreters. Also, a lot of meaning and understanding gets lost in the translations. You need to be close to western people's mind to understand them. So very often, I am asked by colleagues in other departments to join in meetings. I can explain a lot of the details that get lost in translation. This has been really helpful in getting some projects on track... Understanding international business matters and also understanding how they do international business is important. I think I help people a lot that way.

26	Returnee #42	Company M
	Type of Activity:	Helping With Interpretation And Translation
	Focus of Change:	Knowledge
	Type of PD:	Social (Knowledge)
	Tag Description:	Giving support / making it easier

Short Description

A junior analyst from a large financial firm does interpretation and translation work that is not directly related to his own work to help other colleagues.

Full Vignette:

Nowadays, we have a chance to work with foreign employees and foreign companies. Usually, my colleagues have difficulty with communication. So in that kind of situation they call me, and I sometimes get into the meeting to help them to translate or help them to decide what the problem is and how they can be solved. And the next one is documentation. I read things much faster and easier than they. So, I can help them with communication, too. The next one is terminology—thing like ‘discount cash flow’. The Korean people can understand discount cash flow in Korean way, but when it’s structured in an American style, even though it should be the same ‘discount cash flow’, they have some difficulty to understand. So, it is not only language that is consequential, it is the way it is represented. So, in that case, I can more easily understand

those things.

27	Returnee #15	Company F
	Type of Activity:	Making Contact With Foreign Firms
	Focus of Change:	Knowledge
	Type of PD:	Social / Spatial
	Tag Description:	Bridging through networks

Short Description

A middle manager from a large financial firm uses her network of foreigners and returnees to help her company develop relationships with USA companies for benchmarking purposes (a duty outside her immediate job description).

Full Vignette:

At [University], we have a strong alumni association—we have more than 2,000 alumni. I am a key member of the association in Korea. I was the President of the Chapter. So, I have a large network there. Those people range from Presidents of their company to junior managers. So whenever I need to make a contact in the USA or Korea, I use the network. Now we are starting a benchmarking project. Some executives want to visit global companies in USA. I helped them using my network. So they use me for that kind of thing. I offer my contacts in the USA and my language skills... Whenever people come to me for help, it is because they do not have a network outside the company; they only have a network within the company. My colleagues have stayed in [company] their whole life. I have worked in several companies both in the USA and in Korea. Because I have been working on building networks for a long time, I can easily do it. I can just write the company and ask for help.

28 **Returnee #29** **Company G**
Type of Activity: Tailoring Information
Focus of Change: Knowledge
Type of PD: Social / Spatial / Temporal
Tag Description: Tailoring information to learning styles

Short Description

A senior manager from a large financial firm tries to understand how his superiors would prefer to receive information and then tailors information to each person’s learning style.

Full Vignette:

You should be more active or positive in doing your activities because they don't know what you can provide them. You should be kind of proactive. You should think my ideas and my information can be used, by who? You must be a good seller of your ideas. They don't know what they don't know, so you must tell them what they don't know and get them to want it. It totally depends on your approach. You need to produce information or materials tailored to them. There are two types of CEOs or seniors. One who likes to listen and the other would like to read. If someone would like to listen you need to explain it to them. If someone would like to read you don't need to explain. You just stand beside and let him read the materials, and he gives questions to you. You can explain that areas to him.

29 **Returnee #23** **Company H**
Type of Activity: Working Within The System
Focus of Change: Knowledge
Type of PD: Social
Tag Description: Adapting knowledge to system

Short Description

A senior actuarial manager from a large financial firm is mindful of the organizational processes and tries to bring his knowledge in through those processes.

Full Vignette:

I take a different view. Even though I realize that a more globalized or international view is a wider one and can help our firm; I still try to respect their process. So, I just agree to the process and then I just make suggestions. So, I'm not just kind of pushing that this way is the only in which to go. I can suggest something like that, but work with the process.

30 **Returnee #13** **Company A**
Type of Activity: Informal Relationship Building
Focus of Change: Returnee

Type of PD: Social
Tag Description: Building networks / gaining trust

Short Description

A senior project manager from a large manufacturing firm goes out on a regular bases for dinner and drinks with colleagues throughout the organization in order to build relationships and trust.

Full Vignette:

So, I like drinking, and I never had a problem with Hwa-shik (business dinners) in Korea. I try to approach people with a very humble manner and method, so it easier for me to get close to my colleagues. Most of the work at a huge company like [name deleted] must be done in connection with others. You cannot work by yourself. You have to connect with different kinds of departments and different kinds of people. So, you have to be able to develop good relationships with people in other departments... So, I spent 6 months trying to get to know people from other departments, and then I started my own project with them. I think that is why I was promoted every year. Especially in Korea, I feel that relationship building is so important. Of course, it is the same everywhere, but especially in Korea.

31 **Returnee #21** **Company A**
Type of Activity: Informal Relationship Building
Focus of Change: Returnee
Type of PD: Social
Tag Description: Building relationships with insiders

Short Description

A senior vice president from a large manufacturing firm builds strong relationships with insiders, which helps him learn important information about the organizations that would not be otherwise available.

Full Vignette:

I have to build relationships with people who have been in the organization a long time...There is a need to understanding the nuances of the company and the culture of the people. Insiders know that this executive is known for wanting that. So when we go to him, we make sure we cover what he wants to know or what his main concerns are. We can only get this from insiders. So having that understanding of the organization from the internal networks, and having a pulse on the organization, I think is also extremely important through all the work...The thing I get [from insiders] is just information. They might hear a rumor about x, and for us that is pretty important. This means that this is important and we should probably go and talk to that person to do follow up. This kind of information doesn't flow around in reports.

32 **Returnee #30** **Company F**
Type of Activity: Informal Relationship Building

Focus of Change: Returnee
Type of PD: Social
Tag Description: Building networks / gaining trust

Short Description

A senior marketing manager from a large financial firm goes out for dinners and drinks with colleagues throughout the organization, so that they will know him and respect him when he attempts to 'push the envelope'.

Full Vignette:

Maybe for engineers it is different, but for managers you have to go out and be with people. They are not going to take our ideas on face value. They need to know who we are. Everyone wants to make money, right, but they also have other concerns besides making money. If they don't like you, do you think they want you to succeed and become a boss? No, they want their people in charge. Not some guy from overseas. You have to drink, or people will not want to meet with you. So, you can do your own work and have your own budget and that's great. Some people can do it, but the job that I am in and the things that I try to do are not part of the normal system. I am pushing the envelope here. In order to push the envelope, you need lots of friends. I need to build relationships and to get to know people.

33 **Returnee #18** **Company B**
Type of Activity: Developing Local Skills
Focus of Change: Returnee
Type of PD: Social
Tag Description: Improving Korean language skills

Short Description

An executive vice president from a large financial firm began speaking in Korean from the first day he started working in Korea in order to build communication skills and legitimacy.

Full Vignette:

I made it a point to speak Korean for work almost from the start. Initially, you know, probably people who talked with me actually thought I was an idiot because while I would use the Korean grammar structure, about 80% of the words I was using were English. It sounded really odd, I'm sure. I actually discovered that over the course of six to nine months I got pretty good at it. People gave me a lot of respect for my effort to improve my Korean and a lot more access because I could actually speak Korean.

34 **Returnee #22** **Company F**
Type of Activity: Building Respect
Focus of Change: Returnee

Type of PD: Social / Temporal

Tag Description: Overcoming newcomer disadvantage

Short Description

A middle manager from a large financial firm is willing to do jobs that at her level she could order a junior to do because she recognizes that she does not yet have their respect.

Full Vignette:

It's not easy, but my character is work hard and no talk. I don't complain much; I just do whatever I have to. There are some circumstances where I don't get respect from my juniors compared to those people who have been here for 10 years. So, sometimes I have to do work that is not commensurate to my level. But I don't complain much because I have been here just 2 years or so. I think sometimes I have to do whatever I have to do rather than to raise my voice and seek for my rights. So, I think that's one of the reasons why I don't have many conflicts. Because of that people are giving me more respect gradually. Not as much as people who have been here for 10 years, but gradually increasing.

35 **Returnee #23** **Company H**
Type of Activity: Building Respect
Focus of Change: Returnee
Type of PD: Social / Temporal
Tag Description: Overcoming newcomer disadvantage

Short Description

A senior actuarial manager from a large financial firm relies less on the power of his position and more on persuasion to convince people to accept his ideas.

Full Vignette:

I studied for 6 years and the company counted my experience as 9 or 10 years or something like that. But I have no business knowledge, I only have my PhD. So, relationships are very tough because they spent 10 years in this company, but I just came here and then my level is more than anyone in their team. So, they may not agree that I deserve that kind of position... Basically I should make them confident that my knowledge and my background could help them. Convince them that my way is a better way to reach our goals. I need time to persuade them that this is the way or something like that... It is important that I show people that the old ways have some kind of defect and that adopting a new way would be better for them.

36 **Returnee #30** **Company F**
Type of Activity: Building Respect
Focus of Change: Returnee
Type of PD: Social / Temporal
Tag Description: Doing unrelated work to gain respect

Short Description

A senior marketing manager from a large financial firm will do interpretation and translation work for colleagues in other departments in the hope of gaining their trust and respect.

Full Vignette:

They try to use me as an interpreter, or a translator. Some people ask me for help for presentations. So, I say, okay that is fine. I am willing to give what I have. A small thing that like can go a long way when I need help. I might think that it is small to help with language, but for them it is really big. They need help and there are not many people to ask... And I try to do a good job because the way I see it, they are seeking me out and it is a good sign. At least they know me. Secondly, if I do a good job, they will tell people about me. That is good.

37 **Returnee #37** **Company J**
Type of Activity: Hiding Foreign Experience
Focus of Change: Returnee
Type of PD: Spatial

Tag Description: Underplaying foreign knowledge

Short Description

A general manager from a large financial firm does not tell some clients about his background until he has gained their trust in order not to bias them against his ability.

Full Vignette:

If I get to meet a guy for conglomerate [Chaebol], they buy my experience but if I meet some SEM, small medium-sized company, they don't like that I have overseas experience. Actually, you know when I go to the southern area of Korea like Gyeongsang Province or Choram Province they don't buy. If I had some degree from the overseas they think it's very selfish or very greedy. Different, I think so. Of course, often I don't say. They think that if there is some bidding among investment banks in the Gyeongsang Province, they prefer Samsung; it is kind of regional connection. So if I just had a good relationship with my clients, I should show a different angle. After I had a good relationship, maybe after one year, okay, I say, "I had a good experience overseas and I know well about the M&A. I know about the global company." But first, I have to hide my overseas experience.

38	Returnee #35	Company O
	Type of Activity:	Creating Structures
	Focus of Change:	Organization
	Type of PD:	Social / Temporal
	Tag Description:	Creating lean reporting structures

Short Description

A vice president of global marketing from a midsize manufacturing firm uses the lean reporting structures that he learned during his MBA to build a more creative and involved team.

Full Vignette:

Before I came in, the organizational structure of my workgroup was completely a hierarchical structure, but now I have changed that in my workgroup. My workgroup has about 20 people, and we have completely removed the hierarchical structure. I came here and broke it...It was very hard, and it took about 6 months. But now, everything is parallel because I assigned the people by project not hierarchy. So, some lower level staff members can also be the project leader. That would not happen before or in a very large company. So, then that is kind of an American way. There are some positives and some negatives. One positive is that they are very direct and close to me because I control directly—person by person. But between them, there is some gap. If there was a hierarchical structure, they should cross upper and down. But in a parallel structure, they just look at me. So, between them they have some gap. So, now that is my question, how can I join those gaps?...We can get a much broader range of ideas. If I go with the hierarchical structure, the only source of information comes from the top because I only talk with the top. But if I go with the parallel, I can talk to everyone. Sometimes this is very hard because I have to discuss more, but the ideas can come directly to me. Also they feel like they are really involved in the company, so their opinions can go up to the CEO by me directly. So, the CEO can also say, let's do it. In a hierarchical structure, the bottom option never goes up to

the CEO, but in this kind of structure, they feel like ‘wow I am a real person in this company’ and their opinion goes up to the CEO and sometimes we do that project.

39 **Returnee #28** **Company F**
Type of Activity: Finding A Champion
Focus of Change: Organization
Type of PD: Hypotheticality / Social
Tag Description: Having a senior VP champions her ideas

Short Description

A middle manager in statistics office from a large financial firm had a senior VP champion her project of improving customer data using advanced statistics.

Full Vignette:

There was a Vice President who really liked my work. The work is about reports on customer numbers. Usually, we just reported the total number. I reported more segmented numbers; she really liked that. Actually, this type of report is on its way to being part of the systematic reports that we use in the company. Right now we make the report every month. Our goal is to get it into every part of the company. She has a similar background with me. She has a PhD from [famous USA school]. She got a PhD in sociology from [famous USA school] and became a very powerful member of the BOD in [this company]...She has an expertise in my field and she understood the knowledge that I was bringing. It was quite different than the attitude that the others have. She really wanted to promote a knowledge based firm rather than just a tradition based firm.

40	Returnee #29	Company G
	Type of Activity:	Finding A Champion
	Focus of Change:	Organization
	Type of PD:	Hypotheticality / Social
	Tag Description:	Finding someone to champion project

Short Description

A senior manager from a large financial firm was able to bring his boss on board a new project and then had his boss present the project to senior decision makers.

Full Vignette:

Well, when I worked at the treasury department as the chief economist, someone came to me. He was introduced to me by someone who graduated from [same MBA School]. He introduced those guys to me. So, they tried to sell asset based products to me, but I thought at that time it would be better to set up a joint venture. I knew the French company because I read a lot materials when I worked for the research department. So, casually, I suggested that we set up a joint venture together. It is a good time for us to set this up. Also, they were eager to come to the Korean market. But they don't like to come to the Korean market on their own. They want to find a helping hand--an alternative is the joint venture. So I proposed that to them. After that they came to the company again, and I introduced them to my boss. Then, together we explained to my boss, in great details, all of the ideas for this company...Internally, at that time, my company was not internationalized from the top to the bottom. The problem is that how can I sell this international idea to my boss? He has no experience with anything international? He cannot think of anything international. Even after I worked very hard to get my boss to accept the idea, he did not have the final say. So, we had to gather resources to make the top executives amicable to the joint venture. We didn't go to every hierarchy. We always went to the top for meeting. I went to the top directly with my boss. So, I introduced my ideas to my boss, and he explained the ideas to the big boss. He convinced the big boss who was a real dictator. So, once we convinced him, the others had to follow. They were reluctant to agree but because the big boss wanted to start the joint venture, they couldn't resist it. So, even if they wanted to resist they could not because the final say has a strong power to make things happen. Once he gives an order, it is the final say. Now, later they cooperate because they were able to get into the new joint venture and become executives and live a happy life. Actually, now many of them have gotten more benefit than I have received.

41	Returnee #32	Company N
	Type of Activity:	Finding A Champion
	Focus of Change:	Organization
	Type of PD:	Hypotheticality / Social
	Tag Description:	Having chief of the research institute support his work

Short Description

A R&D engineer from a large manufacturing firm was supported by the chief of the research institute, who found ways to support his research even though it was not popular amongst other managers.

Full Vignette:

I feel that the way to work by [European country] people is highly sophisticated and they have well-organized systems to work and develop new things. I learned how the system works and adopted it to get an effective way to get the new things. I have touched the way they work. I thought that at that time if I go back to my country, I would like to realize those things in my company, country and society in Korea. At [company], I tried to do some kinds of work with that approach. At [company] there were some people that were opposed to that way. At that time my position is just below the management, I was not a manager yet. Above my level, there were some managers and general managers. They didn't like my way. Only a few people agreed to my way. But [company] does not prohibit my work. They just gave me a chance to realize my ideas and systems. Even though some people opposed what I was doing...The chief of my institute also has studied in the USA. He is a PhD. He is the chief officer in the research institute. He liked me, and agreed with my ideas. And then he covered my work from the people who opposed what I was doing. I was doing a project with his funds and I got some very valuable results during the years.

Curriculum Vitae

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Post-secondary Education and Degrees:

The University of Western Ontario
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1992-1996
HONOURS BACHELOR OF ARTS, Philosophy & Economics

University of Toronto
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1998-2000
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DOCTORATE OF PHILOSOPHY, International Business & Strategic Management

Honours and Awards

Departmental Graduate Student Financial Support Scholarship: OISE / UT
1999-2000

Brock Scholarship
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2007-2011

Post-Graduate Research Fellow
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Related Work Experience

VISITING PROFESSOR – Global Leadership Institute
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VISITING PROFESSOR – English Language and Culture
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Publications

Seijts, Gerard & Michael J.D. Roberts. 2011. The Impact of Employee Perceptions on Change in a Municipal Government. *Leadership and Organization Development Journal*, 32(2): 190-213.

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