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Corporate strategy implementation

How strategic plans become individual strategic actions
across organizational levels of the MNC



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	Sivumäärä 331	Kieli Englanti
Julkaisun nimike Yrityksen strategian toteuttaminen: kuinka strategisista suunnitelmista tulee yksittäisiä strategisia toimia kautta monikansallisen yrityksen organisaatiotasojen		
Tiivistelmä Johtajat mainitsevat usein strategian toteuttamisen strategisen johtamisen suurimpana haasteena. Aihe on kuitenkin siihen nähden herättänyt suhteellisen vähän huomiota, etenkin onnistuneen strategian toteuttamisen tuloksena ilmenevien yksilöllisten strategisten käytäntöjen suhteen. Väitöstutkimuksen tarkoituksena onkin selvittää, kuinka löyhän monikansallisen yrityksen yritysstrategia muovautuu (tai ei muovaudu) sen johdon ja työntekijöiden strategisiksi käytösmalleiksi. Väitöskirjassa tutkittiin suomalaista monikansallista yritystä ja sen yritysstrategian tavoitteen ”Working as ‘One Corporation’” toteutumista sen kolmessa yksikössä: Suomen pääkonttorissa ja kahdessa tytäryhtiössä Intiassa ja Venäjällä. Väitöskirjan kvalitatiivinen tapaustutkimus käsittelee 50 syvähaastattelua ylimmän ja keskitason johtajien sekä muiden työntekijöiden kanssa, joita kaikkia yhdistää sama kansainvälisen tason projekti, sekä suuren määrän toissijaista tietoa. Kriittistä realismia (CR, Critical Realism) soveltamalla havainnot kuvaavat, kuinka monikansallisen yrityksen kolmen todellisuuden (todellisen, aktuaalisen ja havaitun) vuorovaikutus luo ympäristön, jossa yksilöt suorittivat (ei-)strategisen käyttäytymisensä. Tutkimus paljastaa kaksi teoreettista mekanismia – sitoutumisen ja vastavuoroisuuden – joiden kautta strateginen käyttäytyminen syntyi, ja tarjoaa myös esimerkkejä näiden mekanismien vuorovaikutuksesta mahdollistavien tai estävien tekijöiden kanssa. Väitöskirja tuo osuuttaan IB-kirjallisuuteen monin tavoin. Se kehittää monikansallisten yritysten monitasoista näkymää, joka käsittelee yritysten sisäisten sisäkkäisten järjestelyjen teorian kehitystä. Se tarjoaa systemaattisen käsityksen eklektisestä tutkimuksesta strategian toteuttamiseksi monikansallisissa yrityksissä ja valaisee empiirisesti alhaalta ylöspäin suuntautuvia prosesseja, jotka auttavat selittämään rajat ylittävää vuorovaikutusta. Lisäksi väitöskirja tarjoaa todisteita siitä, miten tieteen kriittinen realismifilosofia voi olla hyödyllistä käyttäytymisen ja päätöksenteon mikroperustan tutkimuksissa, kehittää menetelmän kriittisen realismin soveltamiseksi monikansallisten yritysten kenttätöissä ja kuvaa sen hyödyllisyyttä tämän empiirisen tutkimuksen avulla.		
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Abstract Managers often cite strategy implementation as the number one challenge in strategic management. Nevertheless, the topic has attracted relatively little attention, and particularly so from the perspective of how individual strategic behaviors emerge that result in successful implementation. Addressing the need to bring in the individual to improve our understanding of these processes, this dissertation aimed to examine how the corporate strategy of a loosely coupled MNC becomes (or otherwise) strategic behaviors of its managers and non-management employees across different levels of the organization. The dissertation investigated one Finnish MNC and the implementation of its corporate strategic goal “Working as ‘One Corporation’” within three of the MNC’s units: The headquarters in Finland, and two of its foreign subsidiaries in India and Russia. The embedded qualitative case study comprises 50 in-depth interviews with top and middle-level managers and non-management employees connected by one global project; and a large set of secondary data. Applying critical realism (CR), the findings illustrate how the interplay of the three realities (the Real, the Actual, and the Perceived) of the MNC served to create an environment in which individuals performed their (non-)strategic behaviors. The study reveals two theoretical mechanisms—commitment and reciprocity—through which strategic behaviors emerged, and also provides illustrations of how these mechanisms interacted with enabling or inhibiting entities. The dissertation contributes to the IB literature in several ways. It advances the Multilevel view of the MNC, which addresses theory development on the nested arrangements that exist within the MNC. It provides a systematic conceptualization of eclectic research on strategy implementation in MNCs, and sheds light empirically on the bottom-up processes that help to explain cross-level, cross-border interactions. In addition, the dissertation offers evidence of how the critical realism philosophy of science can be beneficial in studies on microfoundations, develops a method for CR application in fieldwork within the MNC, and illustrates its utility through this empirical study.		
Keywords strategy implementation, multinational, microfoundations, critical realism, case study, strategic behaviors, transnational MNC, global work		

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Abbreviations

MNC	Multinational Corporation
IB	International Business
SI	Strategy Implementation
CS	Corporate Strategy
CSI	Corporate Strategy Implementation
CR	Critical Realism
IBM	Integrated Behavioral Model
SET	Social Exchange theory
P-E	Person-Environment fit
TMT	Top management team
HQ	Headquarters
PM	Project Manager

1 INTRODUCTION

In many companies, the strategy of the management team is not bought into by the people doing the operative work. Down in the organization, people want to build their own organizations, locally. Then they say whatever they want: “it’s not possible,” “we don’t want to do it.” Even if they don’t say it, they don’t do what management... and the strategy asks. Then you have to work on all levels. (Member of top management team, Finland)

Creating strategy is not a big deal. I mean, you will easily get the experts or consultants to understand the business, and they will create a very nice document, give it to you, that’s not a big deal. But the key to the success of this strategy is the implementation, which is very, very important. Who is going to implement it? It’s the people, it’s the employees, and employees are our asset. I think that we have to understand people. This is how, and that will help you build the trust, between management and employees, between the group and the country. (Member of local management team, India)

The two interview extracts above illustrate and at the same time summarize the entire purpose of this dissertation. Strategy implementation—the enactment of strategic plans—is a challenging process (Kim & Mauborgne, 1993; Geppert, Williams, & Matten, 2003; Hernes, Hendrup, & Schäffner, 2015; Bjerregaard, Linneberg, & Luring, 2016; Lønsmann, 2017; Acquier, Carbone, & Moatti, 2018), yet is one that can yield superior performance since the enactment of strategic plans becomes a major source of competitive advantage when strategies are easy to copy (Thompson, Peteraf, Gamble, & Strickland III, 2012: 390). Strategy implementation is considered to be among the top challenges for executives (Sull, Sull, Homkes, 2015; Hitt, Jackson, Carmona, Bierman, Shalley, & Wright, 2017: 1); however, until recently there is “little research available on how to effectively implement strategies” (Hitt et al., 2017: 1).

Anecdotal evidence suggests that even well-developed strategies deliver only up to 63 percent of their potential financial impact (Mankins & Steele, 2005) and the majority of strategic initiatives are reported to fail at the implementation phase (e.g., Kaplan & Norton, 2001; Balogun & Hope Hailey, 2004; Neilson et al., 2008; Brightline, 2017). Transitioning strategic plans into day-to-day strategic activities at various organizational levels remains one of the most significant challenges enforced by the predominant false belief that great strategies will be bought-into and implemented by organizational members without considerable effort (Brightline, 2017).

Implementing strategy in a multinational corporation (MNC) is even more challenging than in indigenous firms due to the large distances between units, the

diversity of languages and cultures, organizational complexity, and unit division by strategic and functional duties (e.g., Värlander et al, 2016, Bjerregaard, Linneberg, & Luring, 2016; Lønsmann, 2017). Yet, strategy implementation within MNCs has been largely overlooked as a phenomenon in international business research (Piekkari & Welch, 2010; Brumana & Delmestri, 2012; White III, Guldiken, Hemphill, He, & Khoobdeh, 2016).

Conceptual confusion and the complexity deriving from the eclectic roots of strategy implementation research (Noble, 1999) add to the challenges while studying this phenomenon and warrant looking at it systematically. For example, one of the unsolved dilemmas is the difference between the terms strategy implementation and strategy execution as well as what research can be located under these labels. There are research streams that at least partly comprise issues related to strategy implementation. For instance, change management as a research domain has a long-standing research tradition (Pugh, 1986; Paton & McCalman, 2000; Bamford & Forrester, 2003; By, 2005) and has suggested various models for organizing and executing organizational changes. Strategy-as-practice literature has delved into the issues of the individual role in strategizing processes in which strategy making and implementation are intertwined (e.g., Jarzabkowski, 2005; Jarzabkowski, Balogun, and Seidl, 2007). There is strategic-process research that also addresses issues of strategy implementation (e.g., Hutzschenreuter & Kleindienst, 2006). Finally, studies available within human resource management research have attempted to unravel employee alignment issues (e.g., Boswell, 2006; Boswell and Boudreau, 2001; Boswell, Bingham, Colvin, 2006). Can these studies be placed in the same cluster together with strategic management literature (Bourgeois, 1984; Nutt, 1983, 1986; Okumus, 2003; Kaplan & Norton, 2001; 2007; 2008; Van Riel, Berens, & Dijkstra, 2009; Gillett et al., 2010; Sharma & Djiaw, 2011; Srivastava & Sushil, 2016) that has looked at frameworks for organizing and improving strategy implementation? Only recently have there been attempts to clarify issues regarding conceptual and operational definitions of strategy implementation (execution) in academic literature (see de Oliveira, Carneiro, Esteves (2018)), since the majority of work on this topic has been presented in consultancy-type papers.

Within the International Business (IB) research domain, strategy implementation in general lacks a clear conceptualization, hindering attempts at developing the understanding of this phenomenon. Many topics related to strategy implementation in the field of IB have been studied under several research streams such as research on subsidiary management (see review by Meyer, Li, & Schotter, 2020), international corporate governance (see review by Aguilera, Marano, & Haxhi, 2019), or corporate culture (e.g. Welch & Welch, 2006). This literature

concludes that better understanding is needed on microfoundations of subsidiary management, i.e. on how employees interact with intended systems (Meyer et al., 2020), or that corporate culture may not be an effective tool for strategic control and does not sustain necessary strategic changes in the long term (Welch & Welch, 2006). Thus, the studies from these research streams call for a better understanding of how strategic plans can be effectively transformed into strategic actions. IB constitutes a well-developed research area on transfer of practices (e.g., Kostova & Roth, 2002; Kim, Park, & Prescott, 2003; Beamond et al., 2016; Gutierrez-Huerter, Moon, Gold, & Chapple, 2020) that has explicitly looked at how MNCs engage in the implementation of specific practices in their foreign units. Nevertheless, MNC 'practice' (i.e., an "organization's routine use of knowledge for conducting a particular function that has evolved over time under the influence of the organization's history, people, interests, and actions" (Kostova & Roth, 2002: 216)) does not equate to MNC strategy and therefore, such literature cannot completely explain how the dissemination of corporate or business strategy can be achieved (cf. Brumana & Delmestri, 2012).

Most of the studies on strategy implementation within various research streams seem to suffer from the divide between the focus on organizational systems meant for strategy implementation and the individuals who implement the strategy. In other words, research on strategy implementation has been polarized with one set of frameworks looking at the organizational-level issues (e.g. corporate culture, corporate structures, systems and practices) while the other set of studies looks at agent and agency issues. Discussion on how systems and individuals interact is scarce, and is mostly available in theoretical developments (e.g., Felin, Foss, & Ployhart, 2015; Foss & Pedersen, 2019). There are few empirical studies that deliver invaluable insights on topics related to strategy implementation that examine how systems and individuals interact (see e.g. Tippmann, Scott, & Mangematin, 2012).

Therefore, while interest in studying strategy implementation processes in MNCs has been growing significantly in recent years, emerging theoretical developments (e.g., Hitt et al., 2007; Devinney, 2013; Felin, Foss, & Ployhart, 2015) suggest that strategy implementation as a phenomenon might not yet be entirely understood, because frameworks and theories about it have not embraced the multilevel perspective in which processes of individual interpreting and enacting communicated systems for strategy implementation can be unfolded. Emerging empirical studies on strategy implementation that attempt to adopt multilevel thinking (e.g., Moore & Rees, 2008; Hernes, Hendrup, & Schäffner, 2015; Bjerregaard, Linneberg, & Lauring, 2016; Acquier, Carbone, & Moatti, 2018) have contributed to knowledge development about the phenomenon by revealing the

importance of individuals, their reactions to corporate systems, and (mis-)interpretations in strategy implementation processes, but has focused less on providing explanatory mechanisms that would permit understanding and possibly predicting system–individual level interactions during strategy implementation.

The understanding of system–individual interactions while implementing strategy becomes essential for MNCs that operate in volatile, uncertain, complex, and ambiguous environments (Bennett & Lemoine, 2014). The context of such MNCs prompts them to choose less hierarchical and more loosely coupled structures for their operations in order to be responsive to local needs while maintaining global efficiency (Bartlett & Ghoshal (1989); Hedlund (1986); Ghoshal & Nohria (1989, 1997)). In such management systems, individuals are nested within multiple structural arrangements (Hitt et al., 2007) while facing varying contextual influences (Minbaeva, 2016). Within such organizational structures, individual differences and their willingness to behave according to shared intended principles within the team, within the unit, within the entire MNC become essential, since organizational systems are less influential in predicting organizational behavior ((Mischel, 1973; Humphrey and Ashforth, 2000 in Rousseau & Fried, 2001). Nevertheless, it seems that IB theories fall short in their attempts to entirely explain how strategic initiatives are disseminated across organizational levels within MNCs with more fluid structures, because most of them remain within a single level of theory.

Corporate strategy—the long-term strategic goals that define the organization in terms of its boundaries, kind, values, and contributions to stakeholders (Andrews, 1980: 18-19)—is significant for MNC management, especially for uniting and connecting large networks of distant units (geographically and frequently functionally) under one corporate umbrella (e.g., Bartlett & Ghoshal, 1989; Hedlund, 1986; Ghoshal & Nohria, 1989, 1997). Corporate strategy defines the MNC for its internal and external stakeholders; for example, many MNCs (e.g., Google, Apple, and Amazon) are known worldwide for their corporate decisions rather than their particular business strategies. Corporate strategy also sets expectations for MNC unit interactions (e.g., Kostova & Roth, 2003) and thus defines the complexity of the organizational environment, within which people are expected to receive, internalize, and perform corporate strategy. Corporate strategy in MNCs that strive for both global integration and local responsiveness, unlike a comparatively clear business strategy, is relevant to all MNC units and organizational members, but usually comprises relatively vague principles that have to be interpreted and applied further down in the organization. Thus, while corporate strategy is one of the most essential tools for MNC management, it also serves as an example of blurry principles that create only loosely integrated

environments and offers little prescription on what specific behaviors and under what conditions they should be performed at each organizational level. Understanding the implementation of such principles and goals is rather undeveloped (Brumana & Delmestri, 2012) and therefore demands more research.

1.1 Aims of the dissertation

The focus of this dissertation is linked to the more general call to explore “big questions” emerging from unexplained phenomena as a way to move the IB field forward (Buckley, 2002), rather than being a choice to investigate a particular gap of a specific theory, framework, or area of research. The “big question” central to the strategy implementation process according to both academics (e.g., Noble, 1999; Piekkari & Welch, 2010; Moore & Rees, 2008; Lønsmann, 2017) and practitioners, is what makes people within an organization become connected to its strategy, in other words, how strategic plans become strategic actions at all organizational levels. The question is particularly important in the knowledge economy for organizations with loosely coupled structures in which prescribing specific behaviors is problematic, because individual knowledge and expertise is expected to thrive in order to build agile, innovative, and responsive organizational actions.

This problem is even more significant in large, geographically-dispersed, culturally and linguistically diverse organizations, such as multinational corporations, because even if strategy implementation were achieved at the higher levels of hierarchy, it is expected that employees at lower hierarchical levels will remain aligned with older strategic initiatives (Engberg, Hörte, Lundbäck, 2015), or would entirely disregard strategic attempts related to corporate issues (e.g., Lønsmann, 2017). Nevertheless, “a successful strategic shift [...] to a great extent depends on how successful the implementation is at lower levels of (...) hierarchy” (Engberg, Hörte, & Lundbäck, 2015: 157). However, individuals have been “commonly treated as a black box” in international management studies (Minbaeva, 2016: 95).

Therefore, this dissertation attempts to answer the following research question:

How does corporate strategy become strategic behaviors of individuals residing across organizational levels within loosely coupled multinational corporations?

In other words, what makes people, residing in different countries, in different organizational positions (managerial and otherwise), interested in performing actions aligned with corporate strategy intentions of an MNC?

In order to answer this overarching research question, this dissertation, *also seeks to reveal what enables and what inhibits strategic behaviors*. This is because understanding the conditions of individual actions, that is, the entities that support or hinder strategic behaviors, will enable MNCs to design better systems to facilitate effective corporate strategy implementation.

1.2 Intended contributions

The dissertation intends to contribute to the IB literature in several ways. First, the dissertation intends to develop theory that addresses better the need to account for nested arrangements within the loosely coupled MNC. This is important, because when MNCs design loosely coupled systems to advance global efficiency while remaining locally responsive, individuals are expected to collaborate across countries and across organizational levels without clear directions and depending on need (Kostova & Roth, 2003). Theory development is thus needed to help understand how such processes might be managed, so that individuals and their teams involved in multiple contexts within the MNC have the autonomy to use their expertise to respond to customer needs as well as demands arising from MNC environment while remaining aligned with the corporate principles expressed in the MNC's corporate strategy. To this end, this dissertation assesses dominant IB theories against social meta-theories and advances the Multilevel view of the MNC. This view contributes a deeper understanding of what type of theories better accommodate the cross-level processes that take place in complex structures and systems, guided by relatively abstract operational principles within a loosely coupled MNC.

Second, in addressing the conceptual confusion surrounding the phenomenon, this dissertation provides a systematic conceptualization of eclectic research on corporate strategy implementation in MNCs, which is expected to benefit researchers by allowing them to make more theoretically grounded and aligned choices in the study of corporate strategy implementation. In particular, the multilevel view contributes to future theoretical and empirical work by turning attention to system–individual interactions and, as demonstrated in this empirical study, illuminating the bottom-up processes that help to explain cross-level, cross-border interactions. A better depiction of such processes can benefit our understanding of what drives MNC unit collaboration at various organizational levels.

Third, this dissertation provides argumentation and evidence that the choice of critical realism philosophy of science is a particularly useful approach in exploring

microfoundations, that is, what drives system–individual interactions in the processes of corporate strategy implementation within the MNC. The dissertation develops a method for the application of critical realism in fieldwork within the MNC, and illustrates its utility in empirical research. Critical realism equips researchers with ways to distinguish the rational and irrational entities observed, and to evaluate the power of those entities to affect and explain the phenomenon being examined – both of which are central in understanding system–individual interactions.

Finally, in its adoption of multilevel theorizing and through the application of the critical realist philosophy of science, the current dissertation makes a contribution by highlighting the importance of mechanism-centered explanations – in this empirical study, the mechanisms of commitment and reciprocity. Mechanism-centered explanations encourage theory development that is capable of explaining complex individual-system interactions, as well as explaining ‘how’ and ‘why’ questions driven by data, rather than merely identifying correlating variables. Mechanism-centered explanations also support theory development in IB scholarship that seeks to answer the “big questions”, as well as helping to shed further light on anomalies in empirical research and the low success rates in strategy implementation.

1.3 Structural logic of the dissertation

To answer the big question behind the eclectic and scarcely researched strategy implementation in MNCs required several steps to define a research direction and approach to yield substantial theoretical contributions. These steps shaped the structural logic of the dissertation.

First, addressing concerns and the ongoing debate between the *emic* and *etic* explanations in organizational theory development (e.g. Zhu & Bargiela-Chiappini, 2013), the context of indigenous firms versus the context of MNCs—companies that are engaged in extensive value-creating activities across borders (Gooderham, Gooderham, & Grøgaard, 2013)— was discussed to understand whether frameworks and theories for strategy implementation developed for indigenous firms can be applied or transferred to the context of the MNC. In line with observations by Roth and Kostova (2003) it was clear that strategy implementation solutions for indigenous firms might provide some guidance, but the complexity and uniqueness of the MNC largely requires development of MNC-specific solutions.

Consequently, the second step was designed to understand what research stream within the IB domain could provide a suitable background when searching for explanations about how corporate strategy becomes strategic behaviors of individuals that is necessary in order to close the implementation gap. As addressed in the introduction, none of the research streams that analyze questions related to strategy implementation have dealt with the emergence of strategic behaviors. Thus, instead of focusing on a specific stream of research, the decision was made to conduct a meta-review of all dominant IB theories, investigating their assumptions about individual strategic behavior within the MNC. IB literature can be mapped into six dominant views of the MNC (Forsgren, 2013) represented by Industrial Organization, Transaction Cost, Organizational capability/Evolutionary, Contingency, Business Network, and Institutional theory. Each theory discusses why MNCs exist and how they manage their operations across borders that are by their nature interwoven in the concept of corporate strategy and its implementation. Most importantly, each IB theory has distinctive assumptions on corporate structure and culture, subsidiary management (topics typically assigned to strategy implementation research), and how strategic behaviors within MNC units are achieved, despite most of the investigation within the IB domain has traditionally focused on assumptions of six IB theories related to internationalization. Thus, instead of reviewing select studies on select tools for strategy implementation that has some relevance for the emergence of strategic behavior, the choice was made to develop a more comprehensive understanding on what assumptions about emergence of strategic behaviors are available within the broader field of IB.

Once the conceptualization process of corporate strategy implementation according to the six views of the MNC was completed, theoretical assumptions were compared with empirical evidence available on the topic, obtained via a systematic literature review. This comparison echoed concerns about the scarcity of work on strategy implementation within MNCs rather than topics related to strategy implementation. Although analysis of theoretical assumptions and the empirical work included discussion of the 'levels', that is discussion to what extent and in what ways six IB theories incorporate nested arrangements in their assumptions, it was not yet entirely clear, what mechanisms drive occurrence of individual behavior under the six views of the MNC.

Thus, further, the underlying assumptions of the six views of the MNC and the empirical studies on strategy implementation in MNCs were evaluated according to their perspectives on theorizing about social phenomena. In other words, strategy implementation research within the field of IB was evaluated against the two meta-theories in social science: methodological collectivism and methodological individualism (Barney & Felin, 2013; Felin et al., 2015) that

explicitly discuss the role of the individual in theories on social phenomena and the mechanisms behind individual behavior. Accordingly, the theoretical and empirical work on the topic was categorized to represent O- (Organizational), I- (Individual), or A- (Aggregated) level theories. This allowed the researcher to a) understand which IB theories consider the individual as important in explaining organizational behavior and outcomes of the MNC and to what extent; b) to make well-informed decisions about which view of the MNC is likely to offer the greatest potential for theory development and investigating the chosen research problem; and c) to conclude that six dominant views of the MNC lack theorization under methodological individualism, meaning that the individual is still considered as having little importance in explaining MNC behavior and outcomes. This concern was raised and called for action in recent work by Foss and Pedersen (2019).

Since the IB research domain is lacking MNC-focused theorization grounded in A-level (multilevel) thinking, and since the multilevel perspective was deemed to be the most useful for reflecting nested arrangements present within a loosely coupled MNC, the choice was made to develop a multilevel view of the MNC with a specific emphasis on the microfoundations (Coleman, 1990; Felin, Foss, & Ployhart, 2015) of strategy implementation. Coleman's methodological individualism, or microfoundations, has a very precise position regarding the interplay of the levels of analysis in comparison to other A-level (multilevel) theories (Udehn, 2002) and is the most often cited in various management-related disciplines (e.g., Felin & Foss, 2005; Molloy, Ployhart, & Wright, 2011; Devinney, 2013; Barney & Felin, 2013). Coleman's methodological individualism believes that social phenomenon, such as strategy implementation in MNCs, can be explained by looking at the transition between the macro-micro-macro levels. In other words, individuals in MNCs are affected by macro-level factors, such as strategic initiatives, communication about strategy, and the like; but their behavior is also influenced by a number of individual-level factors (e.g., nationality, experience, and age). Finally, individual behaviors (those affected by macro- and micro-level factors) and *interactions* of individuals with other individuals within the MNC as well as MNC systems serve as the main denominators via which the implemented strategy emerges.

Coleman's methodological individualism as perspective on theorizing in social sciences serves as a foundation on which to build an exploratory empirical study with a critical realist philosophical approach. Although empirical work based on Coleman's methodological individualism is frequently conducted with a positivist philosophical approach (e.g., Mäkelä et al, 2012; Minbaeva, 2013), the assumptions of microfoundations are very close to those of Roy Bhaskar's critical realism (CR). CR, differently than Coleman's methodological individualism, does

not have predetermined direction for explanation of social outcome. Yet, CR can be applied in social sciences within which two methods for constructing and evaluating theories have pre-determined position about the explanation. If researcher wants to build strong theorization in social sciences, in addition to defining selected philosophy of science, it is required to define method of theorization (that is, there is a necessity to make a choice to develop theory whether under methodological collectivism, or under certain form of methodological individualism), because multilevel *models* without clear direction for explanation of social outcome are considered to be theoretically agnostic (Felin et al., 2015). Consequently, to stay aligned with the goal to seek theoretical contribution when developing theory on a social phenomenon, this dissertation employs Bhaskar's critical realism (Bhaskar, 2008; Easton, 2010; Sayer, 2010) and reasons its utility in the future studies on microfoundations of various phenomenon within an MNC.

In relation to the choices of critical realism and microfoundations, the researcher has undertaken an exploratory empirical journey to understand how corporate strategies become individual strategic behaviors within MNCs with these key pre-assumptions: a) empirical work is largely researcher-driven (Wynn & Williams, 2012; Edwards, O'Mahoney, & Vincent, 2014; Fletcher, 2017), in that a researcher makes assumptions and considers theories, any of which are fallible; whereas empirical data is there to confirm researcher assumptions or prove them false via an abductive process; b) an organization is an open system in which causal powers are likely to be invisible and interact with many entities and powers (Bhaskar, 2008; Wynn & Williams, 2012); thus, c) variables have little meaning for knowledge about the phenomenon unless we understand how they interact, causing the system/phenomenon to emerge (Easton, 2010; Wynn & Williams, 2012) via mechanism-centered explanation (Morais, 2011). Finally, d) the researcher, by applying multiple sources, theoretical models, and multiple methodologies is able to explore multiple realities, and finally infer mechanisms from the observed events and experiences (e.g., Volkoff et al., 2007; Wynn & Williams, 2012), rather than make predictions based on observed regularities and a defined set of variables.

These key pre-assumptions further guided the research design and the entire empirical study. A multilevel case study was conducted within one Finnish MNC and its units in Finland (HQ), India, and Russia. The intensive case study comprised 44 embedded individual cases at top-, middle management, and non-managerial hierarchy positions, all of whom were connected by being a part of one global project or being in the line organization above the individuals within that project. The multilevel matrix design of the empirical study meant it could reflect

the nested reality of the transnational MNC with a geocentric strategic orientation (Heenan & Perlmutter, 1979; Bartlett & Ghoshal, 1990, 2000) as well as its efforts to implement a specific part ‘Working as ‘One Corporation’ of the overall corporate strategy.

The corporate strategic initiative ‘Working as ‘One Corporation’ is significant for every transnational MNC, since it represents expectations for shared decision-making among all MNC units, which is central to this MNC model and the fulfillment of a geocentric strategic orientation. Consequently, the study’s design allowed for opening a black box topic of individuals that were *embedded* in multiple environments, and whose behavior, as well as results of multiple system-individual interactions, had to be explained (Minbaeva, 2016) in the process of corporate strategy implementation at the MNC. Figure 1 illustrates the structure of the dissertation according to the logic behind each step.

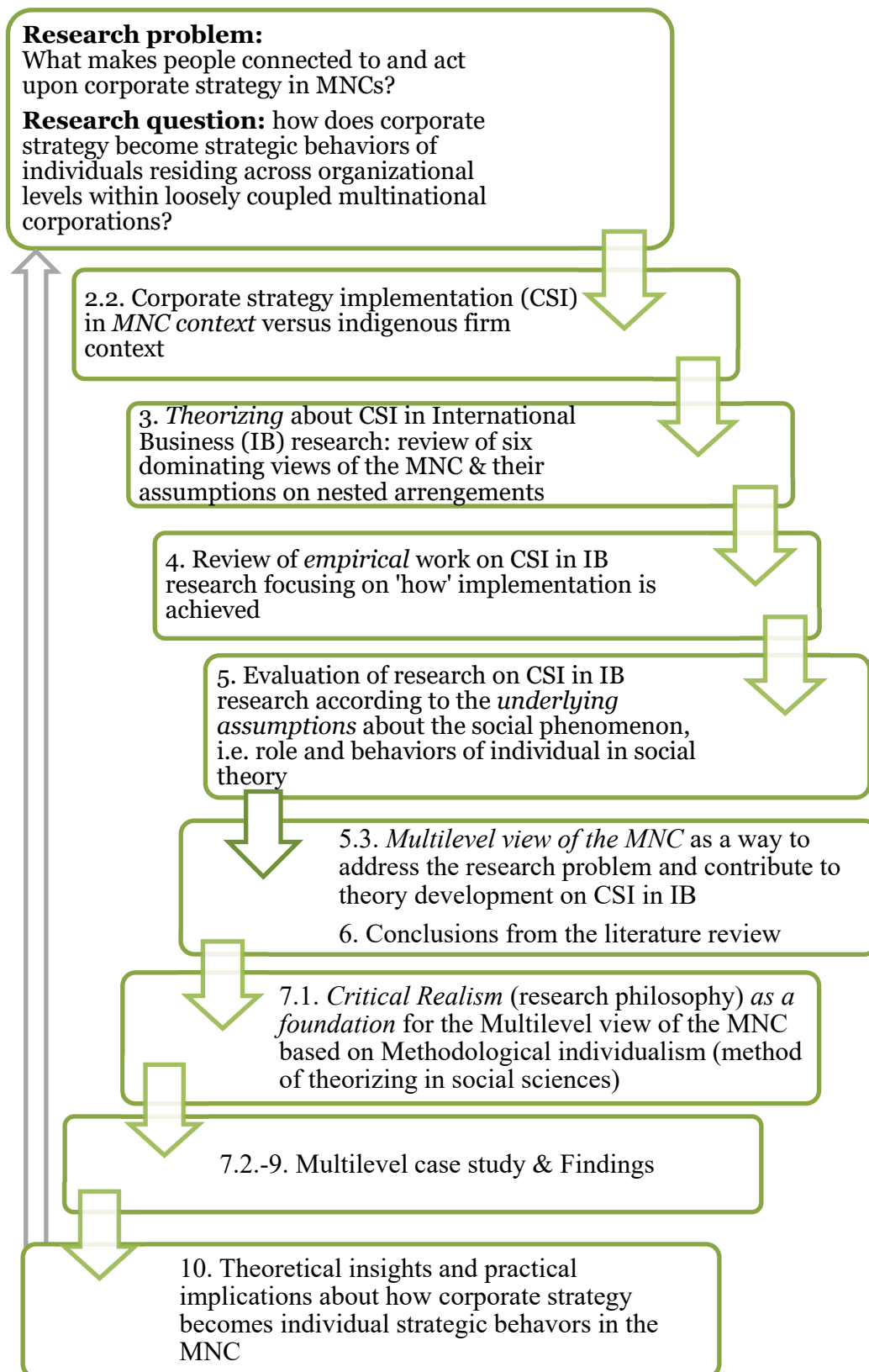


Figure 1. Structure of the dissertation

1.4 The role of the literature review in this dissertation

In this dissertation, the researcher follows suggestions by Roth and Kostova (2003) to theorize “from the distinctiveness of the MNC context” (p. 892). Thus, the researcher attempts to understand the unique strategy implementation processes within the MNC without strict attachment to any particular IB theory or strategy implementation model. Rather, theoretical implications are built upon the observations and analysis of empirical data obtained from within the MNC. Nevertheless, literature guides the empirical researcher in several ways: a) by discussing different types of MNCs and explaining to which type of MNC the research question of this dissertation is likely to be most applicable; b) by establishing a clear position on the method of theorizing within social science research - methodological individualism (i.e., explaining the role of individuals and importance of their behavior in theories about the social phenomenon), and c) by providing an initial set of entities that were observed as relevant in strategy implementation. The functions of the literature review labeled a) and b) above remain stable and consistent throughout the dissertation; whereas, the function of the literature review labeled c) is treated as temporary in line with underlying assumptions of critical realism philosophy of science in which the dissertation is grounded¹. Therefore, by the end of the literature review, a broad heuristic framework that guides the empirical study will have been suggested.

This dissertation does not claim that corporate strategy implementation in MNCs will be entirely different from the processes in indigenous firms; causal mechanisms supporting strategy implementation are likely to be both similar and different. However, applying and testing models developed for indigenous firms is likely to mean MNC-specific mechanisms are unrecognized. Whereas theorization developed in a complex organizational environment (an MNC) is likely to be more applicable or adjustable to other organizations than theorization developed in a less complex context (Rousseau & Fried, 2001; Roth & Kostova, 2003; Peterson & Thomas, 2007). This is because working with an MNC allows a researcher to conduct comparative research, which reveals both context specific emic and generalizable etic concepts (Rousseau & Fried, 2001: 11).

The literature review in this dissertation has three major aims, that is, to 1) identify what is known about corporate strategy implementation within MNCs by analyzing assumptions and work within six dominating theories in the field of IB, 2) analyze empirical work on strategy implementation and compare how well IB theories are represented by empirical work on strategy implementation, and 3)

¹ Critical realism “aims to find the best explanation of reality through engagement with existing (*fallible*) theories about that reality” (emphasis added, Fletcher, 2017: 186)

evaluate IB theories, empirical work on strategy implementation, and studies on strategy implementation from related research domains according to different ways of theorizing in social science providing understanding in what ways and to what extent individual strategic behaviors are theorized to explain MNC behavior and its outcomes. This evaluation reveals the causal mechanisms driving the process of CSI and uncovers theories that incorporate both systems and individuals in the explanation of this social phenomenon, i.e. CSI in MNCs. The literature review concludes with suggestions to extend the theorizing on strategy implementation within multilevel (particularly microfoundational) ways of theorizing as the most representative way to explain and understand a social phenomenon. This is because individuals implement CS of the MNC by their actions and interactions with other individuals and organizational systems. The logics of the different steps in the literature review are presented in Figure 2.

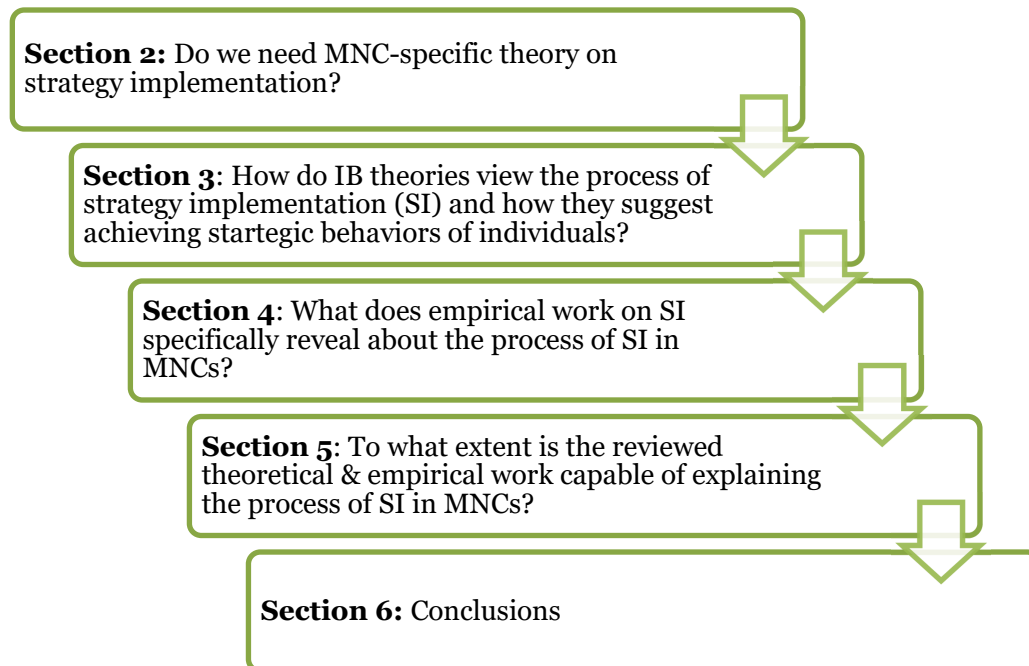


Figure 2. Underlying questions of each literature review section

2 MANAGEMENT OF THE MULTINATIONAL CORPORATION

This section briefly introduces the origins and status of research within the field of International Business (IB), and explains the scarcity of research on strategy implementation processes within the multinational corporation (MNC). Then, section evaluates possible alternatives of theorizing: whether borrowing a theory from outside the IB research domain and applying it to the MNC context, or whether theorizing from the unique MNC context is capable of providing a stronger theoretical contribution.

2.1 The development and main focus of international business research

International Business (IB) as a research domain largely emerged as a phenomenon-driven discipline with no unifying research questions (Brannen & Doz, 2010). It is therefore not surprising that the field comprises a number of perspectives based on what was relevant in certain historic and economic periods. For example, after World War II the increasing amount of foreign direct investments (FDI) led academics to question why companies engage in this activity without a clear economic explanation (Buckley, 2002; Brannen & Doz, 2010). There was a need to explain the conditions under which the multinational corporation (MNC) can exist and organize its operations successfully.

From the 1960s a number of discussions and theorizing emerged that can now be summarized as representing the six leading views of the MNC: Dominating, Coordinating, Knowing, Designing, Networking, and Politicizing (Forsgren, 2013). Each view of the MNC was inspired by a different phenomenon. The views also incorporate different assumptions on why the MNC exists, why it can operate across borders, how it should manage its operations in the most efficient way, and the role of the MNC in society. None of these views is right or wrong. The six views, despite each talking generally about the MNC, represent certain historic periods, certain industry operations, or address specific aspects of MNC management (cf. Forsgren, 2013).

The six dominating views of the MNC contain little explicit discussion on how strategies are implemented in the MNC, since they focus more on the strategy making and internationalization that are interwoven in the corporate strategy implementation debate; yet which are different. Nevertheless, each view of the MNC has implicit assumptions on the outlook of the MNC, organizational

structures, and the role of individuals within the MNC that are typically associated with CSI. International management research within the IB literature has predominantly focused on the role of the external environment in MNC operations and strategy choices (Westney, 2005). However, little is known about the ways MNCs implement strategies in a very diverse and widely spread subsidiary network (Piekkari & Welch, 2010; Yaprak, Xu, & Cavusgil, 2011; White III et al., 2016). In particular, the implementation processes of corporate-level strategies in MNCs is largely under-researched (Kleinbaum & Stuart, 2014; Beamond et al., 2016)².

However, the absence of research on a certain topic does not automatically mean that scholars need to conduct research on it. Maybe corporate strategy implementation as a research topic does not require specific attention? Maybe change management (e.g., Paton and McCalman, 2000; By, 2005), general strategic management (e.g., Nutt, 1983, 1986; Okumus, 2003; Kaplan & Norton, 2001; 2007; 2008), or strategy-as-practice (e.g., Jarzabkowski, 2005; Jarzabkowski, Balogun, & Seidl, 2007) theories and research findings that deal with strategy implementation issues could be directly applied to the management of the MNC filling the knowledge gap on this topic in IB research? The following section analyzes this question in more detail.

² The dissertation also acknowledges that there is a large body of literature within IB on transfer of practices (e.g., Kostova & Roth, 2002; Kim, Park, & Prescott, 2003; Beamond et al., 2016). It is important to note that corporate strategy implementation and transfer of practices may be seen as the same or as a similar process. Indeed, corporate strategy implementation may relate to similar challenges faced in the translation of practices across the MNC. Nevertheless, single practice or system studies can neither explain how the dissemination of an entire corporate strategy can be achieved (cf. Brumana & Delmestri, 2012) nor represent all the components attributed to the corporate strategy. Moreover, corporate strategy in loosely coupled MNCs does not prescribe certain specific behaviors, but rather suggests certain broad behavioral principles that must be interpreted and applied creatively within individual, or team knowledge area, differently than efforts to transfer certain specific way of behavior typically associated with practices MNC intends to transfer in order to achieve formalization across its units. Therefore, this dissertation discusses the implementation of a corporate strategy—the overall guiding principles of ‘how things are done’ relevant for the entire MNC—instead of focusing on practices relevant only for certain specific functions or units (e.g., implementing an Enterprise Resource Planning (ERP) system (Malurent & Avison, 2015)). Nevertheless, it is also important to acknowledge that some studies use the term ‘transfer of practice’ while actually discussing issues related to corporate strategy attributes (e.g., Bjerregaard et al., 2016) simply because practice transfer is more established in IB literature than research on strategy implementation and positioning of the study is easier while using the established term.

2.2 Applying strategy implementation theories and frameworks from indigenous firms to MNCs

Strategy implementation, the process of enacting strategic plans and intentions, is perceived to be a major challenge for organizations today (Guohui & Eppler, 2008; Hitt et al, 2017). Nevertheless, the research on strategy implementation is rather fragmented and its origins are eclectic (Noble, 1999). This section first briefly overviews two main streams of thought in strategy implementation research outside the IB literature. Then, the section addresses how the strategy implementation process in an MNC is likely to be different from that in an indigenous firm.

Multiple research areas outside of IB investigate various aspects related to strategy implementation. For example, change management literature contains long-standing research on how strategic changes are delivered in organizations (cf. By, 2005); the strategy-as-practice research domain (e.g., Jarzabkowski, 2005; Jarzabkowski, Balogun, & Seidl, 2007) has offered a number of valuable insights on the strategizing process, in which strategy creation and implementation via individual and team activities emerge simultaneously.

While evaluating the research available in the change management and strategic management research domains, it must be acknowledged that research on strategy implementation includes well-established knowledge about structures, systems, and multiple types of capital management in the process of strategy implementation (e.g., Hitt et al., 2017), but largely disregards human agency aspects. Although the suggested systems, structures, and tools are necessary and valuable, they need to be implemented; that is they must be fundamentally understood, perceived to be linked to strategy, and actually used by organizational members as intended. Only then can those systems, structures, and tools be helpful in the (corporate) strategy implementation process. Existing literature contributes far less information on how change actually happens in organizations (By, 2005); how changes are implemented (Burnes, 2004; By, 2005); and what agency-related factors make people buy-in to the strategy (Noble, 1999); and to the tools and structures that they are supposed to use to support and realize strategy.

Strategy-as-practice research (e.g., Jarzabkowski, 2005; Jarzabkowski, Balogun, & Seidl, 2007) attempts to fill the last mentioned knowledge gap. Strategy-as-practice research attempts to explore human agency aspects in strategy creation and implementation processes and focuses on individual and team-level issues. However, in this stream of research, (corporate) management system-level factors are downplayed, that is, the mechanisms that make it possible to understand

individual-(corporate) management system interactions are left aside, or acknowledged to only a minor extent.

Consequently, causal mechanisms, which drive actual strategy implementation both in indigenous firms and multinational organizations, remain unclear. Such a polarized (system vs agency) state of knowledge on strategy implementation may help to explain why a large number of strategic initiatives fail to be implemented successfully (e.g., Kaplan & Norton, 2001; Balogun & Hope Hailey, 2004; Neilson et al., 2008).

Nevertheless, while engaging in research on strategy implementation in MNCs, one could argue that at least some suggestions about methods and tools for strategy implementation (e.g., Miller, 1997; Nutt, 1983, 1986; Okumus, 2003; Kaplan & Norton, 2001; 2007; 2008; Hitt et al., 2017), and knowledge regarding agency issues obtained in studies of indigenous firms could be useful. In fact, there is little known about the difference between strategy implementation processes in indigenous firms and MNCs (Guohui & Eppler, 2008). Consequently, researchers might wish to transfer and test or expand existing theory built for indigenous firms to the context of the MNC. Nevertheless, IB scholars argue that the complexity and uniqueness of the MNC should be taken into account in theoretical development if scholars seek sound explanations (e.g., Roth & Kostova, 2003).

Such discussion resembles the ongoing debate between the emic (context specific) and etic (universalist) approaches in theory development. However, “in any field of inquiry, the claim ‘everything is different’ is as true as the claim ‘everything is the same’; both lead equally to a total collapse of empirical testing. The normal resolution of this conundrum is to extract some similarities and ignore some differences; to specify ranges and limits; to construct logical and empirical classes and categories.” (Harris, 1976: 342). Thus, issues that are likely to make strategy implementation process in indigenous firms and MNCs dissimilar must be analyzed in depth.

The challenges of directly applying theories/frameworks designed for indigenous firms to MNCs are several. First, units of the MNCs are spread geographically and operate within different time zones. This limits not only face-to-face interactions between the units, but complicates any other social interactions as well, resulting in challenges to knowledge transfer processes or in solving conflicting situations between the parts of the company (Peterson & Thomas, 2007).

Second, MNCs, unlike indigenous firms, struggle with multiple institutional environments and their effects within one organization (Roth & Kostova, 2003; Brumana & Delmestri, 2012); as well as with compliance with supra-national

institutions and their policies and regulations (Peterson & Thomas, 2007). This implies that within a single MNC its units can be exposed to different management systems, cultures, legal, political, and economical environments, variety of cognitive systems, values, and beliefs. These conditions create considerable internal and external diversity; yet, MNCs manage to connect those diverse environments and units operating in them (Roth & Kostova, 2003).

Third, MNCs can be characterized by the diversity of the workforce (Roth & Kostova, 2003). Increasingly, indigenous firms are likely to employ culturally diverse employees as well; however, the extent of cultural diversity of a company that operates in a number of countries will inevitably be considerably higher. The diversity of MNC employees is additionally expressed by differences in educational background and level of education in each country; unique employee roles (e.g., cross-cultural expatriates) (Peterson & Thomas, 2007); variance in understanding of and embracing of diversity at work across foreign units (e.g., a Japanese MNC with male dominance at work, operating in countries more inclusive for both genders (Mezias, 2002)), etc.

The MNC context thus comprises external (e.g., the institutional environment), intra-organizational (e.g., managerial systems and different subsidiary roles), and individual-level (e.g., diverse individual cultural beliefs) variance (Roth & Kostova, 2003; Peterson & Thomas, 2007). Moreover, an indigenous firm usually considers certain aspects of diversity in separate time frames or at certain parts of its operations; whereas, an MNC considers diversity simultaneously and on a daily basis (Peterson & Thomas, 2007).

Furthermore, the management of an MNC is challenged by the diversity of languages (Roth & Kostova, 2003; Lønsmann, 2017) and of the ability to use the corporate language (Marschan-Piekkari, Welch, & Welch, 1999; Charles, 2007; Lønsmann, 2017). Language is a great source of misunderstanding; and where a number of languages are involved, these misunderstandings only increase. Communication about corporate strategy and its implementation within an MNC is challenging (Lønsmann, 2017) because messages about corporate strategy might be misunderstood differently due to a lack of language proficiency; due to the varying proficiency of managers who communicate the implementation plan and the goals set by the organization; or simply because of different interpretations of the same words. For example, “in Germany... ‘participation’ refers to the practice of executives advising workers and their representatives, while in Canada the term relates to joint labour-management decision making” (Heller et al., 1997 in Rousseau & Fried, 2001: 2). Which language is used among managers or the proficiency in corporate language might even predict which group of managers and

which interests will dominate the organization (Marschan-Piekkari, Welch, & Welch, 1999; Vaara et al., 2005). Finally, strategic messages and processes in other than the native language might be rejected by employees due to the extra time and effort needed to comprehend them (Lønsmann, 2017).

We also need to acknowledge that, “cultural norms about communication affect social processes” (Peterson & Thomas, 2007: 273). For example, a strategic decision to create an open space in every country unit (US, India, and China) to promote better team communication and knowledge sharing was shown to lead to entirely different outcomes; the same was observed while attempting to implement a corporate 90-day product development process in different country units (Värlander et al., 2016). Different strategic arguments might be important for different units in different cultural and linguistic environments. Moreover, arguments about certain strategic issues might be interpreted very differently. For instance, “in one example Israeli goal-setting researchers assigned goals as ‘orders’ to (...) subjects (a ‘tell’ strategy), while North American researchers used an instructional or ‘tell and sell’ strategy to pass on the same information” (Latham et al., 1988 in Rousseau & Fried, 2001: 2). What constitutes convincing communication across cultures; how can the communicator attain buy-in in terms of strategy and its implementation plan in every MNC unit while having one corporate management system?

It is believed that communication within the MNC will affect a number of strategic processes, such as strategic decision-making (Harzing & Feely, 2008); feedback loops might be challenged because of weak language proficiency or understanding about how and who is supposed to share feedback about strategy or its implementation (e.g., De Luque & Sommer, 2000). Moreover, organizational metrics related to a strategy implementation process is likely to have a different interpretation in different country units. For example, employee absenteeism in one country culture might mean dissatisfaction, whereas in another country context it might represent a political action (Rousseau & Fried, 2001: 7); and what would it mean in a cross-cultural team setting? These and many other similar issues may arise in the organization, in which employees do not use or only partly use their native language and where communication is grounded in different logics.

Considering the above, it seems that the organizational complexity of the MNC is likely to raise very different challenges, which demand different theoretical solutions than in indigenous firms (Peterson & Thomas, 2007). Strategy implementation in MNCs is likely to face multiple contextual issues; thus, the local point of view must be taken into account. Nevertheless, to maintain organizational

consistency, a global management system should also be available. Zhu and Bargiela-Chiappini (2013) suggest that “the emic–etic continuum conceptualization affords rich accounts of culture and organizational behavior (emic), which prepare the ground for the formulation of possible transcultural dimensions (etic).” (p. 382). Thus, the two approaches to theory development taken together can strengthen each other, particularly while remedying the polarization between agency and system in strategy implementation research. Such a continuum also aligns with the recent calls in the IB field encouraging cross-disciplinary (Cheng et al. 2014) and multilevel (Andersson et al., 2014) research. The etic approach is capable of providing general system view; while the emic offers “detailed accounts of how insiders’ understand their own practices, how they perceive and categorize the world, what has meaning for them, and how they explain things” (Zhu & Bargiela-Chiappini, 2013: 382). The above-mentioned issues together imply the need to cross levels of analysis and to cross disciplines.

Therefore, while the researcher acknowledges the existence of studies on strategy implementation in other research fields, this dissertation retains a focus on the knowledge about corporate strategy implementation within the IB domain. Furthermore, the researcher attempts to theorize while building logical justifications observed within the MNC and because of the unique MNC setting (Roth & Kostova, 2003).

3 CORPORATE STRATEGY IMPLEMENTATION IN THE MNC: THEORETICAL BACKGROUND

This section first defines corporate strategy and then presents existing theoretical assumptions and argumentation on strategy implementation according to each view of the MNC, as well as reviews the extent to which individuals and their strategic behaviors are important in explaining CSI in MNCs.

Strategy can be defined as “the determination of the basic long-term goals of an enterprise and the adoption of courses of action and the allocation of resources necessary to carry out these goals” (Chandler, 1962: 13). Corporate strategy more specifically defines: a) business(es) in which a company operates (the boundaries of the firm), b) “the kind of economic and human organization it is or intends to be”, c) the intended contribution to the broad set of stakeholders; and d) emphasizes key goals and objectives that company seeks to achieve over a period of time (Andrews, 1980: 18-19).

The original theories of the MNC (e.g., Forsgren, 2013) do not explicitly discuss corporate strategy or its implementation; they focus mostly on questions of why MNCs exist and how they manage their operations across borders; however, all six dominant theories in the field of IB have their assumptions about corporate strategy, structure, organizational culture, and achievement of desired (strategic) behaviors of individuals within the MNC that are typically associated with the research on strategy implementation. Strategy implementation could be generally defined as “the communication, interpretation, adoption, and enactment of strategic plans” (Noble, 1999: 120). However, this definition is difficult to apply since each view of the MNC has a very different perspective on how corporate strategy implementation is approached and to what extent individuals as well as their behaviors need to be managed in addition to designing corporate structure and systems meant for CSI.

Since strategy implementation processes in MNCs are considered to be under-researched (Piekkari & Welch (2010); White III et al. 2016) it is important to understand what knowledge on strategy implementation in MNCs is already available, how strategy implementation processes within MNCs are understood and theorized, as well as where the future research could make the largest contribution. In order to achieve the last-stated goal, corporate strategy and its implementation process under each view of the MNC are defined and explained by completing the two steps: first, each view of the MNC is briefly presented in a table at the beginning of each of the six following sub-sections. The table summarizes the key assumptions of the guiding theory under each view building on Forsgren

(2013). Second, each subsection delves deeper into the works of the authors that are considered to represent a certain view of the MNC, and attempts to elaborate on and interpret theoretical assumptions by looking at how each view of the MNC defines every dimension of corporate strategy and also how it understands the process of strategy implementation and achievement of strategic behaviors in particular.

3.1 *Dominating* view of the MNC

The Dominating view of the MNC was the first view, which emerged right after World War II. It is strongly influenced by the works of Hymer and is grounded in economics, Industrial Organization theory in particular. Major assumptions about the MNC under this view are presented in Table 1.

Table 1. Major assumptions about the MNC under the Dominating view of the MNC (based on Forsgren, 2013)

Key authors	Hymer (1972; 1976)
Guiding theory	Industrial organization theory MNC, with 'firm specific advantage' by foreign direct investments (FDI) creates monopolistic environment in the industry across borders and benefits from the abnormal prices
Phenomenon behind theory	Increase of FDI and foreign operations in general
HQ	Separate from the rest of the organization; concerned about strategy making, but not about operations or tactical moves. Located in megacities (e.g., NY), regional HQ in second-tier cities
Subsidiaries	Fully controlled by HQ Units are mere recipients of orders and information from HQ Acquired to remove competition or built to pre-empt competition in a certain market (horizontal integration of value chain)
Control & Coordination	3 levels of management: 1) lowest – for day-to-day operations; 2) middle – coordinating managers; 3) highest – strategy creation and long-term planning. Units connected vertically to HQ; intensive communication among top management team (TMT), little horizontal communication among other levels ('divide and rule')

The key corporate goals under this view are: establishments overseas to maintain monopoly and/or exploitation of firm specific advantage in another national market (Hymer, 1976: 33). The exploitation of the firm specific advantage helps to overcome 'liability of foreignness' in the host markets. These two corporate strategy goals come from the assumption that there is "unequal distribution of skills among the people" (Hymer, 1976: 72). This is one of the main reasons why

internationalization happens and why it has different paths: i.e. each country has some specific skills and, therefore, can create companies that own some specific advantage, which is not available in the other markets. In relation to that, behavior of the firm depends on its nationality (defined by the legal system it belongs to, nationality of its shareholders and managers) (Hymer, 1976: 29-30). Thus, boundaries of the firm are defined by the firm-specific advantage.

In terms of MNC management, Hymer (1972: 102) recognizes that employees within the corporation may refuse to work as instructed for “reasonable wage”. The solution for that is to create “superstructures to unite labor in productions, and divide it in power” Hymer (1972: 103). MNC is considered to be perfect hierarchy (Hymer, 1972; Forsgren, 2013) and has three organizational levels: “local hierarchies to supervise and manage day-to-day operations, regional administration to coordinate national branches, and, at the top, strategy apexes to give overall guidance and direction through the use of budgets controls. At the bottom of this vertical hierarchy, labor is divided into many nationalities” (Hymer, 1972: 102). System is also supported by: a) functional specialization of labor; b) vertical information flows (from top to down) and no interaction among the lower level units; and c) horizontal interaction among the ‘elite’ (empowered by money and information) at the top (Hymer, 1972; Yamin & Forsgren, 2006).

Thus, the Dominating MNC places rich intellectuals at the top and the poor uneducated labor at the bottom. Hymer (1972: 104) very precisely describes how organizational structure enforces power of the top ‘elite’ and ensures that actors within the organization would follow the expected corporate outlook:

“In principle the person at any one level can only communicate with someone at the same level who is not in his group by going through his supervisor at the higher level. The higher up one goes, the more flexibility, opportunity, and discretion are permitted. At the bottom, people are rated on a daily or hourly basis, have little opportunity for advancement, and work within narrowly prescribed limits. At the management level, people have a career where promotion is the expected result of performance...People are rewarded doubly since the better the job, the higher the pay. People in the middle and at the top have positions rather than jobs, salaries rather than wages.”

Despite being slightly outdated (e.g., major assumptions about ability to build perfect hierarchy in a globalizing, technology-driven world, could be criticized), the Hymerian perspective is still widely discussed and is utilized to explain certain IB phenomenon (e.g., Yamin & Forsgren, 2006).

3.2 Coordinating view of the MNC

The second view of the MNC is also grounded in economics, but utilizes Transaction Cost Theory (TCT) as its base. Assumptions about the MNC under the Coordinating view of the MNC are presented in Table 2.

Table 2. Major assumptions about the MNC under the Coordinating view of the MNC (based on Forsgren, 2013)

Key authors	Buckley & Casson (1976); Dunning (1988); Hennart (2001)
Guiding theory	Transaction Cost theory (Internalization theory): MNC by FDI integrates necessary parts of value chain to avoid bargaining costs and do each operation in the market with lowest costs
Phenomenon behind theory	Dominance of FDI over contractual modes of entry to foreign market 'Global factory' approach
HQ	Owner of the intangible know-how and complete power Designing, coordinating, and monitoring 'fine-sliced' activities to warrant minimal costs and maximum profit of MNC operations
Subsidiaries	Specialized in a particular process of the value chain (vertical & horizontal integration of value chain), or 'profit centers' which get rewards for targeted outputs
Control & Coordination	Integration of value chain to control opportunism of units Hierarchical management based on behavior control (e.g., rewards completely based on full compliance to instructions from upper level-management) to remove opportunism of employees, or 'profit-center' control

The Coordinating view of the MNC (based on Transaction Cost Theory) assumes that any business operation that happens in a market economy will not be as efficient and cost effective as internalized business operations within MNC. Thus, MNCs internalize markets to create intermediate products within the boundaries of the MNC and not within the imperfect markets (Buckley & Casson, 1976). However, this is done only, if "benefits of organizing interdependencies within the firm are higher than their costs" (Hennart, 2001: 144). MNC is presented to be a 'Global factory' (e.g., Buckley, 2009), i.e. MNC 'fine-slices' its interdependent activities according to their value in a value chain (Mudambi, 2008) and links them by knowledge flows, brand, and intermediate products. Thus, information flow is used to coordinate activities (Buckley & Casson, 2009). Knowledge (know-how), predominantly resides at the top of the organization assuring that 'fine-sliced' parts are connected and head-quarters can retain their power over the units. Moreover, those operations which cannot be separated from the key knowledge (e.g., Research and Development) are usually internalized within MNC by owning those units; other operations, which are not knowledge intensive can be outsourced or offshored (Buckley, 2010; Forsgren, 2013).

Therefore, the key goals in corporate strategy under this view are to: a) select appropriately which operations, in which markets, and by which mode must be internalized (e.g., Teece, 1986) (this allows minimizing the costs of the internalized operations), and b) to protect intellectual property rights of technology (e.g., Hennart, 2001) (this allows minimizing costs of knowledge transfer; also helps to retain HQ and key management power). In relation to these key goals, it can be assumed that top management and MNC shareholders are the primary stakeholders to whom MNC and its corporate strategy aims to contribute to.

Transaction Cost Theory employs rational action modeling (Buckley & Casson, 2009), which means that decision making and their implementation is based on completely rational basis. Moreover, decisions of the MNC management seem to be predominantly concerned with economic aspects of management, rather than political, behavioral, or any other aspect. As Buckley & Casson (2009: 1570) named it 'visible hand' of management is the type of management that the Coordinating MNC employs.

Employees in the company are equaled to 'internalization of the knowledge', management operations are equaled to 'operational internalization' (Buckley & Casson, 2009: 1570). Control of the employees are also treated as costs and analyzed through the perspective of choosing the most effective set of tools to control opportunism and 'shirking' (Hennart, 2001). As noticed by Forsgren (2013: 45), "if the firm does not manage to control the transactions..., the whole idea behind increased cost efficiency through internalization collapses".

According to the theory, work relationships are contractual, based on the fixed salary basis, and are rewarded if desired behaviors are fulfilled (Forsgren, 2013). Theory considers behavioral constraints – internal (e.g., selection, training, socialization) and external (e.g., hierarchical rule, bureaucracy, procedures) to be costly, if applied together. Also, these constraints will not completely force the behavior of agents due to possible opportunism and bounded rationality (Hennart, 2001:133-134). Thus, focus on economic arguments extends, i.e., it is assumed that monetary motivation to behave according to the hierarchical instructions will prevail. Agent, i.e. individual within the MNC, will be motivated to behave as agreed by contract only by knowing that s/he will be rewarded financially for that behavior.

Nevertheless, MNC may face situations of information asymmetry when managers do not have sufficient information to provide precise behavioral guidelines to the lower organizational levels. In this condition, MNC should use output control and allow lower units to maximize their profits on their own (Forsgren, 2013). If output is easy to measure and managers in hierarchical structure may not have sufficient

information to control behavior of the lower organizational levels, output control should be chosen. Otherwise, MNC should rely on monetary rewards for expected behavior (Hennart, 2001).

In the latest discussion on the MNC outlook under the Coordinating view of the MNC (Buckley, 2014) position about MNC management is slightly softer. Control and coordination are seen as ‘orchestration and coordination’. MNC remains the brand (know-how) owner, but the power of headquarters is slightly adjusted by the network in which it *chooses* to be embedded. Moreover, learning costs, costs of training and acculturation are acknowledged due to the need to develop and retain skillful managers who can manage MNC growth and diversification. ‘Global factory’ is now viewed to be “a system under which effective managerial planning extends across the whole *network*” (Buckley, 2011: 276, emphasis added). As in the earlier version, distances across borders matter to the extent to which they produce information and management costs. Thus, key aspects of MNC management remain similar to the original discussion, but complexity of the global economy is incorporated by softening the tone about the MNC power to control and the scope of its control.

3.3 *Knowing* view of the MNC

The Knowing view of the MNC shifts discussion away from economics and offers very different position about the MNC. Ideas of this view are grounded in sociology and presented in Table 3.

Table 3. Major assumptions about the MNC under the Knowing view of the MNC (based on Forsgren, 2013)

Key authors	Kogut & Zander (1992, 1993, 1996)	
Guiding theory	Organizational capability theory: Knowledge is largely a capability; thus, ‘sticky’. Firms exploit their capabilities to create value. Firm-specific advantage is hard or impossible to imitate. FDI replicate firm-specific advantage or help to build it	
Phenomenon behind theory	Emerging understanding that assets are not always tangible. Fixed assets are available to every firm and cannot be competitive advantage. Need to explain contractual market entry choices	
HQ	Owns advantage to decide value of knowledge and prioritize knowledge sharing activities	Both own knowledge: ‘know what’ equally important to ‘know how’ Know-how is shared in both directions (top-down & down-up) Implementation of HQ strategies are driven by shared identities and support from subsidiaries
Subsidiaries	Almost equal to HQ by their role Identity ‘sharedness’ is more present among top management than lower level employees	

Control & Coordination	<p>MNC is 'social community' with 'social knowledge'</p> <p>Unit integration is not about plain instructions, but about transfer of routines and management competences by utilizing social interaction</p> <p>Control is based on shared identity, routines, and organizational guidelines</p> <p>Employees are resources (not problem makers) who exchange knowledge horizontally & vertically to develop organization</p> <p>Less hierarchy and administrative mechanisms, more cooperation</p> <p>Administrative structures are sharedly developed rather than imposed from HQ</p>
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Knowing view of the MNC comprises of Evolutionary theory (Kogut & Zander, 1992, 1993, 1996, 2003) and the MNC as a Knowledge-based entity (Foss & Pedersen, 2004; Minbaeva, 2013). Evolutionary theory posits that: "Markets appear to fail no matter if knowledge is a public good or tacit"³ (Kogut & Zander, 1993: 639); "what determines what a firm does is not the failure of the market, but the firm's efficiency in this process of transformation relative to other firms" (Kogut & Zander, 1993: 631). Thus, if TCT considers knowledge transfer as a mere cost (asset) management and describes the process of coding and un-coding, Evolutionary theory brings this argument further and points out that capability of the firm to code, un-code, and apply the knowledge is likely to vary (Kogut & Zander, 1993). The need to replicate and develop the know-how within the firm defines how firm grows and expands; this also constitutes its long-term organizational goals.

Furthermore, according to the Evolutionary theory, knowledge of the firm is social and "completely consequential" of what the firm is (Kogut & Zander, 1992: 384); it is not public good, resource or asset detached from its context. Thus, background of the firm is what best explains its specialization (Kogut & Zander, 2003). Based on this, businesses in which firm operates and the scope of firm operations will be defined not by some specific knowledge or technology, but by the capability to use the knowledge (know-how).

The outlook of the MNC under the Evolutionary theory is based on the idea of 'social community' (Kogut & Zander, 1993, 1993; 2003). It is believed that: a) management structures and organizational routines within the MNC evolve over time via repeated interactions among "individuals and groups in a firm" (Kogut & Zander, 1993: 631), b) the process of evolving is guided by 'higher-order organizational principles' "that are diffused across borders by an organizational extension called foreign direct investment" (Kogut & Zander, 1993: 638), and c) there is no opportunism in the organization – employees who are within MNC

³ Evolutionary theory distinguishes two types of knowledge: information and know-how. Information refers to explicit, codifiable knowledge and know-how refers to more tacit knowledge which usually resides in individual, group, organization, or network capabilities (Kogut & Zander, 1992).

adhere to 'higher-order organizational principles' and, thus, willingly and voluntarily behave according to organizational routines that emerged over time (Kogut & Zander, 1993).

Within Knowing MNC, individual behavior is largely guided by identity. For example, when individual identification correlates "with a firm's boundaries", it "enhances coordination, communication, and learning" (Kogut & Zander, 2003: 512). When individual identifications experience certain division, e.g., due to "the division of labor", knowledge sharing and organizational coordination is challenged (Kogut & Zander, 2003: 512). It is also believed that organizational change is always related to the strong change of identity (Kogut & Zander, 1996). Furthermore, according to the theory, learning is achieved via "social interaction in groups" (Kogut & Zander, 1996: 510). Learning is also costly; that is why firm must balance between investing time and efforts to develop new capabilities or exploit existing knowledge for survival (Kogut & Zander, 1992: 393). Consequently, there is a "tendency to what the firm is currently doing to persist in the future" (Kogut & Zander, 1992: 392). This complicates understanding, about how strategic renewal and/or changes in organizational member behavior in MNC can be achieved; particularly when incentives and monitoring, used for control in the views of the MNC discussed earlier, within Knowing MNC are considered as tools to develop learning (Kogut & Zander, 1996: 510).

Strategy implementation in Knowing MNC is *maintained* by higher-order organizing principles that are "supported by data regarding profitability, costs, or task responsibility" (Kogut & Zander, 1992: 390) and, assumingly guided by the (national) background of the firm. Moreover, 'higher-order principles' seem to be emerging from the norms of the society and perceptions of justice (Kogut & Zander, 1996). Higher-order organizing principles "act as mechanisms by which to codify technologies into a language accessible to a wider circle of individuals". Horizontal communication and coordination, typically within a certain function, is achieved by individuals who act as boundary spanners in this way facilitating interaction and emergence of shared knowledge to operate upon (Kogut & Zander, 1992: 389). 'Higher-order organizational principles' emerge over the time and, thus, brings problem of the chicken and the egg, as noticed by Forsgren (2013): it is not completely clear what comes first 'higher-order organizational principles' or community itself. Thus, strategy implementation, according to this view, seem to have no beginning and no end – it is portrayed as continuous process.

The other stream of thought (e.g., Foss & Pedersen, 2004; Minbaeva, 2013) within the Knowledge-based view in IB takes more structured perspective on the organizational outlook. This stream of thought acknowledges multiple levels in

which knowledge resides, but does not take knowledge sharing and integration for granted as the Evolutionary theory. Foss and Pedersen (2004) call for more research on how individual knowledge emerges to organizational capabilities; how these capabilities can be transferred; and how knowledge and organization interacts. Thus, this stream suggests that there are some structures and processes that influence formation of knowledge-based MNC (differently from more natural knowledge sharing grounded in sociology and advocated by Evolutionary theory), but there are more questions than answers about how these processes unfold.

3.4 *Designing* view of the MNC

The Designing view of the MNC changes position of the MNC from being superior over environment, to being subordinate to environment; from building its value based on internal resources, to building its value from the external environment. Key ideas of this view are presented in Table 4.

Table 4. Major assumptions about the MNC under the Designing view of the MNC (based on Forsgren, 2013)

Key authors	Bartlett & Ghoshal (1989); Hedlund (1986); Ghoshal & Nohria (1989, 1997)
Guiding theory	Contingency theory: There must be a fit between structure, strategy, and environment. The best way to manage MNC depends on the context
Phenomenon behind theory	Need to explain role of external environment in MNC operations; especially why MNCs have different forms and comprise different tasks
HQ	Coordination role Rationally designs the MNC structure in response to environment Owns superior power and knowledge to change all processes within MNC Owner of decisions at MNC, unless circumstances (e.g., size or diversification) forces to delegate part of decisions to lower units Increases/decreases the level of shared values within MNC
Subsidiaries	Subsidiaries can have some autonomy (local responsiveness), but are also globally integrated within MNC (for economies of scale) – extent depends on strategy and environment Subsidiary behavior is rational: they obey rationally made decisions from HQ due to shared values and rationally decide where given rights
Control & Coordination	Control is formal and based on processed information received from subsidiaries and environment Resources are dispersed across the units of MNC, but remain interdependent Control is expressed by: a) centralization (level of subsidiary autonomy), b) formalization (level of standardization of internal operations), c) shared values (i.e. values, beliefs, goals; they allow treating subsidiaries differently) Tools of control: selection, training, rotation, open communication among HQ & subsidiaries, across subsidiaries, creating vertical & horizontal personal network

	Control is meant to structure and monitor operations. HQ do not suffer from information asymmetry, ignorance, or irrationality. Subsidiaries do not express bargaining power.
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International *corporate-level strategy* under the Designing view of MNC (guided by Contingency theory) could be defined as “the way in which an organization positions itself with regard to the global business environment and creates and sustains competitive advantage across national boundaries” (Harzing, 2002: 212). This means that boundaries of the MNC and the scope of its operations are shaped by the external environment, which is defined by the key stakeholders and MNC interaction with them (Heenan & Perlmutter, 1979). Key stakeholders are all “organizations such as customers, suppliers, regulators, and so on, with which the different units of the multinational must interact” (Ghoshal & Bartlett, 1990: 604).

The long-term corporate goal for the MNC is to fit its environment by balancing global and local demands (i.e. opportunities and threats that are coming from its external environment in the home and the host countries) and arrange structure and processes within the MNC accordingly. In relation to this, Heenan and Perlmutter (1979) suggest four corporate strategic focus of the MNC.

Ethnocentric strategic focus (*International MNC*) is chosen when environment allows building multinationalism by exploiting MNC home identity or product/service/technology created in the home country without any adaptation to local environment. MNC in this case is entirely dominated by management practices from its home country. *Regiocentric* strategic focus (*Global MNC*) allows pooling the resources to adapt or develop regionally rather than in each country of the operation. Under this choice, high level of standardization is balanced with regional demands for adaptation (e.g., conforming requirements from the European Union; hiring managers from a certain region). Thus, products are still highly standardized, but the need for local responsiveness is acknowledged (differently from the ethnocentric focus) and managed in the most efficient way. *Polycentric* strategic focus (*Multi-domestic MNC*) suggests that host country identity or local product/service/technology is likely to be more valuable than the corporate one. This strategic focus is usually a result of understanding that HQ lack understanding of the local conditions, but subsidiaries are trustworthy and can be delegated to handle issues by themselves as long as they reach profit targets. Finally, *Geocentric* strategy (*Transnational MNC*) suggests that balancing global expertise with local focus would create most of the value for the MNC (Heenan & Perlmutter, 1979; Bartlett & Ghoshal, 1990, 2000).

In relation to the above, the importance of corporate strategy and corporate values penetration across organizational levels in each type of MNC will be different.

Penetration of corporate strategic plans across organizational levels will be highly relevant for Transnational, Global, and International MNCs, while in Multi-domestic MNC, subsidiaries are likely to make strategic decisions independently.

Similarly, control and coordination mechanisms, meant to achieve desired individual behaviors, will differ depending on the strategic orientation and long-term goals. For example, Bureaucratic control (i.e. pre-specified behaviors of employees, which are described predominately in written) is likely to be dominant tool for control in Global MNC, while Transnational and International MNCs may apply them in varying extent, too. Socialization and network control, which comprises: a) having shared values and goals among employees, b) having horizontal exchange of information, c) coordination by feedback, and d) cross-team or cross-department engagements; is likely to dominate in Transnational MNC where strategic decision making is shared. Whereas, decentralized decision-making in Multi-domestic MNC requires predominately output control, i.e. requesting unit reports, which can be generated on finances, sales, production levels, productivity, investments, etc. and are evaluated against the goals or targets set for certain unit (Harzing, 2000).

Depending on the long-term corporate goal (i.e. MNC strategic focus), MNC's outlook (model) will be different. MNC models have different structural complexity and, therefore, the need to create connectivity and integration among the units varies as well. For example, *Multi-domestic MNC* will have "largely financial and informational interdependence of units" and "simple, stable, easily codifiable" interaction predominately at a top or at a single level (Kostova & Roth, 2003: 299). *Global MNC* will be characterized by "extensive flow of products from HQ to subunit" and only "some flow of local market knowledge from subunit to HQ", while unit interdependence will be partial, "stable, easily codifiable, and will happen across multiple levels within the unit" (Kostova & Roth, 2003: 299). *Transnational MNC* is considered to be the most complex model in terms of its management, predictability of internal processes, and tools used for control and coordination, since there is "extensive flow of products, technologies, knowledge, and people in both directions" across the integrated network of MNC units (Bartlett & Ghoshal, 2000; Kostova & Roth, 2003: 299). Interdependence between the units in Transnational MNC is "complex, unstable, difficult to codify", but most importantly interactions across multiple levels are hardly defined in advance (Kostova & Roth, 2003: 299). This is because in Transnational MNC decision making is shared and interactions between the units happen upon the need to respond to both global and local needs (frequently conflicting) simultaneously (Bartlett & Ghoshal, 2000; Kostova & Roth, 2003).

Likewise, Heenan and Perlmutter (1979) suggests that source of the corporate values in, for example, International MNC is likely to originate from the home country environment of the MNC, whereas in Transnational MNC the universal standards may be applied. In Multi-domestic MNC each subsidiary is likely to be dominated by the values of its host country; whereas origin of values in Global MNC can vary: they may come from MNC home country or from certain regional environment. The source of corporate value is likely to suggest what people will be hired to the management team. For example, International MNC is likely to re-inforce “old boy network” in all management levels; whereas, Transnational MNC is likely to seek for flexible, not parochial, possibly third-country nationals managers, because (top) management actions and behavior is considered to be much more powerful tool to influence corporate culture than official structures or processes (Bartlett & Ghoshal, 2000: 509, 518).

Therefore, strategy implementation in all four types of MNC will also look differently. In International, Global, and Multi-domestic MNC models HQ is likely to start strategy implementation by imposing relatively clear structure of interaction at corporate or at all organizational levels. Whereas strategy implementation process in Transnational MNC is likely to start from changing individual attitudes and mentalities, afterwards changing interpersonal relationships and processes, and finally working on changes in formal structure and responsibilities (Bartlett & Ghoshal, 2000: 519-20). Even if traditional change process, which starts from formal structure changes, is utilized in Transnational MNC, large amount of attention will be given to decision-making processes, mentality and culture management, as well as informal relationship building, which are considered to be obligatory horizontal coordination tools allowing handling challenges related with geographical distance and time barriers, diversity of individuals within the MNC, and excessive amount of ‘signals’ and information exchanged between the subsidiary network (Bartlett & Ghoshal, 2000).

3.5 *Networking* view of the MNC

Networking view of the MNC challenges earlier views by suggesting that MNC management can be messy and not that well organized (by social or economic means) as the earlier four views assume. More assumptions of this view are discussed in Table 5.

Table 5. Major assumptions about the MNC under the Networking view of the MNC (based on Forsgren, 2013)

Key authors	Johanson & Vahlne (1977); Forsgren, Holm, Johanson (2005)
Guiding theory	Business Network theory: Internationalization is achieved by tapping into business networks through which market knowledge and new business opportunities are gained. Relationships are built by investing time and efforts
Phenomenon behind theory	Need to explain cases when MNC clearly made changes in the environment; also, MNC efforts to build and maintain relationships with its customers, suppliers, and distributors; also, handling competitors
HQ	Owns legitimate power to push their decisions and expect them to be implemented (formal authority) Is one among other units in MNC Suffers from sheer ignorance (about subsidiary operations and network influence on them); thus, cannot design efficient control system
Subsidiaries	Subsidiaries operationally are largely autonomous and have strategic influence They are influenced by and behaves according to business networks (outside MNC) in which they reside Subsidiary prioritizes its position in business network over the corporate design
Control & Coordination	'Learning by doing' approach in management MNC is bounded legally, but dispersed operationally Control and power within MNC depends on subsidiary positions in internal & external networks and administrative relationships (between units and HQ-subsidiary link) Power that HQ and subsidiaries own create interdependencies and there will be continuous tension and 'battle' of power within MNC Business relationships, but not shared values, guarantee knowledge sharing and connectedness

Networking view of the MNC originates from the Uppsala model (Johanson & Vahlne, 1977) and further theoretical developments on business network theory (e.g., Holm, Eriksson, Johanson, 1999; Forsgren, Holm, Johanson, 2005; Johanson & Vahlne, 2009). According to the ideas of business network theory, firm is defined by its relationships with external networks⁴ and by exchanges it makes with that network. Networks in which MNC resides are the source of knowledge, resources, capabilities, and all sorts of other entities and relationships (Johanson & Vahlne, 2009). Building these network relationships takes time (Johanson & Vahlne, 2009); however, relationships with strong trust can

⁴ Two sets of MNC networks are: a) subsidiaries' *external* business network (networks of subsidiary business partners outside MNC and possibly outside the home country) and b) *corporate* business network (internal network of MNC subsidiaries and HQ) (Forsgren, Holm, Johanson, 2005). *External* business network of the subsidiary is linked by business relationships, it is vague, developed over a period of time and, therefore, is path dependent. *Internal* corporate network connects HQ and subsidiaries by ownership, legal bonds, and administrative mechanism.

substitute the knowledge (Johanson & Vahlne, 2009: 1417). Therefore, the MNC networks define the boundaries of the MNC under this view.

Considering the importance of network relationships and networks in general, it could be assumed that the major strategic goal of the MNC under this view is to develop network relationships and strengthen position in the network. However, HQ suffers from ignorance about subsidiary external business networks (Forsgren, 2013); while “subsidiary may be dominated by highly embedded relationships – external, internal, or both” (Forsgren, Holm, Johanson, 2005: 97-98). Moreover, strengthening relationships in one or both (internal and external) networks are likely to create tensions in MNC management. That means that “final consensus on goals and overall strategies between the different subsidiaries and the HQ will hardly ever be reached in an MNC” (Forsgren, Holm, Johanson, 2005: 99).

Furthermore, these tensions will result in continuous bargaining (Forsgren, Holm, Johanson, 2005: 98; Forsgren, 2013) about which interests of which stakeholders should be served. HQ, subsidiaries, MNC customers and suppliers, etc. – all actors in the corporate and external subsidiary business network strive for strategic importance and support for their interest (Forsgren, Holm, Johanson, 2005: 98). That is why there is no final agreement about which stakeholders corporate strategy of the Networking MNC intends to serve – it is dynamic negotiation process.

Consequently, by its outlook, “MNC is a loosely coupled organization with heterogeneous resources and embracing conflicting interests” (Forsgren, Holm, Johanson, 2005: 102). Power within the MNC is gained not by organizational structure, but by “direct and connected relationships that the unit has”; “these relationships constitute the unit’s overall position in the network” (Forsgren, Holm, Johanson, 2005: 128). This means that HQ have some authority over the subsidiary network imposed by organizational hierarchy, but subsidiaries also express power grounded in network knowledge. Moreover, “there is no given limitation to the dominance of a subordinate unit [...] which power will dominate remains an empirical question.” (Forsgren, Holm, Johanson, 2005: 129-130). In terms of organizational outlook, Business Network theory does not completely disagree with Contingency theory: both theories agree that organization is loosely coupled and that HQ are having strategic intentions based on the external environment. However, Business Network theory posits that level of centralization, formalization, and shared values planned at the HQ will be implemented across organization at the level that network actors (subsidiaries and other actors from external subsidiary business network) are interested to integrate them or negotiate against them (Forsgren, Holm, Johanson, 2005). This is not the

case in the Designing view of the MNC, which assumes that subsidiaries will willingly behave as planned and will not express conflicting mindset or bargaining power.

Consequently, corporate strategy under the Networking view of the MNC is not implemented directly as planned, because HQ do not have complete power over subsidiaries and are also suffering from lack of knowledge about subsidiary operations (Forsgren, 2013). Corporate strategy implementation will be supported not by HQ formal control, but by HQ actual influence. The latter is restricted by: subsidiary external embeddedness (the higher it is, the less influence HQ has) and subsidiary dependence on HQ resources (the higher it is, the more influence HQ has) (Forsgren, Holm, Johanson, 2005: 133-142).

Likewise, subsidiary power will affect corporate strategy implementation. Subsidiary power, which is originating from its access to business network, is restricted by its corporate embeddedness, i.e. connections with other units within MNC. If subsidiary is highly embedded within MNC and has valuable access to resources (relevant to its own operations and somewhat relevant to other units as well) via its business networks, power and influence of that subsidiary will be high). Subsidiary functional importance is also related to its corporate embeddedness: the more subsidiary is functionally integrated in the value chain of the MNC, the more important it will be. Size of the subsidiary has no influence on its functional importance, but it has strong influence on subsidiary power (Forsgren, Holm, Johanson, 2005: 143-154). Therefore, subsidiary has relatively large freedom to ignore HQ control (and intended strategic directions) due to its embeddedness in external networks or its size, but has less chance to exhibit influence on other units (promote its own strategic preferences); unless it is functionally important, has access to valuable resources, and is integrated in the corporate network.

The Business Network theory further challenges the Designing view of the MNC by demonstrating that shared corporate values has little influence on actual behavior of subsidiaries. Forsgren, Holm, Johanson (2005: 155-167) empirically demonstrates that subsidiaries can have shared values, but may behave according to the business interest of their network or may follow functional logics (e.g., “innovation introduced by the marketing people is of no interest to the production team” (*ibid* p. 165)) despite they may share “same goals or interests” (*ibid* p. 165)⁵. Therefore, corporate efforts to unite subsidiaries under the corporate culture or

⁵ Nevertheless, it is believed that business relationships will result in shared values: if subsidiaries engage in interaction with other units and share similar interests, their business cooperation and knowledge sharing activities will be great disregarding the level of shared values or business interaction with HQ (Forsgren, Holm, Johanson (2005: 166).

shared working principles will not be as supportive in implementing corporate and business level strategies as expected by HQ. Only the continuous process of 'learning by doing' are likely to describe the way strategy is implemented in the embedded MNC (Forsgren, 2013).

3.6 Politicizing view of the MNC

Institutional theory, which guides the Politicizing view of the MNC, sees MNC environment comprising of other organizations (Powell & DiMaggio, 1983: 150): "Organizations compete not just for resources and customers, but for political power and institutional legitimacy, for social as well as economic fitness." From this postulate comes a number of assumptions about the MNC under the Politicizing view (see Table 6).

Table 6. Major assumptions about the MNC under the Politicizing view of the MNC (based on Forsgren, 2013)

Key authors	Powell & DiMaggio (1983)
Guiding theory	Institutional theory (New institutionalism): In order to enter market MNC has to comply at least partly to legal, political, social, behavioral context. MNC is affected by environment and has power to shape it, too
Phenomenon behind theory	Need to embrace MNC political power (e.g., lobbying in international organizations, boundary spanning behaviors). Recognition of environment in a broad sense with its multiple layers
HQ	HQ set formal structure, control system, and intended values (which are influenced by their home environment), but their transfer, adoption, and internalization in subsidiaries are not guaranteed
Subsidiaries	Subsidiary resides in two different institutional environments: within internal MNC rules, values, and norms; also within host country which has different regulatory, normative, cognitive environment from HQ. Both environments affect subsidiary behavior
Control & Coordination	MNC is loosely coupled, but strongly interconnected. Everything affects everything. Control mechanisms are challenged by 'covered' sociological mechanisms: informal groups, group values, power structures, rules and regulations, etc. Thus, control is dispersed – no unit owns it Isomorphism (the process of homogenization) is enforced with coercive (e.g., forced by government legislations, suggested by culture, or accepted to maintain relationship with other important institutions), mimetic (behavior intentionally or unintentionally borrowed from other institutions), and normative (individual, organizational, or societal norms of behavior which shape choices and behavior of organizations and individuals inside of them) mechanisms (DiMaggio & Powell, 1983)

Institutional theory posits that organizations will align themselves with legal and technological regulations, and cultural norms of the local market; that they will

mimic each other or well established operating models in to tackle uncertainty and reach quick success; or that they will behave according to established norms of certain professions (DiMaggio & Powell, 1983). In other words, boundaries of the firm, scope and shape of its operations are likely to be defined by 'organizational field'⁶ (that is, a set of organizations that influence organizational life) (DiMaggio & Powell, 1983). That is why organization is not studied alone. MNCs cross large numbers of organizational fields with their global operations (Westney, 2005). Probably because of this complexity, IB literature has traditionally applied organizational field concept in much narrower way and focused predominantly on the role of the *states* in MNC operations (Westney, 2005: 63). Nevertheless, more recently (e.g., Kostova, Roth, and Dacin, 2008) there are works available that bring agency issues back into the earlier variant of neo-institutional theory.

Consequently, Politicizing view of the MNC in its application comprises of two dichotomies: traditional interpretation of Institutional theory that has largely focused on state, but ignored a great number of other organizations (e.g., customers, suppliers, agencies) and professionals (e.g., consultants, educators) included in the definition of organizational field available in the original theory (DiMaggio & Powell, 1983) of new institutionalism; and Contemporary interpretation of the theory that largely focuses on the power of individual actors, while reducing the focus on state and other organizations. In this regard, defining stakeholders that MNC intends to serve is rather complicated. According to traditional interpretation, MNC is likely to address needs of states, institutions of the states where MNC operates, and supra-national institutions. Whereas in contemporary interpretation any individual stakeholder, who has the power to direct the MNC, is likely to be taken into account.

Further, both streams of thought advocate different long-term organizational goals, because both have rather different position about isomorphism, legitimacy, and long-term orientation of the MNC. Under traditional stream of thought, long-term strategic goal is to align to the institutional environment in to survive; thus, MNCs strive to balance and adapt at least ceremonially in the countries or areas of their operation (e.g., Eden, Dacin, & Wan, 2001; Guler, Guillén, & Macpherson, 2002; Kostova, Roth, and Dacin, 2008). Contemporary interpretation (Kostova, Roth, and Dacin, 2008: 1001) suggests that institutional legitimacy in IB is reached by negotiation: actors within the MNC understand that MNC is crossing a number of organizational fields (e.g., states), and thus they can refer to "different sources

⁶ It must be noticed that 'organizational field' is social and cognitive structure "in which participants recognize other organizations as referents and as sharing a similar set of activities...Therefore, defining the boundaries of an organizational field raises significant methodological problems" (Westney, 2005: 50).

of legitimation (e.g., parent company, host country)” to prove their point and create desired perceptions about certain unit or entire MNC. Consequently, long-term goals of the MNC in contemporary interpretation are not straightforward: they will depend on the influence of certain actors from organizational field and/or (more likely) from within the MNC.

Originating from two different interpretations of organizational field, the outlook of the MNC has two different shapes as well. According to traditional interpretation, the outlook and management of the MNC is as follows: HQ reside in home country, subsidiaries reside in their host countries. Therefore, regulatory, cognitive, and normative institutional profiles originate from the states that HQ and subsidiaries reside in. This will influence MNC management (Forsgren, 2013). Contemporary outlook shifts away from positivistic ontology and suggests that MNCs are socially embedded. Thus, agents (who are influenced by the home and the host country states) will construct processes within MNC. MNC under the latter outlook comprises “social construction, and power and politics” (Kostova, Roth, Dacin, 2008: 1003).

Consequently, implementation of corporate strategy under the traditional and contemporary interpretations will also look differently. The traditional interpretation would look at strategy implementation while observing subsidiaries’ responses to institutional dualities (e.g., Kostova and Roth, 2002). The contemporary interpretation suggests that “social actors in the MNC context will continually try to create new institutions to benefit organizations and/or to maintain or strengthen their own power.” (Kostova, Roth, Dacin, 2008: 1002). According to these claims, corporate strategy implementation will likely be entirely dependent on bargaining power of actors within MNC, their interests and preferences.

Finally, the third stream of thought within Politicizing view of the MNC introduces microfoundations of Institutional theory (e.g., Powell & Colyvas, 2008):

“Institutional forces shape individual interests and desires, framing the possibilities for action and influencing whether behaviors result in persistence or change [...]. Some actions reinforce existing conventions, while others reframe or alter them [...]. Institutions are reproduced through the everyday activities of individuals [...]. Institutional transformation is often rather subtle, not particularly abrupt, and apparent only after a considerable period [...]. And, as individuals and groups engage in such actions and resist others attempts as well, they may well transform logics and alter identities.”

This approach challenges the traditional and contemporary interpretations by suggesting that they take too radical positions by advocating the two extremes: whether considering that individuals are “helpless puppets” fully shaped by and behaving according to the institutional environment (traditional interpretation) or that individuals are “super heroes” who can bargain and change the entire system (contemporary interpretation) (*ibid*). According to Powell and Colyvas (2008), MNCs are produced and reproduced via agent-system interactions. However, this stream of thought is at its infancy.

3.7 Conceptualization of corporate strategy in IB literature

The six views of the MNC, analyzed above, offer grounds to understand how the corporate strategy of the MNC and its implementation would look like under each theoretical stream of thought within the IB literature; and how individuals are managed in CSI process. This section juxtaposes the six views of the MNC and their theoretical assumptions about corporate strategy and its implementation within the MNC. First, Table 7 provides a comparison of the main elements of corporate strategy under each view of the MNC. This table reveals how major theories in IB conceptualize corporate strategy, under the general corporate strategy definition (Andrews, 1980: 18-19).

Table 7. Conceptualizing corporate strategy in IB: A Comparison according to the six views of the MNC

	Views of the MNC						
	Dominating MNC	Coordinating MNC	Knowing MNC	Designing MNC	Networking MNC	Politicizing MNC	
						Traditional interpretation	Contemporary interpretation
Source of theory (based on Forsgren, 2013)	Industrial organization theory e.g., Hymer (1972; 1976)	Transaction Cost theory (Internalization theory) e.g., Buckley & Casson (1976); Dunning (1988); Hennart (2001)	Organizational capability theory (Evolutionary theory) e.g., Kogut & Zander (1992, 1993, 1996)	Contingency theory e.g., Ghoshal & Bartlett (1990); Ghoshal & Nohria (1997)	Business Network theory e.g., Johanson & Vahlne (1977); Forsgren, Holm, Johanson (2005)	Powell & DiMaggio (1983)	
						Institutional theory (focus on states and institutional embeddedness) e.g., Kostova & Roth (2002)	Institutional theory (focus on agency) e.g., Kostova, Roth, & Dacin (2008)
Dimensions of Corporate Strategy (CS)⁷							
What defines businesses it operates in	Firm specific advantage	Technology MNC owns	Capabilities MNC has	External environment	External & internal networks of the MNC	MNC together with organizational field	Agents within the MNC
Key goals and objectives that MNC seeks to achieve over time	Create monopoly in the market and/or exploit firm-specific advantage	Achieve best transaction cost management & protect key technology	Replicate existing capabilities in different markets & develop new capabilities	Exploit opportunities & remove threats coming from the external environment	Due to continuous tensions between MNC subsidiaries and HQ shared goals can be set, but	Align with institutional environment in order to survive	Depends on the influence of certain actors from organizational field and/or (more likely)

⁷ Adopted from corporate strategy definition by Andrews (1980), p. 18-19.

					never agreed upon by all units		from within the MNC
Economic and human organization MNC is or intends to be	Powerful hierarchy which is suppressing the lower and benefiting the higher organizational levels	Rational organization guided by pure economic motivation. It is fighting opportunism by internalizing markets and rewarding expected behaviors or outputs	'Social community' with strong shared identity; involving everyone, guided by higher-order organizational principles	Depends on the chosen strategy: rational organization, connected predominantly with shared values and varying levels of formalization	MNC is a loosely coupled, federative organization with heterogeneous resources, dispersed power and interests	Outlook of the MNC is defined by defining its organizational field(s) and MNC interaction with that field(s)	Socially embedded organization where agents are actively bargaining for organization and/or for their own interests
Stakeholders MNC serves	'Elite', i.e. top managers and shareholders	Top managers and shareholders	Everyone in society	Depends on pressures from external environment	Depends on actor power in internal and external MNC networks	States, supra-national and institutions of the states where MNC operates in	All stakeholders who have the power to direct the MNC
CS and the levels:							
Influence of external to MNC levels of analysis (e.g., external environment) in MNC management and its CS formulation	Not important: firm-specific advantage eliminates importance of external to MNC levels of analysis	Partly important: MNC chooses how to create its own environment based on external market analysis	Provides background for MNC and facilitates development of valuable, rare, and imperfectly imitable organizational capabilities	Completely shapes MNC, fully guides its strategy and management	External environment is limited to corporate and external business network. Both shape MNC operations and management	MNC shapes & changes org. field; while states & organizations in org. field shape MNC by coercive, mimetic, or normative mechanisms	Selected external environment is a source for bargaining & making own point to achieve personal or organizational goals

The six views of the MNC offer very different perspective of corporate strategy. Two views (Dominating and Coordinating MNC) originates from economic thinking; two views (Knowing and Politicizing MNC) have sociological grounds, one (Designing MNC) combines ideas from sociology, institutionalism, and strategic management, while one is more focused on business operations alone (Networking MNC). Further, in the similar manner the next section provides a comparison regarding the conceptualization of corporate strategy implementation process and suggests possible strategy implementation definitions suitable to each of the dominating theories in IB

3.8 Conceptualization of corporate strategy implementation in IB literature

Strategy implementation in MNC gains substantially different meanings and definitions while shifting across dominant IB theories; role of individuals is not the same and their strategic behavior is also achieved differently in every view of the MNC. The epistemological assumptions of Dominating, Coordinating, Designing view of the MNC, and traditional interpretation of Politicizing view of the MNC are positivist and based on rationalism. The Networking view of the MNC is largely empiricist, while Knowing and contemporary interpretation of Politicizing view of the MNC advocate social construction of reality. This is why Dominating, Coordinating, Designing view of the MNC, and traditional interpretation of Politicizing view of the MNC claim that corporate strategy implementation can be easily enacted; whereas others posit that it is hardly possible (Networking MNC), that it depends on power of agents (contemporary interpretation of Politicizing view of the MNC), or that it emerges via the process of interaction (Knowing MNC). Thus, the process of corporate strategy implementation in MNC is guided by the epistemology of each view: four largely positivist views argue that it is direct and straightforward, others claim that it is barely possible, politically guided, or naturally emerging. Table 8 compares different aspects of strategy implementation across the six views of the MNC in more detail.

Table 8. Corporate strategy implementation process in IB: A Comparison according to the six views of the MNC

CS implementation:	Views of the MNC						
	Dominating MNC	Coordinating MNC	Knowing MNC	Designing MNC	Networking MNC	Politicizing MNC	
						Traditional interpretation	Contemporary interpretation
Direction of theorizing in explaining CS and CSI	Top-down	Top-down	Top-down, bottom-up (Evolutionary theory)	Top-down	Top-down	Top-down	Bottom-up
The nature of corporate strategy 'implementation' :	is direct (what is planned is entirely achieved in whole MNC)	is direct (what is planned is entirely achieved in whole MNC)	is social process expressed by continuous learning and shared routines	is direct (what is planned is entirely achieved in whole MNC); although it may take time	is hardly achievable due to continuous bargaining between HQ and subsidiaries	is challenging, but achievable at least ceremonially	is a social process constructed by the actions of agents; depends on agents' power and interests
CSI and the levels:							
Organizational levels, which are considered when talking about CS and its implementation	HQ, Regional centers, Local branches, Top & Middle management, Employees	HQ Subsidiaries	Network Organization Group Individual	HQ Subsidiaries	HQ Subsidiaries	Organizational field (defined as host and home states) HQ Subsidiary	Organizational field defined broadly: HQ, Subsidiaries, Groups and individuals
The relevance of corporate strategy and its implementation across	CS belongs to HQ and top management, remains at corporate level	CS belongs to corporate headquarters and remains at corporate level	CS is social, it connects all organizational levels, its implementation	Depends on MNC type: e.g., in Transnational MNC CS is relevant to all	Depends on the strategy planned by HQ and interests of subsidiaries: if	Depends on subsidiary mandate, relationship between HQ	Corporate strategy is socially constructed by agents

organizational levels			emerges from individual to corporate level	levels; in Multi-Domestic – to HQ	subsidiaries have similar interest, then CS is also at their concern	and particular subsidiary, and tensions arising from institutional duality	bargaining across all organizational levels
Taking corporate-level actions in line with CS	CSI actions are guided by firm-specific advantage	CSI actions are guided by calculating transaction costs	system runs continuously (does not explain how it starts in MNC)	CSI actions are guided by environmental pressures	actions are guided by network not necessarily in line with CS	actions are guided by institutions of each unit and HQ	actions are guided by power expressed by key actors
Mechanisms of control and coordination in CSI across organizational levels	imposing hierarchical structure where labor is united by functions, but divided by power	'fine-slicing' operations across different units and controlling their behavior or output, rewarding for desired behavior or set output	natural means/ no control: group which identifies with MNC is guided by its 'higher-order principles' will naturally achieve strategic goals	control is executed by establishing relevant structures and supporting coordination tools, which fit external environment and MNC strategy	learning by doing: continuous process of adaptation and managing different interests. Control is intended, but mostly ignored	evaluating institutional pressures and transferring practices to the possible extent. Control is only intended, but challenged by institutions of local units	bargaining and continuous negotiations between the agents (if planned goals can be achieved in general). Control is intended, but negotiated
Aligning workforce, who reside at different organizational levels, to act according to CS	Strong hierarchy 'locks' workforce at different org. levels leaving no options for different behavior than the one which was intended	happens via direct top-down control by defining and rewarding behaviors; when HQ cannot establish control system, units are in charge of it	'naturally' aligned through shared identity and self-initiated behaviors according to accepted behavioral principles	happens via shared values accepted by everyone	workforce aligns with network preferences (but not always to CS) via established relationships	workforce is aligned with institutional environment more than with CS	everyone acts according to their own individual interests; alignment is questionable

Based on the strategy implementation features within each view of the MNC, a definition of strategy implementation process in IB can be suggested. *The Dominating, Coordinating, and Designing views of the MNC* considers that implementation is completed after organizational structures are established (it is assumed that structures and systems are accepted by workforce automatically without challenging them). *The traditional interpretation of Politicizing view of the MNC* considers that implementation is challenging, but institutional environment will provide certain predictable cues about process of alignment (not necessarily strategic alignment). Thus, corporate strategy implementation under these views could be defined by borrowing the definition from the field of strategic management: “Implementation is a series of interventions concerning organizational structures, key personnel actions, and control systems designed to control performance with respect to desired ends” (Hrebiniak and Joyce, 1984 in Noble, 1999: 120).

The contemporary interpretation of Politicizing MNC considers that organizational actors and their actions promoting their interests and power shape the strategy implementation process. Suitable definition for this view, could be: ‘Strategy implementation is mutually constructed process shaped by managerial behaviors and manager interaction with organizational members and organizational practices’ (adapted from Jarzabkowski, 2008). General definition appropriate for both streams of thinking within the Knowing MNC view could be formulated as follows: *Corporate strategy implementation is a process of creating and fostering shared identity and behaviors according to widely accepted common principles of operation.* Finally, *the Networking MNC* considers that implementation is hardly possible in general (because of continuous challenges arising from external networks), although intended. Thus, strategy implementation could be defined as *continuous process of actions, learning, and bargaining, which is supposed to lead to intended corporate actions.*

To sum up, insights from the review by White III et al. (2016) suggest that understanding what implementation is in the field of IB was largely dominated by analyzing structural dimensions of the MNC; however, understanding about other means to implement strategy in IB literature is very scarce (Piekkari & Welch, 2010; White III et al., 2016). Conceptual review in this dissertation also suggests that IB literature provides rather good understanding about what guides implementation actions (since most of the focus in the IB field is on strategy making and strategic decisions while internationalizing (Piekkari & Welch, 2010; Yaprak, Xu, & Cavusgil, 2011)). However, comparatively little is known about other dimensions of implementation within MNCs, e.g., workforce alignment is a particularly under-researched area (Piekkari & Welch, 2010).

Further, the next section presents review of empirical work on the topic and elaborates on the knowledge about strategy implementation processes within the MNC available in the IB research domain.

4 STRATEGY IMPLEMENTATION IN IB: A REVIEW OF EMPIRICAL WORK

Analysis of empirical work allows going beyond established boundaries of the theories. “Empirical evidence plays an important role in confirming, revising, or discrediting existing theory and in guiding the development of new theory” (Sutton & Staw, 1995: 373). Thus, the review of the empirical work on the phenomenon in question is equally important as the review of theorizations available within the IB research domain. Consequently, this section presents a systematic review⁸ of empirical work on strategy implementation in MNCs and discusses observed trends and implications for this dissertation. Only studies that empirically investigate SI and not organizational structure, culture, subsidiary initiative, i.e., topics related to SI, were included in this analysis, because SI is a more complex phenomenon and requires a holistic investigation rather than observations of one tool for SI.

The review of empirical work on strategy implementation within IB was conducted in a similar manner to the examples provided by Schmid and Kotulla (2011) and Laufs and Schwens (2014), who adopt systematic approach; as well as methodological suggestions by Tranfield et al. (2003). The review comprised two stages: the first was a search of the main databases for business and the social sciences: *EBSCOhost Business Source Premier* and *ABI Inform*; and additionally deeper search was made within the leading IB journals, which shape the field – as determined by their having attained grade 3, 4 or 4* in the ABS 2015 journal ranking. Detailed information on the searches is provided in Appendix 1.

The articles reviewed were selected because they met the criteria of being empirical and analyzing the implementation of MNC strategies rather than the implementation of an individual practice or system. Only studies recognizing the MNC setting, i.e. links between several MNC units rather than one MNC unit within one country, were included. For example, if a study claimed to investigate strategy implementation in an MNC, but scrutinized only one subsidiary in one country without exploring its links to the parent MNC, the study was excluded. A further criterion was that the articles addressed issues related to the strategies of MNCs rather than the implementation of certain external policies, for example implementing anti-apartheid policies (Seidman, 2003). Papers that study implementation of entire corporate strategy or its particular part as well as

⁸ The systematic review provides an unbiased search and evidence-informed research agenda, and synthesizes research findings in a way that can inform future research directions (Tranfield, Denyer, and Smart, 2003)

implementation of business strategy in the MNCs were all taken into consideration and included in the review.

The selection criteria also required that implementation/execution/change was not only mentioned in the abstract or text of the article, but the article itself addressed strategy implementation in MNCs (i.e., *how* implementation was conducted, rather than merely reporting that some particular strategy was implemented in a certain unit or the corporation as a whole). Another criterion was that in the search on strategic change within MNCs, the change analyzed in the article was internal, in that the analysis looked at *how* an MNC *manages* internal strategic changes, rather than, for example, generally reacting to external environmental changes or making a change in the corporate strategy. Thus, the focus of this review was on strategy implementation process in MNCs, which is considered to be under-researched (White III et al., 2016), rather than on strategic decision-making at corporate level. The review of all aspects of MNC strategic management are available in study by White III et al. (2016).

The results of the literature review of empirical work on strategy implementation in IB are grouped according to Forsgren's (2013) six views of the MNCs that have dominated research on MNCs over the last 50 years – Dominating, Coordinating, Knowing, Designing, Networking, Politicizing – and presented in Table 9.

This search and selection process, conducted by the end of the year 2018 generated 31 empirical studies in total. The volume is surprisingly low considering that studies on strategy implementation in MNCs commenced in the 1980s and that this search did not require papers to investigate *corporate* strategy in particular: search was conducted with generally looking at strategy implementation in MNCs.

However, interest in studying strategy implementation in MNCs has been growing in recent years, and 65 percent of the studies found had been conducted in the last decade, i.e. between the years 2008-2018. Finding a handful of empirical work on the topic based mostly on qualitative research methods echoes conclusions obtained by White III et al. (2016) who provides a review of all aspects of MNC strategic management and concludes that strategy implementation process in MNCs is under-researched. Within each stream of theoretical views of the MNC there are only a handful of empirical studies that try to support or explain the major assumptions of the dominating theories in the IB field (see table 9).

Table 9. Review of Empirical Studies on Strategy Implementation in International Business

Study	Research scope	Key findings
Knowing view of MNCs (n=1)		
Søderberg (2014) IJHRM	Examines how corporate strategic concept 'Winning Behaviors' was implemented and recontextualized in subsidiaries	Describes how corporate strategic concept was translated down to the employees in two subsidiaries by mundane activities and non-linear communication adapted to local context.
Designing view of MNCs (n=9)		
Doz & Prahalad (1981) SMR	Examines what is needed to implement global strategy	Recognizes the need for HQ control; interdependencies among units; well-designed administrative mechanisms; and need for change in cognitive and strategic orientation of subsidiary managers.
Roth, Schweiger, & Morrison (1991) JIBS	Constructs and tests a model for global strategy implementation	Provides general support for proposed model that includes coordination, managerial philosophy, configuration, formalization, centralization, integrating mechanisms, international strategy, and business unit performance.
McKinlay & Starkey (1992) IJHRM	Examines corporate HRM practices and how they were employed to achieve new corporate strategy implementation	In order to move from hierarchical, fine-sliced specialization to cooperative lean production thinking, Ford significantly reduced amount of job titles; launched an employee involvement program and participative management at all levels; made 'people' among its three top values and priorities; moved to matrix structures and lateral information flows
Kim & Mauborgne (1993) JIBS	Examines the effects of procedural justice on global strategy creation and implementation	Procedural justice (operationalized as two-way communication; a possibility to challenge HQ; HQ knowledge of local contexts; account for each subsidiary; and HQ consistency in decision making) was found to influence positively subsidiary compliance with strategic MNC decisions and improve corporate strategy implementation.

Pinkse, Kuss, Hoffmann (2010) IBR	Examines to what extent absorptive capacity across subsidiaries influences the level of global environmental strategy implementation in MNCs	The level to which absorptive capacity is shared among subsidiaries determines the level of standardization of global environmental practices in an MNC. The major contribution of the subsidiary to global strategy comes from its extra efforts, that go beyond the assigned mandate.
Bondy & Starkey (2014) BJM	Examines how MNCs develop and implement their CSR corporate strategy	MNCs use three strategies to develop and implement CSR policies: multi-domestic, global, and transnational. However, global and transnational approaches dominate. Even if the transnational approach should incorporate local cultures, in reality, globally designed policies are cascaded down with minor adaptations to local environments.
Kleinbaum & Stuart (2014) SMJ	Examines how position of corporate board members and their social networks affect corporate strategy implementation	Corporate board members have wide social network, which spread across entire MNC. This helps them coordinate activities and collect information across the units. Broad social network is retained by individuals even if they relocate from corporate board back to line organization.
Espinosa, Reficco, Martínez, & Guzmán (2015) EJOR	Illustrates how one strategic tool has been applied and developed in a strategy implementation process of an MNC	Illustrates how systems in national, regional, and project level within one MNC has been systematically assessed. Based on this evaluation, systems have been re-designed to support strategy implementation across the organizational levels. Re-designing involved workshops with the relevant organizational members, creation of the new organizational structures, committees, and operational chains.
Choua & Liao (2017) TQMBE	Examines how MNC achieved implementation of needed corporate structure and IT governance mechanisms to support global integration and local responsiveness	MNC corporate structure to support Transnational strategy comprised regional headquarters for more local management and vast responsibilities of C-suit for global control and coordination. Implementation success was achieved by aligning configurational design, decision-making structures and utilizing many supporting programmes and trainings to enact the corporate structure.
Networking view of MNCs (n=1)		

Santangelo & Klaus (2011) JIBS	Examines how institutional voids and uncertainty affect strategy creation and implementation	If institutional uncertainty is high, MNCs execute low commitment strategies with a possibility to further increase their commitment. If institutional void is high, MNCs execute intensive commitment strategies (for information search) that are likely to prevent later decrease in their commitment.
Politicizing view of MNCs (n=11)		
Poynter (1986) (C)JWB	Examines how companies design and implement strategies for defending subsidiaries from the host-country interventions	For defense strategy implementation is necessary: personnel who would be capable of adapting to new strategies; certain characteristics of executives and internal HR system; importance of company's industry for the host country; and non-traditional reactions to defense.
Geppert, Williams, & Matten (2003) JMS	Examines how contextual rationalities in MNCs affect HQ-subsidary interaction processes in global strategy implementation process	Subsidiary behavior in accepting or declining assigned mandate in the global strategy is highly dependent on its social embeddedness in the national business system of the host country. Home country rationalities (HQ) are very likely to clash with the host country (subsidiary) rationalities in strategy creation and implementation processes.
Matten & Geppert (2004) JIM	Examines to what extent national business system and culture shapes MNC strategy creation and implementation	National business systems and culture are significant in MNC management and alter even the implementation of pure global strategies of the MNC. The more a subsidiary's work system is interlocked with the national business system of the host country, the less likely it will be altered by the global strategy of the MNC.
Friel (2005) AME	Examines implementation of lean production strategy in the subsidiaries of the MNC	Institutional factors of a host country (such as labor law and training systems) can affect success or failure of implementation
Drori & Ellis (2011) EMR	Examines through what power games managers at different locations of one	The fragmented nature of an MNC provides a good ground for various management groups to inhibit strategic changes by playing different power games and using a variety

	MNC give sense to issues/events that help to inhibit organizational change	of sense-giving tactics. These sense-giving tactics, that inhibit change, can be successfully used even without challenging formal structures
Brumana & Delmestri (2012) JSM	Examines strategic change within an MNC by looking at 'glocalized' blending of corporate and subsidiary strategies and organizational structures	Paper suggests a theory of institutional-bound strategic change. Corporate strategic change is transferred through the processes of sense-giving and sense-making on the part of managers; however, these attempts are largely affected by institutional forces and appear to be cyclical (dependent on the economic situation)
Osmundsen (2013) IJOA	Examines how organizations develop strategically and build new organizational practices through interactions between people	Effectiveness of organizational change and strategy implementation largely depends on the interpretations of a specific leader. Cultural-cognitive institutions play a large role in this process. Individuals and their environment are both shaped by mutual interaction and the learning process.
Hamprecht & Schwarzkopf (2014) MIR	Observe subsidiaries that implement initiatives different from HQ organizational values and explain their behavior	Differently than expected by original Institutional theory, study finds that subsidiary behavior can be explained by 'Institutional trinity', where not 'Institutional duality' of host country and home country alone lead to certain unit choices and behavior, but also subsidiary values itself.
Bjerregaard, Linneberg, & Lauring (2016) CPOIB	Examines how and why Danish HQ initiatives to implement flat Danish management style in the UK subsidiary were received and challenged by multiple actors	Study sheds light on how individual actors at multiple organizational levels and units (HQ and subsidiary) construct their rationale and behavior in relation to contextual institutional and cultural complexity over the time.
Acquier, Carbone, & Moatti (2018) JBE	Examines how managers engage in institutional work to handle glocal issues in the implementation of MNC's CSR Policy across units	Study lists and analysis boundary work (intra- and inter-organizational) and practice work utilized by managers to achieve integrated CSR within MNC.
Maclean, Harvey, Sillince, & Golant, (2018) OS	Analysis transition of P&G from multinational to global corporation	Linguistic analysis reveals that P&G was utilizing references to its past during the transition period in three ways: for achieving socialization of employees, fostering identification, and for encouraging learning from the history. References to the MNCs history allowed for legitimization of current actions and facilitated buy-in of MNC's strategy.

Do not fit under any view of MNCs (n=8)		
Webb & Dawson (1991) JMS	Examines how corporate strategy is implemented at the subsidiary level	Strategic changes were implemented through continuous struggles. Location of managers strongly affected their interpretations of why the change was needed. Case study illustrates how organic (systems emerging from interaction, commitment of employees) and mechanistic (managerial hierarchy, established task descriptions) structures interplay in corporate strategy implementation.
Judge & Stahl (1995) IBR	Examines what factors influence middle management efforts for strategy implementation in the MNCs	Top management efforts in strategic change process relation with perceived ability to implement strategic change, perceived probability of success, and perceived consistency between managers and organizational goals was found to be relevant for the middle managers in MNCs. The more educated the middle manager, the more the perception of goal consistency decreases. National culture significantly moderates middle manager's personal perceptions and the strategic change relationship.
Moore & Rees (2008) ER	Examines how employee diversity affects attempts to implement global corporate strategy in a subsidiary of an MNC	Employee rank affects understanding of the problems in implementation. Cultural diversity within one subsidiary had large effects on corporate culture implementation; employee attitudes were influenced by both corporate and subsidiary factors and this influenced the effectiveness of different implementation efforts
Olsen & Boxenbaum (2009) CMR	Examines what internal problems MNC faced when implementing unconventional corporate strategy related to the CSR	4 main obstacles that were hindering implementation of the Bottom-of-the-Pyramid strategy were identified: Conflicting mindsets of employees within the MNC (largest influence observed); the need to change existing routines radically in comparison to the earlier working style; project evaluation criteria set by management; and conflicting incentive structures and mandates of involved employees
Hernes, Hendrup, & Schäffner (2015) JCM	Examines why two processes within the same MNC's change programme for gained entirely different recognition and commitment during their implementation	MNC launched a change programme (consisting of two processes) to create. One process initially generated fear for lay-offs, was shorter, and announced with delay. However eventually the latter process gained highest commitment and recognition. The opposite situation was with the second process. These findings demonstrate importance of dynamics in sense making processes over initial planning and intentions related with change.

Shah & Arjoon (2015) BSE	Examines how MNC subsidiary motivation and other characteristics affect their willingness to implement corporate CSR initiatives	Four distinct patterns were identified in subsidiary motivation and behavior while implementing CSR.
Perrot (2017) JBE	Illustrates the process how MNC has undergone organizational change related to implementation of Bottom of the Pyramid (BOP) strategies	Activity changes were linked to utilizing global action networks as change agents to develop needed capabilities and balance organizational needs between the exploration and exploitation. This allowed shifting management perceptions and developing strategies for larger scale implementation.
Lønsmann (2017) IJCCM	Examines employee perspectives in the process of corporate language policy implementation in one Danish MNC	Employee acceptance of English as shared corporate language was influenced by their language capabilities, age, and level of academic education. Most of the employees adopt immediate, work routine-based perspective that favors resistance to English as shared language, and only few can see the longer 'strategic' perspective, that supports shared corporate language implementation.

There are only four views of the MNC (Knowing, Designing, Networking, and Politicizing) out of six visible in the empirical studies on strategy implementation in MNCs; whereas two of them (Designing and Politicizing) seem to be dominating. This is probably due to the Dominating and Coordinating views of the MNC being based on a belief in the power of the corporation to implement strategy in a straightforward manner once powerful structures are created and the absolute MNC power over its internal and external environments. The 'how' question, which was one of the main requirements for the empirical work review, for these two views is considered to be less relevant.

Kogut and Zander (2003: 510) notice that studies on practices in the organizations are in line with their key arguments of the Evolutionary theory. That is why study by Sørderberg (2014) could be considered to represent this view. Original arguments of the Knowing view of the MNC, criticized for its inability to explain MNC management and processes at the corporate level (e.g., Forsgren, 2013), can provide brilliant insights at unit and team level, where single identity or several identities grounded in specialization are likely to emerge over the time and guide social actors within the 'community'. Thus, the view has large potential for knowledge generation; yet lacks empirical investigations.

Findings and conclusions from the studies that were assigned for the Designing view of the MNC are mostly aligned with the arguments of the Contingency theory. Nevertheless, Pinkse et al. (2010) note that subsidiaries should also be pro-active and are most likely to benefit from strategy implementation processes originating within the MNC by trying to exceed rather than merely meet the requirements set by HQ. Furthermore, Choua and Liao (2017) extends the argumentation of Contingency theory that structure is a derivative of strategy. Their study demonstrates that the two are interacting variables, which should be aligned by organizational configuration.

The Networking view of the MNC seems to suffer from little empirical recognition. One plausible explanation for the small number of studies found in the search derives from the theoretical assumptions of this view. Business Network theory considers that corporate strategy is merely a formal paper that has little meaning in the management of the MNC. Thus, its implementation is not very relevant, because corporate strategy was designed with sheer ignorance about subsidiary operations. What this theory focuses on instead is the balance of power between the HQ and subsidiaries within the MNC and which actors in the network, under which condition influence this relationship (Forsgren, Holm, & Johanson, 2005; Forsgren, 2013). Nevertheless, example of study by Santangelo and Klaus (2011)

demonstrates that empirical studies on strategy implementation in MNCs within this view are possible and should be encouraged.

The Politicizing view of the MNC delivers largest amount of empirical studies (11). This is not particularly surprising, considering the two large interpretations (traditional and contemporary) within the view and the focus of the view itself to understand strategic management of the MNC under the institutional pressures (Westney, 2005) or active agency (Kostova, Roth, Dacin, 2008). Pure traditional interpretation is not particularly utilized; studies seem to prefer actor-power considerations in the empirical investigation of strategy implementation process.

Moreover, Osmundsen (2013) and Acquier, Carbone, and Moatti (2018) recognize the role (not power) of managers and their ability to recombine and unite the institutional environments within MNC by individual-system interaction; Brumana and Delmestri (2012) analyzes how interaction between two different institutional environments differ in relation to economic environment and how it affects organizational change; whereas, Bjerregaard, Linneberg, and Luring (2016), introduce how individual actor reactions influence practice emergence within the subsidiary. The four later studies can be considered to represent emerging microfoundational approach (cf. Powell & Colyvas, 2008) in Politicizing view of the MNC.

Once the analysis of conceptualization and empirical evidence on strategy implementation processes in MNC is completed, it must be acknowledged that such review identifies research gaps that is where more empirical studies on the topic could be conducted. However, the review does not reveal what *knowledge* about this social phenomenon is already available from theory development perspective and the sustainability of theoretical as well as empirical explanations. Consequently, theory and empirical evidence on the topic should be evaluated in terms of their underlying assumptions. The latter evaluation, provided in the following section, allows examining the causal mechanisms applied in strategy implementation theorization and their effectiveness in explaining phenomenon in question. Finally, the later evaluation is expected to provide understanding about the position of eight empirical studies that were found via the systematic literature review, but were considered not to fit under any of the six views of the MNC.

5 UNDERLYING ASSUMPTIONS OF THEORIZATION IN STRATEGY IMPLEMENTATION RESEARCH

The six major IB theories, introduced above, have different positions about strategy implementation in MNCs; therefore, they appeared to have different potential to produce new avenues for the research on strategy implementation. Moreover, because the six views of the MNC consider different explanations of the social phenomenon – SI – and different levels of analysis, it is important to understand how these levels interact. Thus, the dominating IB theories and their perspective on strategy implementation should be evaluated by comparing their *underlying* assumptions about SI as social phenomenon, and the role of individuals in explaining social outcomes in particular. The latter comparison reveals two issues: a) which type of theorization about the social phenomenon is likely to provide the most plausible explanation on strategy implementation within the MNC, and b) what type of empirical work is likely to provide the most effective route for approaching research on how strategic plans become individual strategic behaviors leading to strategy implementation.

Therefore, this section first introduces main theoretical methodologies within social sciences to theorize about social phenomenon; then, evaluates underlying theoretical assumptions of IB theoretical and empirical work on strategy implementation against the type of theory. Conclusions on theorization effectiveness are offered at the end of the section. These conclusions guide further theoretical and methodological choices of this dissertation, which attempts to understand, how corporate strategy of the MNC become strategic behaviors of the individuals across organizational levels.

5.1 Perspectives on theorizing about social phenomena

Regardless of MNC model (i.e. Multinational, International, Global, or Transnational), MNC is a social entity with varying levels of interdependencies regarding overall management structures, knowledge, products, technologies, and individuals (cf. Kostova & Roth, 2003). Therefore, theories on MNC management (e.g., Buckley & Casson, 1976; Hedlund, 1986; Ghoshal & Bartlett, 1990; Kogut & Zander, 1992, 1993, 1996) attempt to explain how multiple entities (e.g., organizational goals, structures, or culture; technology; MNC units; teams; and individuals such as managers and employees) residing at multiple levels of analysis interact efficiently allowing MNCs to succeed in their operations.

Consequently, social phenomenon, such as MNC management, can be explained with theorizing by two different methods: methodological collectivism and

methodological individualism (Barney & Felin, 2013; Felin et al., 2015). These two methods have a long history of competing with each other in terms of which method offers a better explanation about social phenomena. Nevertheless, both methods are utilized in a number of social sciences, e.g., sociology and economics (see the complete review by Felin et al., 2015). These two perspectives in social sciences have opposite positions regarding the role of individuals and their behavior when explaining social outcomes.

Methodological collectivism (e.g., Durkheim, 1962) assumes that society in which individuals reside has superiority over their individual interests or actions; that is, society shapes individuals and makes them dependent on the higher powerful constructs (Agassi, 1960). Methodological individualism, on the contrary, assumes that society is not existent without individual actions and interactions; that the latter is what shapes society as it is (Agassi, 1960). Theories developed with assumptions under one of those perspectives on theorizing typically involve various 'levels'.

Definition of 'level' varies: it can relate to the level of theory, level of analysis, and level of measurement. *Level of theory* refers to the phenomenon (e.g., individual, firm) "to which generalizations are designed to apply" (Mathieu and Chen, 2011, p. 613). "*Level of measurement* refers to the unit to which data are directly attached"; and *level of analysis* refers to "the unit to which data are assigned for hypothesis testing and statistical analysis" (Rousseau, 1985, p. 4, emphasis added). For example, data may be obtained from MNC managers (individual level of measurement) about MNC performance (organizational level of analysis) and their individual strategic behaviors (individual level of analysis) when developing single or multilevel theories. As a general rule, it is recommended that level of measurement is always the same as level of analysis or there should be a clear theoretical explanation how the two are linked (Mathieu and Chen, 2011).

Considering the definitions above, there are two kinds of theories: single-level and multilevel (Klein & Kozlowski, 2000). Single-level theories comprise, for example, *Organizational-level (O-level) and Individual-level (I-level)* theories (Devinney, 2013). *O-level theories* represent the organizational perspective (Hitt et al., 2007) and are related to the systems established within organization (e.g., structures, processes, policies) or joint group/collective actions (e.g., organizational culture) (Devinney, 2013). *O-level theories* assume that social behavior is regular (Klein & Kozlowski, 2000) and, therefore, represent the logics of methodological collectivism.

I-level theories look at individual actions and behavior “without recourse to discussion relating to higher levels of analysis” (Devinney, 2013: 82). I-level theories are solely orientated to individual-level factors and downplay contextual factors that can restrict the effects of individual diversity and lead to more united collective responses (Klein & Kozlowski, 2000). These theories are not particularly relevant in explaining social phenomena since they are more focused on individual-level actions and outcomes; although in certain cases generalization to small group could be made (see examples in Felin et al., 2015). Nevertheless, under some classifications, *I-level* theories are considered as ‘strong’ form of methodological individualism⁹ in which social outcomes are “made up of individuals” (Udehn, 2002).

Multilevel theories, or *Aggregation-level (A-level) theories*, are those that span different levels of analysis by explaining how one level influences the other (Devinney, 2013). The connections across the levels of analysis in these theories are *two-sided*: i.e. all levels can influence each other. Higher-level systems will have different (not regular) effects on the lower levels of analysis (these effects can be direct or act as moderators) (Klein & Kozlowski, 2000). These theories are typically assigned under ‘weak’ methodological individualism. In the field of management *Coleman’s methodological individualism* (Udehn, 2002) is the most often cited (Felin & Foss, 2005; Molloy, Ployhart, & Wright, 2011; Devinney, 2013; Barney & Felin, 2013).

The idea of Coleman’s methodological individualism, when compared to other A-level theories, is that “the system’s behavior is in fact resultant of the actions of its component parts, knowledge of how the actions of these parts combine to produce systematic behavior can be expected to give greater predictability than statistical relations of surface characteristics of the system” (Coleman, 1990: 3). Although one macro-level issue seems to be influencing the other macro-level issue, their relationship can be only explained through the transition of macro-micro-macro level issues (Coleman, 1990; Felin & Foss, 2005; Devinney, 2013) and through the interplay between the disciplines of psychology, sociology, and economics (Molloy et al., 2011) (see Figure 3).

⁹ methodological individualism has different shapes and levels (see Udehn, 2002 for a review)

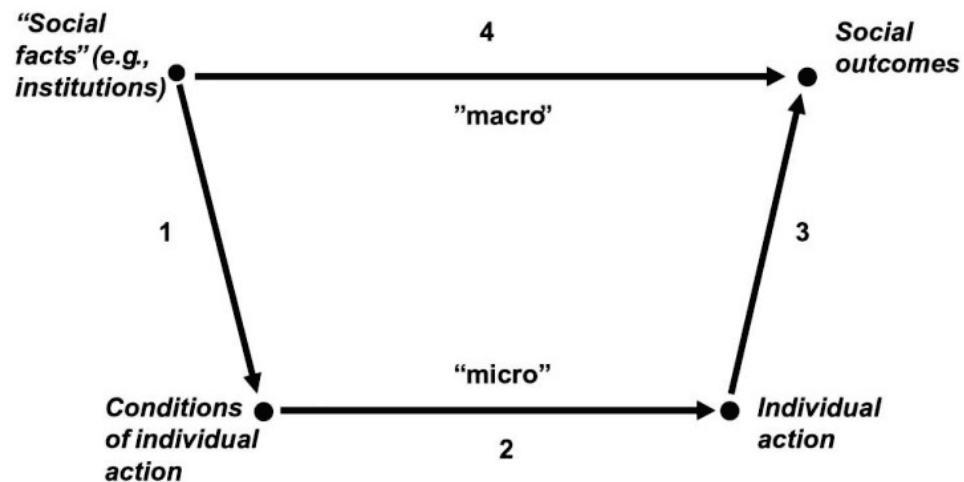


Figure 3. Coleman’s bathtub: model of social science explanation by methodological individualism (Felin, Foss, & Ployhart, 2015: 591).

Therefore, Coleman’s methodological individualism, has very precise position regarding the interplay of the levels of analysis in comparison to other A-level theories. It believes that lower level is the one where explanation of outcome resides; thus, higher-level systems emerge from the lower levels of analysis (Barney & Felin, 2013; Felin, Foss, Ployhart, 2015). However, other multilevel perspectives and models are freer in their assumptions about “which level of analysis, a priori, might have the most significant impact in the analysis – suggesting that giving any primacy to a level is an empirical question” (Felin et al., 2015: 587). All A-level theory perspectives agree that higher-level context has influence on lower levels of analysis, but the way they see interaction between the levels is different.

It is therefore less important to merely examine factors that originate from different levels of analysis (e.g., HQ, subsidiary, group, individual), than it is to understand how, according to a certain theory, these levels of analysis *interact*. If lower levels are considered to influence the behavior of the entire system, then it is likely that theory is multilevel or represents methodological individualism. If, however, certain organizational system is only cascaded down through different organizational levels without considering the influence of the lower levels, or without considering possible irregularities in reaction to the strategic plan across the levels; then, theory is single-level, represents O-level theories, and stands for methodological collectivism despite it incorporating different organizational levels (such as HQ, subsidiaries, or teams), or different levels of analysis.

By looking at the level of theory or theory position about interaction of the levels of analysis, scholars can better understand the causal mechanisms applied by a

given theory or model. Therefore, to understand to what extent certain theories or models are capable to explain social phenomena and to what extent individuals are important in explaining social outcomes, it is important to evaluate these theories or models against the perspective on theorizing in social science. This approach is currently lacking in the discussion on multilevel studies within the IB. However, when discussion on multilevel theorizing about certain social phenomenon within MNC is omitted, entire understanding of knowledge that multilevel studies are capable to generate about MNC, is missing. The following section applies discussion on theory levels to the area of IB research concerning strategy implementation in MNCs.

5.2 Strategy implementation research according to theory type

The analysis on how strategy implementation research represents O-level, I-level, and A-level type theorization, and therefore, what is the role of individuals and individual behavior within the IB theories, is provided in this section in order to understand the basis of theoretical argumentation and causal mechanisms of each IB view of the MNC. In relation to earlier discussion and suggested definitions of corporate strategy implementation, the views are grouped in the Table 10 under the level of theory.

Table 10. Strategy Implementation Research in IB: Analysis with multilevel theorizing perspective about social phenomenon

	O-level theories	I-level theories	A-level theories
Level of analysis	Macro (organizational) level (Macro-> macro)	Micro (individuals and groups) level (Micro-> micro)	<i>Interaction</i> between organizational and individual levels (Macro-> Micro -> Macro)
IB views of the MNC (from Table 7)	Dominating MNC; Coordinating MNC; Designing MNC; Politicizing MNC (focus on institutional embeddedness); Networking MNC	Knowing MNC (Evolutionary theory); Politicizing MNC (focus on agency)	Knowing MNC (Foss & Pedersen, 2004; 2019); Politicizing MNC (Powell & Colyvas, 2008)
Empirical research in IB on strategy implementation (from Table 9)	Doz & Prahalad (1981); Poynter (1986); Roth, Schweiger, & Morrison (1991); McKinlay & Starkey (1992); Kim & Mauborgne (1993); Geppert, Williams, & Matten (2003); Matten & Geppert (2004); Friel (2005); Pinkse, Kuss, & Hoffmann (2010); Santangelo & Klaus (2011); Kleinbaum & Stuart (2014); Bondy & Starkey (2014); Espinosa, Reficco, Martínez, & Guzmán (2015); Choua & Liao (2017)	Judge & Stahl (1995); Drori & Ellis (2011); Söderberg (2014); Lønsmann (2017); Maclean, Harvey, Sillince, & Golant (2018)	Webb & Dawson (1991); Moore & Rees (2008); Olsen & Boxenbaum (2009); Brumana & Delmestri (2012); Osmundsen (2013); Hamprecht & Schwarzkopf (2014); Shah & Arjoon (2015); Hernes, Hendrup, & Schäffner (2015); Bjerregaard, Linneberg, & Lauring (2016); Perrot (2017); Acquier, Carbone, & Moatti (2018)
State of <i>knowledge</i> about strategy implementation in MNCs	Theoretical knowledge: - 4 out of 6 most developed views of the MNC, and 1 well-developed interpretation of the view - <i>Large</i> body of <i>diverse</i> theorizing about internal and external <i>systems</i> that are <i>intended</i> to drive SI within the MNC in <i>consistent</i> ways across levels	Theoretical knowledge: - 1 well-developed view and 1 interpretation of the well-developed view - <i>Moderate</i> body of <i>diverse</i> theorizing about <i>social processes</i> within MNCs that drive SI either in: a) <i>consistent</i> ways due to shared identity, or b) <i>inconsistent</i> ways due to the dispersed power of individuals across levels	Theoretical knowledge: - 2 emerging interpretations of views - <i>Small</i> body of theorizing based on a narrow range of <i>multilevel theories</i> that <i>explain individual-system interactions</i> ; some acknowledgement that the <i>field does not know how to apply them</i>

	<p>Empirical knowledge: - <i>Large</i> body of empirical studies under O-level theorization, but <i>limited or no</i> empirical evidence under each view:</p> <ul style="list-style-type: none"> • Designing MNC (9) • Politicizing MNC (institutional embeddedness) (4) • Networking MNC (1) • Dominating MNC (0) • Coordinating MNC (0) 	<p>Empirical knowledge: - <i>Small</i> body of empirical studies under I-level theorization, and <i>limited</i> empirical evidence under each view; some studies not belonging to any view:</p> <ul style="list-style-type: none"> • Politicizing MNC (agency) (2) • Not belonging to any views (2) • Knowing MNC (1) 	<p>Empirical knowledge: - <i>Large</i> body of empirical studies under A-level theorization, either a) not belonging to any view, or b) providing empirical evidence under the Politicizing view:</p> <ul style="list-style-type: none"> • Not belonging to any MNC view (6) • Politicizing MNC (5)
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Table 10 reveals discrepancies between the availability of IB theorization and the research trends emerging from empirical work. Social phenomena within MNCs tend to be theoretically explained largely from methodological collectivism point of view, that is considering that once certain systems and structures are designed, individuals within organization will behave as intended. Plenty of empirical studies are also conducted with O-level theory perspective, but taken separately each view of the MNC has gathered rather little empirical evidence about how internal and external systems affect strategy implementation processes. A-level theorization, despite of lacking theoretical foundations, is largely represented in empirical work. I-level theorization offers rather little empirical investigations and is considerably underdeveloped theoretically regarding the aspects that specifically apply to strategy implementation phenomenon.

Further, in depth discussion about strategy implementation under each type of theory is provided. First, short explanation on why each view of the MNC was placed under certain type of theory is given. Second, discussion on causal mechanisms of each type of theory and their effectiveness in explaining strategy implementation phenomenon is provided and additionally supported by insights from strategic management literature¹⁰. Finally, a short overview is offered on how each type of theorization could contribute to development of knowledge about strategy implementation in MNCs further.

5.2.1 O-level theories of strategy implementation

The Dominating, Coordinating, Designing, and traditional interpretation of Politicizing view of the MNC (focus on institutional embeddedness) can be considered to be representatives of the O-level theories. The Dominating view of the MNC fosters the power of hierarchy, which is supposed to enforce every strategic decision made at the top of this business organization. The Coordinating view of the MNC suggests that economically grounded management system within MNC should prevail over individual opportunism and should assure implementation of established goals. Similarly, MNC as an organization in Designing view of the MNC obeys the external environment and behaves consistently while responding to the pressures for global integration and local

¹⁰ Addition of strategic management literature in this analysis is necessary, because IB has limited discussion on strategy implementation issues. Moreover, strategic management and IB research domains originated from and have been heavily influenced by the language of economics and industrial organization (Pettigrew, Thomas, & Whittington, 2002; Forsgren, 2013); therefore, they have similar path of development and to certain extent can supplement each other.

adaptation. Politicizing view of the MNC (focus on institutional embeddedness) discusses the power of institutions, which shape operations of the MNC.

Networking view of the MNC might not be straightforwardly considered to be an O-level theory and does not conform strategy implementation conceptualization offered in Table 10. Its positioning is rather complicated. However, certain aspects of current interpretation of the theory allows placing it under the O-level theorization. For example, it considers that business networks largely shape behavior of the MNC. This is likely to represent the logics of superior system effects on the lower levels of analysis. Furthermore, Business Network theory remains at organizational level of analysis (includes only HQ-subsubsidiary). The theory suggests how business network relationships are built, but does not analyze the foundations of these relationships and their effects on the MNC management more in depth. If the later would be done building on the current attempts to suggest adding some individual level factors to the Uppsala model (Vahlne & Johanson, 2019), Business Network theory would represent methodological individualism. Nevertheless, at this stage, five out of six views (which are also the widely established and are largely dominating the IB field) are representing O-level theory type.

Similar observations are available in the strategic management research domain. O-level theories in the strategic management field were the first to be developed. Studies in this category deal mainly with three aspects: a) the way structures and procedures are designed in order to organize strategy implementation processes (e.g., Hrebniak & Joyce, 1984; Kotter 1996; Luecke 2003), b) organizational-level factors that enforce structures and procedures across the organization (e.g., Kaplan & Norton, 2001; 2007; 2008; Nutt, 1983; 1986; Bourgeois & Brodwin, 1984; Rapert, Velliquette, & Garretson, 2002), and c) models that deal with designing and enforcing issues at the same time (e.g., Waterman, Peters, & Phillips, 1980; Dibb & Simkin, 2009; Beer et al., 2005; Harreld, O'Reilly, & Tushman, 2007). Individuals are granted no power, and their choices, preferences, and nature are considered unimportant in the macro social environment (Durkheim, 1962; Barney & Felin, 2013).

In the strategy implementation studies categorized as adopting O-level theories, systems/plans are the major drivers of strategy implementation, since individuals and their groups at different levels in the organization are expected to follow imposed systems (e.g., Grundy, 1998) or strategy implementation goals (Kaplan & Norton, 2001). It is believed that via top-down influence, such as persistent communication on strategy and the reasons for it (e.g., Van Riel et al., 2009), employees and lower organizational units will put aside their interests. Theories

are rational, positivistic, and assume that as long as macro-level aspects are organized well, good (macro-level) organizational performance will be achieved.

O-level theories on strategy implementation can be criticized for not offering convincing explanations of why two thirds of strategy implementation initiatives are reported as failures. O-level theories do not offer suggestions about how change *actually* happens in organizations (By, 2005), and how cultural receptivity (Miller, 1997), acceptance (Hickson, Miller, & Wilson, 2003), climate for action (Kaplan & Norton, 2001), climate for implementation (Klein & Sorra, 1996), overcoming resistance to change and existing power structures (Hrebiniak, 2006; Beer et al., 2005), or social credit for action (Nutt, 1986) can be achieved. Consequently, O-level theories are likely to discuss structures and systems that *intend* to drive strategy implementation processes, rather than *actually* drive.

Similarly to the above, in IB context, O-level theories have been criticized while questioning their effectiveness of established super structures to implement strategy. Empirical work reveals limitations of O-level theories by exposing unaddressed challenges. For example, diversity issues within each country (e.g., Moore & Rees, 2008); ignorance to agency power (e.g., Drori & Ellis, 2011), individual level factors (Osmundsen, 2013), subsidiary motivation (e.g., Shah & Arjoon, 2015) and values (e.g., Hamprecht & Schwarzkopf (2014); as well as individual-system interaction aspects (e.g., Hernes *et al* 2015; Bjerregaard *et al.* 2016; Acquier *et al.* 2018) were empirically shown to challenge the power of the well-established systems. Some scholars additionally claim that ignorance to individual level aspects such as the role of language and discourses in strategy implementation within MNC leaves strategy implementation processes without explanation about “how organizational structures are produced and reproduces” (Piekkari & Welch, 2010: 468).

Nevertheless, empirical evidence from empirical research on other management-related topics suggest that systems might be more effective in some situations than in the others. For example, Humphrey and Ashforth, (2000) demonstrates that in weak situations “(new, having few norms, dynamic, or emergent..., i.e., characterized by fewer organizational constraints)...individual differences will have considerably large influence in predicting organizational behavior”; whereas, in strong situations “(having elaborate control, stable, or closed from external influences)... systems may be more influential in predicting organizational behavior” (Mischel, 1973; Humphrey & Ashforth, 2000 in Rousseau & Fried, 2001: 2, 6).

Applying these findings to the strategy implementation processes within MNC, this means that, for example, MNC with hierarchical structures operating in industries where both pressure for global integration and local responsiveness are low (e.g., in Dominating and Coordinating views of the MNC) is likely to succeed in predicting organizational behavior by observing and monitoring established organizational systems and structures. However, this is unlikely to be the case in the MNCs operating in highly complex environment with continuous internal changes, e.g., like Transnational MNC. In the latter type of MNC, without understanding individual differences and individual behaviors more generally, predictability of MNC outcomes might be challenging.

In other words, O-level theories provide good recipes for organizations in how to *organize* strategy implementation processes and *plan* employee buy-in. However, O-level theories are less adept at explaining what makes those plans successful, and what causes organizational members to become committed to the plans and to align themselves and their behavior with the goals, plans, and structures; in particular, in the situations where structural and behavioral control may be deliberately chosen to be weaker.

Nevertheless, O-level theories has good potential to further contribute to development of knowledge about strategy implementation in MNCs, if they would be contextualized. This means that more empirical studies under each view are needed with the focus on strategy implementation issues. However, while reporting empirical findings not only regularities, but also irregularities could be exposed and extensively discussed. The latter would develop understanding where empirical evidence challenge or go beyond the established O-level theories. Consequently, explaining irregularities in strategy implementation process would contextualize situations under which system behavior can lead to more consistent outcomes.

5.2.2 I-level theories of strategy implementation

In IB literature two views could represent the I-level theory type: Knowing view of the MNC (Evolutionary theory) (e.g., Söderberg, 2014) and contemporary interpretation (focus on agency) of Politicizing view of the MNC (e.g., Drori & Ellis, 2011; Lønsmann, 2017). Both of these perspectives are more interested in the role of individual. The Knowing view of the MNC corresponds to the strategy-as-practice literature and looks at how individual interacts with others in order to move towards shared meanings (Kogut & Zander, 2003: 510); whereas contemporary interpretation of the Institutional theory is concerned with agent shaping, prohibiting, or influencing strategic change.

While IB only starts elaborating on levels in theorization, I-level theories in strategic management literature have appeared as a response to the problems faced by O-level theories. The reason for appearance for I-level theorization were these assumptions: if strategic plans fail to be implemented and O-level theories do not precisely explain how people in organizations can be motivated to accept strategic plans and behave strategically, then scholars should look at what individuals in organizations do, how they perceive strategy, and how they react to it (e.g., Hutt et al., 1988; Wooldridge & Floyd, 1989; Floyd & Wooldridge, 1992; Buss & Kuyvenhoven, 2011).

Thus, I-level theories focus on individuals, their cognitions, and their actions. For example, studies on strategy-as-practice (s-as-p) cover issues relating to strategy *practitioners* (primarily managers at different levels of the organization; also, consultants, regulators, shareholders, and customers or their groups (Jarzabkowski, Balogun, & Seidl, 2007)) whose characteristics and behavior influence the evolution of strategy (Floyd & Wooldridge, 2000). Furthermore, s-as-p looks at *practices*. That is “the social, symbolic and material tools through which strategy work is done”; and *praxis*, “the flow of activity in which strategy is accomplished” (Jarzabkowski & Spee, 2009: 70). Thus, s-as-p literature provides a deeper understanding of the processes occurring in the realms of top-, middle-, and operational-level managers. In addition, it also reveals how external stakeholders, such as customers or consultants, influence strategy making in the organization. Furthermore, the s-as-p literature offers valuable insights into what managers actually do, their routines, and management techniques.

Differently from the O-level theory type, this type of theorization is not widely spread in the IB field; there are only few empirical studies and, therefore, there is space for the research on individual and individual-level practices within the MNC (Piekkari & Welch, 2010). The studies in IB and strategic management literature under I-level theories are conducted within constructivist philosophy. However, alternatives are also available. For example, the study by Judge & Stahl (1995) looks at the individual level factors and their influence on individual behavior from a positivistic, psychological perspective. This study does not have much relation with the dominating IB perspectives, but rather is considered to be IB relevant due to its considerations about how national culture influence perceptions and behavior of the middle managers.

As mentioned earlier, I-level studies are not particularly suitable to explain processes in higher organizational levels, since their focus is mostly on individuals, or teams. For example, Evolutionary theory lacks explanation on how to reach the ideal stage of orchestration at all organizational levels and how to create shared

identity and strategic behaviors according to the common principles, not only in small teams, but across a number of distant organizations located in different countries and gathered under the MNC umbrella (Forsgren, 2013). This is because the level of theorization always remains at the individual level or small team level. In other words, the ultimate outcome is to illustrate the behavioral routines of individuals or their groups in the organization; or which individual characteristics lead to a certain individual or small group perception. However, it is not yet completely clear in what ways and to what extent those routines or perceptions affect organizational performance.

Nevertheless, I-level theories has good potential to develop understanding of strategy implementation processes at practice and practitioner level. While having better understanding of individual routines and interpretations, it is possible to comprehend better, why certain techniques used by different managers might become (not) operative and successful in strategy implementation endeavors. In IB context, understanding about how practitioners who work with strategy implementation or are expected to implement organizational strategies behave, perceive, and think across cultures; what practices for strategy implementation are used in various country contexts; would be of significant value. Thus, more empirical studies with I-level theorizing should be encouraged. This would additionally support upgrading currently more general I-level theorizing in IB with specific focus on strategy implementation process.

5.2.3 A-level theories of strategy implementation

Only a few conceptual pieces on the six views of the MNC - Knowing MNC (Foss & Pedersen, 2004; 2019) and Politicizing view of the MNC (focus on microfoundations; Powell & Colyvas, 2008) - could be considered as representatives of A-level theories, whereas there are a number of empirical studies, which recognize multilevel thinking; although without entirely utilizing multilevel thinking in theorization. For example, the ethnography by Moore and Rees (2008) provides insights into how employee diversity (micro level) and type of work contract (meso level) affected individual interpretations of a strategy, and how this manifested itself in the performance of a subsidiary (macro level), in particular in terms of employee turnover rates. Furthermore, the study reveals that the real problems in strategy implementation were not known by the management of the subsidiary, because their interpretations (micro level) of strategy implementation were bounded by corporate communication and general interaction with HQ (macro level), despite subsidiary managers having a line of communication with lower-level employees in the subsidiary as well as with HQ.

Other examples, presented in Table 10, also reveal a number of situations when lower (e.g., individual) level factors and behavior have effects on the higher (e.g., organizational) level outcomes.

As illustrated in the example above, the causal mechanisms in the theorization about the strategy implementation in A-level theories are the products of multiple levels of analysis. Individuals in organizations are to a certain extent affected by macro-level factors, such as strategic initiatives, communication about strategy, and the like; but their behavior is also influenced by a number of individual-level factors (e.g., nationality, experience, age). Finally, individual behaviors (those affected by macro- and micro-level factors) and interactions of the individuals within organization emerge to the implemented strategy. Consequently, studies by Moore and Rees (2008), Osmundsen (2013), Hamprecht and Schwarzkopf (2014), Shah and Arjoon (2015), Bjerregaard *et al.* (2016) are closer to the logics of Coleman's methodological individualism; whereas studies by Webb and Dawson (1991), Olsen and Boxenbaum (2009), Brumana and Delmestri (2012), Hernes *et al.* (2015), Perrot (2017), Acquier *et al.* (2018) are likely representing general multilevel logics. Nevertheless, none of these studies positions themselves as multilevel or works on microfoundations.

Differently from IB, theoretical developments towards multilevel or microfoundational thinking are quickly evolving in strategic management, management, and human resources management fields (e.g., Bowen & Ostroff, 2004; Foss, 2010; Ravishankar, Pan, & Leidner, 2011; Bapuji, Hora, & Saeed, 2012; Felin *et al.*, 2012; Wright, & Nishii, 2013; Minbaeva, 2013; Felin, Foss, & Ployhart, 2015; Ostroff & Bowen, 2016; Renkema, Meijerink, Bondarouk, 2016). The recent rise of A-level theories in the neighboring research domains are meant to address shortcomings of O-level and I-level theories. Mathieu and Chen (2011: 611) in their insightful review about the O-, I- and A-level theories notice that management-related research, dominated by single-level theories:

“was becoming more fractioned and specialized...The breadth of acceptable theoretical approaches, substantive variables, research design, and statistical analysis continued to narrow within each domain with lesser and lesser cross-pollination. Subspecialities within each domain evolved norms about what constituted acceptable theoretical frameworks, interesting questions, types of data, measurement methods, and analytic tools. Yet, anomalies began to accumulate...that would not “fit” the accepted sub-discipline doctrines.”

This trend, according to the authors, resulted in the dead end in terms of theory enhancement and development, “the boundaries and limitations of these single-level views of complex business phenomena became increasingly evident” (Mathieu and Chen, 2011: 611); thus, multilevel theorization gained the recognition as the way out in order to explain those ‘anomalies’ and offer sound scholarly contributions again. Multilevel models have received widespread recognition as those best able to explain organizational behavior (Klein & Kozlowski, 2000). Moreover, multilevel theories are claimed to be the best representations of real-life complexity, in the sense that they offer the most sustainable explanations of how organizations work (Hitt et al., 2007). As Roberts, Hulin, and Rousseau (1978) explain, looking ever closer at individual-level aspects while excluding organizational factors, or excluding individual aspects in organizational-level studies will only lead to “more precise knowledge about increasingly trivial matters” (p. 136). This is because individuals are nested in work groups, and work groups are nested in sub-units that are a part of the whole organization (Hitt et al., 2007).

Therefore, in order to improve knowledge of an organizational phenomenon, multilevel studies are necessary (Hitt et al., 2007; Felin & Foss, 2005; Devinney, 2013). Consequently, A-level theorization is considered to be the most effective and comprehensive method of theorizing for explaining various management-related issues in the organizations. Considering the theoretical developments in the neighboring disciplines, leading IB journals finally start recognizing the need to move towards multilevel, multidisciplinary research, too (e.g., Cheng et al. 2014; Andersson et al., 2014).

Since A-level theories in IB are only emerging and there are considerable amount of studies that represent general multilevel or microfoundational thinking, the field has two options on how to develop knowledge about strategy implementation in MNCs further. One possibility is to enhance existing theories of the MNC, such as Designing, Networking, Knowing, and Politicizing views of the MNC, that have large potential to be extended to the multilevel thinking. Theorization by Powell and Colyvas (2008), who proposes the research agenda for microfoundations of Institutional theory, or Foss and Pedersen (2004; 2019), who suggest questions for theorizing across the levels within the Knowing view of the MNC as well as recognize the need to search for explanatory mechanisms, already serve as good examples while choosing this option.

In similar manner, the Designing view of the MNC could discuss how individuals enact (what supports/hinders) chosen corporate structures and their dimensions. The Networking view of the MNC could analyze how individuals within MNC are

affected by internal and external networks; how their behavior corresponds to network formation; can networks be adjusted by re-placing key individuals or adjusting certain personal relationships? More empirical studies under this view could be conducted investigating to what extent MNC is actually able to implement its corporate strategy despite the fact that HQ are likely to suffer from sheer ignorance and which actors from the business and corporate networks, under which conditions, and in what ways have certain influence in the corporate strategy implementation processes. Such exercise is likely to require ontological and epistemological re-considerations within the existing theories and might be considerably complex.

The second option would be to follow Forsgren's (2013) classification for IB theories and develop the seventh – Multilevel view of the MNC. This would require clear theoretical choices about which perspective from multilevel theorizing IB prefers to adopt; how MNC's management and operations look under this view; and how it interacts with the broader society. This dissertation considers the second option for multilevel theorization development in IB and attempts to engage in initial theorization on *Multilevel view of the MNC*. The following section presents early theoretical arguments for this view of the MNC and explains why such route was chosen in this dissertation.

5.3 Corporate strategy implementation and the Multilevel view of the MNC

This section provides arguments around why developing the multilevel view of the MNC would significantly benefit IB research domain; presents the initial assumptions of the Multilevel view of the MNC; and explains how these theoretical assumptions reflect further development of the definition of corporate strategy and its implementation in MNCs. Finally, the section briefly explains how the assumptions of the Multilevel view of the MNC will guide the empirical study in this dissertation.

The six views of the MNC were inspired by different observed phenomena, the historical period, and the changing economic situation (Buckley, 2002; Brannen & Doz, 2010; Forsgren, 2013). None of the views is right or wrong, but rather each view is better suited to explain MNC operations in certain historical and economic period. With the recent rise in technological advancement, the world in which MNCs operate became significantly interconnected, fast, and complex. It is now typified by unpredictable economical exchanges between various entities and actors and both institutions and individual stakeholders have influence and power

(Friedman, 2005; Friedman & Manyika, 2019). Nevertheless, there are a large number of issues that call for recognizing location specificity in international business strategies due to the limitations of globalization and market interconnectedness (Ghemawat, 2003). Individuals increasingly operate in multiple interconnected contexts and environments where local issues still matter; making it difficult to understand which context is likely to influence individual behavioral responses at a given point in time (Minbaeva, 2016). Consequently, the perspective on theorizing that is considered to embrace ultimate complexity as well as multiple individual embeddedness should be prioritized over others, to address challenges and operation models relevant to MNCs today.

Furthermore, working within the environment described above requires MNCs to adapt their strategies and structures (Bartlett & Ghoshal, 2000). When competition increases, international or multi-domestic MNC models become difficult to maintain. Furthermore, when the overall complexity and interconnectedness of global markets are rising, more fluid organizational structures and geocentric strategies become important. MNCs increasingly develop their operating processes by incorporating artificial intelligence, robots, and various information and communication technology (ICT) tools that reduce their dependence on a low-skilled workforce and create a need to source knowledge and capabilities globally (George & de Boer, 2019). Accordingly, MNCs deliberately adopt organizational structures that are meant to engage and motivate individuals and tap into their knowledge to advance the development of organizational processes and systems (e.g., Nayar, 2010; George & de Boer, 2019).

Consequently, an operating model known as that of the transnational MNC is likely to become increasingly important, if not dominant. In the transnational MNC model, MNCs source knowledge, capabilities, and people from all relevant units at all organizational levels through constantly changing, complex interactions within the integrated network structure (Kostova & Roth, 2003). Nevertheless, theoretical suggestions that the behavior of such MNCs could be explained by shared values, matrix structure arrangements, or by looking at social capital among managers are challenged by emerging empirical studies (e.g., Forsgren, Holm, Johanson 2005; Moore & Rees, 2008; Engberg, Hörte, & Lundbäck, 2015). Conceptual work on various IB theories and in different research areas (e.g. Foss & Pedersen, 2019; Vahlne & Johanson, 2019; Meyer et al., 2020) increasingly acknowledge the need for microfoundations in IB theorization. Theoretical and empirical developments from the general management and human resource management research domains indicate the A-level theorization might offer a more plausible explanation of strategic management processes and corporate strategy implementation, in particular. It is clear that the Multilevel view of the

MNC is essential to explain various management-related processes within the MNCs that deliberately impose weaker structures to aid corporate management. Table 11 summarizes the major assumptions of the Multilevel view of the MNC in the same manner as with the other six views of the MNC.

Table 11. Major assumptions about the MNC under the Multilevel view of the MNC

Guiding theories	New theories are needed to explain the interplay of levels within the MNC. Guiding principles of theorizing could be obtained by following logics of methodological individualism (e.g., Coleman, 1990; Udehn, 2002) and emerging examples in the IB and closely-related to IB disciplines such as management and strategic HRM (e.g., Foss & Pedersen, 2004; 2019; Wright, & Nishii, 2013; Felin, Foss, & Ployhart, 2015; Minbaeva, 2016)
Phenomenon behind theory	Flattening organizational structures and increasing focus on individual experts within and outside the MNCs. Developing the need of integrated networks and similar structures due to semi-globalization, sustainability challenges enforcing system thinking, ICT facilitating daily work and utilization of artificial intelligence in operations, as well as the growing power of social media
HQ	Has formal authority to design the strategy and structure of the MNC; attempts to coordinate operations within the MNC Does not own complete control, because planned processes within the HQ and subsidiaries are enacted by the individuals residing in different units and at different organizational levels Actual structures and implemented strategy emerge continuously via the actions and interaction of individuals within the MNC Individual, team, unit, organizational, and external factors, influence decisions made by the HQ. The enactment of these decisions is also challenged or supported by the factors residing in different levels of analysis (yet individuals remain a key power in (re)creating entire system) Managerial structures (reporting lines, economic incentives, job descriptions, etc.) constrain and guide individuals, but are simultaneously challenged or supported by individuals and their groups at different organizational levels
Subsidiaries	Subsidiaries can have some autonomy, but are also globally integrated within the MNC: the extent depends on the strategy enacted and the influence of individual, team, unit level factors, and the environment (business and institutional) Subsidiary behavior emerges from the interplay of individual, team, unit, and organizational level factors, and the influence of the environment (business and institutional)
Control & Coordination	There is formal control, but its extent depends on actually enacted systems and individual behavior within those systems Resources are dispersed across the units of the MNC, but remain interdependent Control is expressed by the level of centralization, formalization, and shared values actually enacted Individuals, teams, units, and HQ have bargaining power Systems are enacted by daily routines and actions of the individuals and teams; these actions and routines are generally stable, but also reflect

	variance in their enactment, which over a shorter or longer period of time changes the enacted systems at the organizational level
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Table 11 presents the key assumptions of A-level theorization adjusted to the context of the MNC; however, it does not provide the complete theorization of MNC corporate strategy or its implementation under this view. In particular, it does not answer questions of why strategies and structures are enacted, how it is possible to achieve implementation or close the gap between strategic plans and strategic actions; what influence individual strategic behavior and emergence of organizational level outcomes. These questions invite empirical research and conceptual work.

The process of answering the questions stated above could be accelerated slightly by acknowledging multilevel theorization and the empirical contributions of the other than IB research domains while simultaneously theorizing from the uniqueness of the MNC context. It has been argued that implementing planned HRM practices is rarely as straightforward as anticipated because they are perceived by individuals in a number of ways and individual reactions (based on their interpretations of the perceived system) have a direct influence on organizational outcomes (Wright & Nishii, 2013). Bowen and Ostroff (2004) theorize how HRM systems are influenced by the perceptions of employees and how that affects organizational outcomes. Therefore, such observations and insights could lead to developing relevant research questions within the IB domain.

In this dissertation, which attempts to investigate how corporate strategy becomes strategic behaviors of individuals within the MNC under the perspective of methodological individualism, studies on line-of-sight (LOS) and strategically aligned behaviors (SAB) could provide some initial guidance, too. The first concept, LOS, is defined as employee understanding of an organization's strategic objectives and his/her role in those objectives. The concept therefore addresses how each employee can contribute to the organization achieving its objectives (Boswell, 2006). Empirical evidence shows that at the individual level employee position, experience and tenure in the organization, perceived fit with the organization, and employee orientation positively influence LOS (Boswell and Boudreau, 2001; Boswell and Boudreau, 2001a; Boswell, 2006: 1500-2). At the organizational level, increased communication, performance feedback, incentive-based pay, and evaluation in relation to organizational goals are suggested to create LOS (Boswell and Boudreau, 2001; Boswell and Boudreau, 2001a). Similar factors at the individual level of analysis were observed to be important in the study by Moore and Rees (2008).

The second concept, SAB, refers to the employee actions aligned with the strategy (Van Riel et al., 2009). “SAB can be seen as a subset of two types of employee behaviours which have been discussed extensively in the literature: (1) task performance or in-role behaviour; and (2) contextual performance or organizational citizenship behaviour” (Van Riel et al., 2009: 1198). SAB is expressed by the following measurements: employees discussing the strategy, actively explaining the why behind strategic goals, taking initiatives to pursue the major goals, helping colleagues to pursue those goals, and organizations helping their employees to pursue the major goals (Van Riel et al., 2009: 1201, 1210). Empirical evidence suggests that SAB is heavily influenced by managers’ efforts to: (1) stimulate employee motivation to contribute to the strategy, (2) stimulate the development of employee capabilities needed to implement the strategy, and (3) inform employees about the strategy (both in general and with respect to their roles); (4) providing a rationale for the strategy; (5) being open and taking employee opinions and feelings seriously; and finally, (6) encouraging employee participation in decision-making (Van Riel et al., 2009: 1219). Finally, as suggested by Wright and Nishii (2013) more distant disciplines could be considered while crossing the levels and, for example, the integrated behavioral model (IBM) (Montano & Kasprzyk, 2002) could be utilized while building the empirical study.

Therefore, this dissertation attempts to employ microfoundational thinking (Coleman’s methodological individualism) to generate a better, empirically driven understanding of *how strategies are implemented at various organizational levels in a multinational corporation by the perceptions, actions, and interactions of its employees, their groups, and management systems*. Microfoundational thinking is chosen over the multilevel perspective because of its clarity on how levels interact and the belief that in a social system, such as a multinational corporation, none of the levels exists without being enacted by people. In addition, multilevel models without clear direction of explanation are theoretically agnostic (Felin, Foss, Ployhart, 2015) and therefore are less capable to deliver strong theoretical contribution when developing theories on social phenomenon.

6 CONCLUSIONS FROM THE LITERATURE REVIEW

The literature review in this dissertation clarifies that strategy implementation processes in MNCs have been overlooked and merit further investigation (Piekkari & Welch, 2010; White III et al., 2016). Therefore, this dissertation includes a review of all dominant theories in the IB field with a focus on strategy implementation issues.

While comparing IB theories, the literature review focused on analyzing five key aspects: 1) What defines the businesses the MNC operates in; 2) key goals and objectives that the MNC seeks to achieve over a period of time; 3) the economic and human organization (including organizational structure and corporate culture issues) the MNC is or intends to be; 4) the stakeholders the MNC intends to serve (adopted from Andrews (1980)); and 5) the means and processes by which corporate strategy is implemented in the MNC and strategic behaviors are established. The first four aspects comprise the definition of corporate strategy of the MNC, represent its main principles in strategic management, and reviews some related tools (organizational structure and culture) that are typically associated with SI, while aspect number five delves deeper into methods and tools that the MNC is likely to use for strategy implementation, i.e. communication, interpretation, and enactment of strategic plans across organizational levels, according to strategic management choices within the analyzed theory.

The selected aspects for comparison permitted tapping into theoretical assumptions of the dominant IB theories and understanding how strategy implementation processes unfold across levels. This step was essential to provide guidance for further studies on the topic. Interpreting assumptions of IB theories developed an understanding of how, according to each view of the MNC, strategic behaviors of an MNC's workforce might be established. The review reveals five major issues.

First, dominant theories in the IB field were developed in different periods of economic history (Forsgren, 2013); consequently, *IB theories offer dissimilar suggestions about the strategic management of the MNC*. Accordingly, the literature review reveals that the IB field has six dominating views, which conceptualize corporate strategy of the MNC and its implementation from several different perspectives. Four of the six views consider strategy implementation a relatively straightforward and effortless process, enforced by rational structural tools (e.g., organizational structure, behavioral descriptions, and economic incentives); whereas the other views conceptualize strategy implementation as a social process with various challenges and features. Building on the above, the

conceptualization of CSI in MNCs in line with the assumptions of each view of the MNC was suggested.

Second, *theoretically, the largest focus on the corporate strategic management of the MNC has been based on rational, structural perspectives* as argued within The Dominating, Coordinating, Designing, traditional interpretation of the Politicizing (focus on institutional embeddedness); and Networking views of the MNC *in which individuals behave as expected once structures and systems are established*. These views of the MNC are grounded in methodological collectivism and assume systematic behavior of the organization according to the systems imposed. A considerable number of empirical studies are available within the Designing and Politicizing views of the MNC; while the Dominating and Coordinating views of MNCs have not faced any empirical testing, possibly due to their assumption that strategy implementation is very straightforward. These views represent certain types of MNC, where, due to the industry they operate in, suggested economic structures and hierarchical control systems are likely to be relatively effective; thus, agency and social aspects are less important. Nevertheless, some empirical studies within these views suggest that looking at the social side of the MNC may offer new insights to the discussion (e.g., Roth, Schweiger, & Morrison, 1991); and emerging multilevel studies (see e.g., Moore & Rees, 2008) challenge the effectiveness of strategy implementation processes within, for example, what have been termed 'Global factory' type MNCs. Consequently, section 5.2. systematized the advantages and shortcomings of the O-, I-, and A-level theoretical perspectives for studying strategy implementation and suggested that such multilevel evaluations of theorization are likely to facilitate significant theoretical contributions.

Third, MNCs operating in today's volatile, uncertain, complex, and ambiguous (VUCA) environments (Bennett & Lemoine, 2014) are likely to prefer more fluid structures that allow access to and utilization of diverse knowledge and capabilities, meaning that structures and hierarchies have less importance in the operations of such MNCs. Such MNCs with fluid structures deliberately create system within which its members have few environmental constraints. Fluid structures are utilized to engage organizational members, allow innovations, and quickly respond to an instantly changing environment. Consequently, organizational systems are less influential in predicting organizational behavior (Humphrey and Ashforth, 2000 in Rousseau & Fried, 2001). *Subsequently, individual differences and their willingness to behave according to commonly intended principles within the team, within the unit, within the entire MNC are gaining momentum. The changing situation necessitates a reconsideration of*

which conceptualizations of CSI are likely to be most relevant for the management of modern MNC.

Fourth, *none of the existing theories in IB today are entirely capable of explaining how corporate strategy disseminates across organizational levels within an MNC with more fluid structures; nor what are the conditions supporting occurrence of strategic behavior of the employees within these MNCs.* Similar conclusions have been offered by Piekkari and Welch (2010), Yaprak, Xu, and Cavusgil (2011), and White III et al. (2016). IB theories that view MNCs as loosely coupled organizations or organizations as integrated networks, suggest that strategy implementation is a process of learning-by-doing (as in the Networking MNC), or that shared values (as in Contingency theory) or shared identity (as in Evolutionary theory) provide the foundations for the strategic behavior of MNC units, managers and employees. However, the learning-by-doing process may be very costly for any organization while also being vital in some cases. Empirical evidence suggests that shared values may not result in strategic behaviors of MNC units (Forsgren, Holm, Johanson, 2005: 155-167) and it remains unclear how shared identity can be created at the organizational level of the MNC (Forsgren, 2013). Finally, the contemporary interpretation of a Politicizing MNC (e.g., Kostova, Roth, and Dacin, 2008) focuses exclusively on the individual agents and their power expressions without offering more precise suggestions on how to conduct MNC strategy implementation under conditions of ongoing political battles. There are only a handful of empirical studies within each stream of these theoretical views of the MNC.

Fifth, interest in studying strategy implementation processes in MNCs has been growing significantly in recent years. Studies on strategy implementation in MNCs that attempt to apply multilevel thinking are also growing in number; however, how their findings apply to the theory on MNCs merits more discussion. This dissertation's assessment of IB theories' potential to provide explanations about the social phenomenon, such as strategy implementation in which enactment of strategic plans depend on behavior of individuals, revealed that *multilevel theorizing is likely to provide the most sustainable explanation about strategy implementation from the methodologies in theorizing (e.g., Klein & Kozlowski, 2000) perspective.* Additionally, developing Multilevel view of the MNC is likely to address significantly complex economic environment in which MNCs operate today. MNC operations have become increasingly interdependent, technology-laden, and individual skill and knowledge-dependent. Thus, methodology of theorizing that is capable of reflecting such complexity should be prioritized over others (Hitt et al., 2007). Consequently, initial description of a Multilevel view of the MNC grounded in methodological individualism and a non-positivist view of

reality that incorporates both emic and etic perspectives is offered. The described Multilevel view of the MNC opens new avenues for theory development in IB with A-level theorizing.

6.1 Specifying the research question from the conclusions of the literature review

Building on the five conclusions from the literature review, this dissertation attempts to investigate the under-researched phenomenon of strategy implementation in MNCs via the multilevel view. More specifically, the current work focuses on contemporary management issues that are relevant for MNCs that are willing to tap into individual knowledge, and therefore design their management systems in a relatively loose manner to support individual participation, innovations, and responsiveness to rapidly changing environments.

In summary, this dissertation investigates:

- How does the corporate strategy of a loosely coupled MNC become the strategic behaviors of its managers and non-management employees across organizational levels?

In line with the logics of microfoundations (Coleman's methodological individualism), the research adopted idea of individuals embedded in the MNC (Hitt et al., 2007). Thus, empirical work was built upon the assumption that individual actions are likely to be strongly influenced (but not entirely determined) by the environment(s) individuals reside in.

Consequently, the empirical research first analyzes MNC strategy and its systems for strategy implementation, which are communicated to individuals at all organizational levels with the intention to be interpreted, internalized, and enacted. Further analysis embraces multiple SI systems and practices residing at other levels (e.g., unit, team, and individual level factors). Finally, this dissertation investigates how these issues *interact* and form conditions of individual strategic actions. The green square on the "Coleman's bathtub" in Figure 4 indicates the scope of this dissertation.

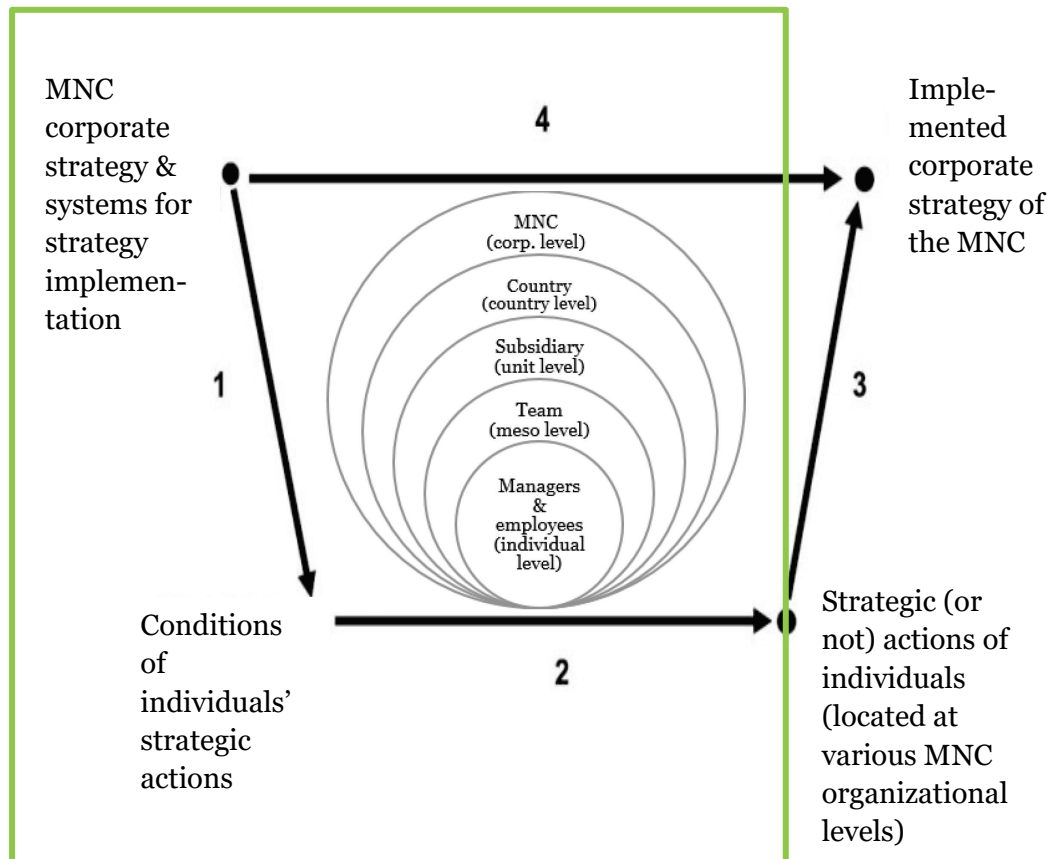


Figure 4. Scope of the dissertation: interaction of MNC systems for SI and of individuals at different organizational levels resulting (or not) in strategic behaviors (Coleman's bathtub adapted from Felin, Foss, & Ployhart, 2015: 591).

The elements of Figure 4 prompt a sub-question that supports the attempt to answer the major research question raised in this dissertation:

- *What enables and what inhibits individual strategic behaviors at different organizational levels within the loosely coupled MNC?*

Enablers and inhibitors of the behavior are likely to facilitate the understanding of the theoretical *mechanisms*, which result in the individual strategic actions. Knowledge of the mechanisms that cause individual behavior in line with corporate goals should reinforce an MNC's ability to design and utilize the systems, processes, or environments within which individuals reside.

7 METHOD

The literature review discussed one methodology-related issue: assumptions of theorizing at multiple levels of analysis, and while using microfoundation's logics in particular. Evaluation of empirical work according to the level of theory, suggested that majority of studies accept the superiority of macro level environment and assume regularity in behavior of lower levels of analysis; few studies were conducted at individual level; while, empirical studies with multilevel thinking were observed to be actively emerging.

Consequently, theoretical (e.g., Foss & Pedersen; 2004; Cheng et al. 2014; Andersson et al., 2014; Felin, Foss, Ployhart, 2015) and empirical developments in the IB and neighboring research domains encourage theory development work on the basis of methodological individualism, the methodological belief that organization is built upon system–individual interaction. Furthermore, considering scarcity of empirical work on the topic of strategy implementation processes within the MNC, qualitative methodology should be preferred due to the need to explain and explore this phenomenon (Saunders et al, 2003). MNC, as a research context, offers tremendous benefits for theory development (Roth & Kostova, 2003), and as discussed in Section 2.2, single context theories are unlikely to be successfully applied while explaining processes within the MNC. Thus, methodological choices for this dissertation are summarized in Figure 5.

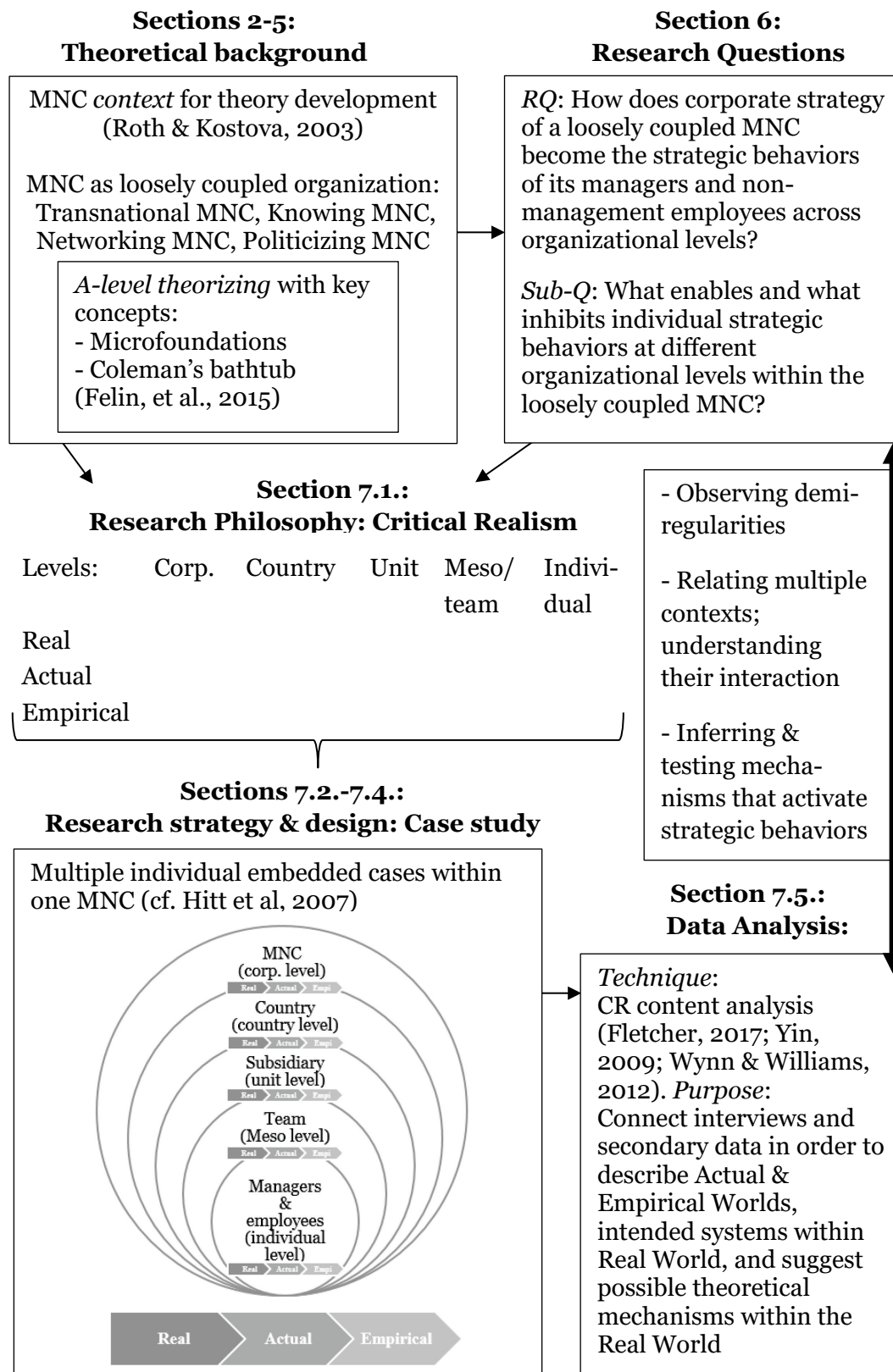


Figure 5. Summary of methods

In line with the Figure 5, each of the methodological choices will be further discussed and explained in-depth in the separate sections below.

7.1 Research philosophy: Critical Realism

The under-researched A-level theorization and microfoundation approach in particular were chosen to form theoretical foundations of this dissertation. O-, I-, and A- level theories were discussed by revealing their major assumptions. Yet, different philosophical assumptions attached to the type of theorizing about social phenomenon have not been extensively debated. This section presents the philosophical assumptions relevant for A-level theories and for microfoundation approach within A-level theories in particular.

Studying phenomena with microfoundation approach creates a number of challenges. First, microfoundation acknowledge human agency, but also recognizes its bounded nature due to the social system in which humans reside. Second, microfoundation approach does not deny the existence of intended rational system; but also recognizes the fact that individuals via their actions (re)create intended systems making them actual systems (e.g., Coleman, 1990; Felin, Foss, Ployhart, 2015; Minbaeva, 2016). Third, human actions are influenced by factors residing at multiple levels, e.g., individual level factors and macro level factors. Yet, individual agency within social system remains dominant (Felin, Foss, Ployhart, 2015). Consequently, the above mentioned conditions and assumptions are in line with Roy Bhaskar's *critical realism*:

“He ascribes causal power to human agency: that is, an actor’s reasons for acting can play a role in causing that action (Collier, 2005; Outhwaite, 1987). Yet, at the same time, explanations cannot be reduced solely to human intentionality and agency, because human actors operate within already existing social structures. Social structures condition our actions, yet through our actions we (re-)produce these very social conditions. Explanatory accounts therefore need to encompass human intentionality – the articulated reasons of social actors – as well as an actor’s position in the social structure.” (Welch et al., 2011: 748)

The above usefully summarizes the *ontology* according to Bhaskar's critical realism. Bhaskar's critical realism sees the world as many sided and individuals are embedded in these multiple realities. Nevertheless, individuals remain the dominant power in producing and reproducing the entire social system. The following section elaborates on the ontological, epistemological, and axiological assumptions of Bhaskar's critical realism.

7.1.1 Major philosophical assumptions of critical realism

The World of critical realist is stratified: it comprises “the empirical, the actual and the real” (Easton, 2010:123). *Real* world: the system or structures that exist and *may* result in certain events or actions; *actual* world: are these events or actions, which *actually* occur; and *empirical* world is the one that people have *experienced* (Morais, 2011; Wynn & Williams, 2012). This differentiates critical realism from constructionist, which acknowledges the existence only of one layer – individual interpretations.

Ontological assumptions of critical realism are embedded in Coleman’s microfoundation approach: individuals reside within the system and the system does affect them; but individuals have own perceptions and beliefs (resulting from many individual level factors and their interactions with the systems) upon which they act and (re)shape the actual system. The World or systems have stable parts and parts that change or are contextual (Easton, 2010: 121). These assumptions permit creating theory about the world/system under critical realism; yet, these theories do not assume the existence of overarching positivist regularities.

Epistemology “determines the criteria by which justified knowledge is possible” (Johnson & Duberley, 2000: 9). Knowledge, according to Bhaskar (2008: 21), has two sides: there is knowledge, which is a social product (in the case of this dissertation, it could be, for example, management systems of the MNC); and there is knowledge, which does not depend on human activity (e.g., mechanism of light). When we discuss the latter, objects can exist and produce the same causalities without having knowledge produced about them. Whereas knowledge, which is a social product, is “dependent upon antecedent knowledge and the efficient activity of men” (Bhaskar, 2008: 24). However, knowledge is not merely an individual experience – individual knowledge can only build upon social knowledge. This also means that knowledge changes over time; but changes in the knowledge may affect or may not affect the world/system. Both the world/system and the knowledge stand as separate entities with which individuals interact.

Variables are considered to be only the measures of the things: therefore, they do not mean knowledge about the objects or entities themselves (Easton, 2010: 120). Therefore, while positivist theories focus on variable-centered explanations, critical realist theories focus on mechanism-centered explanations (Morais, 2011). A system cannot be reduced or summed up by directly aggregating the objects while studying the system and its objects, because systems *emerge* via the interaction of multiple entities under certain conditions (Wynn & Williams, 2012); thus, it is necessary to understand, how they are connected and why they connect the way they do.

Reality, according to critical realism, is an open system with large number of entities and contextual influences (Wynn & Williams, 2012). “Organizations comprise a series of other entities (departments, people, processes, resources) all of which can affect one another. Structures are nested within structures” (Easton, 2010: 120-121; Hitt et al, 2007). A social system is multifaceted and causal mechanisms within it are sometimes visible and sometimes hidden (Welch et al., 2011). “Causal powers, for example, can only be known, not shown to exist” (Bhaskar, 2008: 186). Therefore, while searching for the truth, multiple methods and multiple angles must be applied in order to come closer to the reasonable understanding of what the ‘truth’ is likely to be (Wynn & Williams, 2012).

Additionally, “the same causal power...can produce different outcomes...[or] different causal mechanisms can produce the same result” (Sayer, 2000: 15, in Welch et al., 2011). Having causal powers may or may not lead to causing something depending on the human choice and other conditions, since “often causal powers inhere not simply in single objects or individuals but in social relations and structures which they form” (Sayer: 2010: 104- 105). Thus, critical realist theories are largely built upon retrospective analysis while trying to explain why an outcome has happened (Morais, 2011; Wynn & Williams, 2012). The goal of the theory is not to predict the future, but rather to infer underlying mechanisms behind the observed phenomena (Bhaskar, 2008; Wynn & Williams, 2012) that can be “linguistic in nature and metaphorical”, not only logical, statistical, or linear (Easton, 2010:122).

“Social phenomenon such as actions, texts and institutions are concept dependent. We not only have to explain their production and material effects but to understand, read or interpret what they mean. Although they have to be interpreted by starting from the researcher’s own frames of meaning, by and large they exist regardless of researcher’s interpretation of them” (Sayer, 1992: 5, in Easton, 2010).

Thus, in terms of *axiology*, the researcher’s position remains rather liberal: i.e. the researcher is aiming at ‘justified’ explanations and rigorousness in the research process, but simultaneously does not reject the possibility for more subjective interpretations, which allows digging beyond the observable evidence (Welch et al., 2011; Risjord, 2014). Furthermore, critical realists accept that complexity of the world and limited amount of knowledge that the researcher has experienced will not allow providing all possible explanations. Yet, the researcher should always aim for the “best current interpretation” while taking revision, competing explanations, and critique on the conclusions as a normal process of making science (Bhaskar, 2008; Easton, 2010: 122).

To conclude, “critical realism assumes a transcendental realist ontology, an eclectic realist/interpretivist epistemology and a generally emancipatory axiology” (Easton, 2010: 119). So, how can one know, that the researcher tapped into reliable explanation about the phenomenon in question? The only way, according to critical realism, is to “rely on an assumption which, together with other assumptions, create a system of thinking about the world that we find acceptable” (Easton, 2010: 120). Consequently, established knowledge must consist of “empirical and theoretical ideas” (Bhaskar, 2008: 188). This also implies that the researcher attempts to be logical and rational, yet has limitations to observe reality. Thus, conclusions and interpretations may be limited or subjective at times. Nevertheless, it does not mean that the critical realist is not capable of producing sound theories. The researcher by applying multiple sources and multiple methodologies is able to explore multiple realities, and finally infer mechanisms upon the observed events and experiences (e.g., Volkoff et al., 2007; Wynn & Williams, 2012). Consequently, theories produced by the critical realist aim to explain phenomena by elaborating on the path or the process via which phenomena emerged (Morais, 2011), rather than predict based on observed regularities and a defined set of variables.

7.1.2 Applying critical realism to Coleman’s bathtub

Philosophy of science determines what we consider ‘knowledge’, ‘truth’, and what researcher’s capability to develop knowledge and access truth is. Philosophy of science is relevant for both natural and social sciences. Once ontology, epistemology, and axiology are defined, the next step is to define method for theory development. Both natural and social sciences have principles and methods to construct theories. As mentioned earlier, within social sciences there are two methodologies for developing and evaluating theories – methodological collectivism and methodological individualism.

Although assumptions of critical realism are highly related to Coleman’s methodological individualism, it must be acknowledged that CR does not specify direction of theoretical explanations differently from Coleman’s methodological individualism that considers macro-micro-macro transition in which individuals interact with social systems and this emerges into social outcomes. Yet, it does not mean that this imperfect fit prevents us from constructing theories with Coleman’s methodological individualism under CR philosophy of science. CR, as other philosophies of science, has been developed mostly in the context of natural sciences that rarely have major building blocks within theories. In social sciences, we have individuals and social systems as two major building blocks. Thus, this

section elaborates on how CR and Coleman's methodological individualism are different and how CR can be better translated into the context of social sciences and Coleman's methodological individualism in particular when developing social theories.

Coleman's bathtub is a frequently used model to explain microfoundational thinking (see Udehn, 2002 for a review on other shapes of methodological individualism). Figure 3 introduced generic model of Coleman's methodological individualism; whereas Figure 4 in Section 6 indicated the scope of this dissertation and suggested key concepts relevant for the research question. Moreover, Figure 4 added illustration of nested arrangements (Hitt et al., 2007) within the MNC that are likely to form conditions of individual actions.

The graphical expression of Coleman's methodological individualism and the way empirical studies have applied it so far (e.g., Mäkelä et al, 2012; Minbaeva, 2013) largely reflect positivist thinking. Empirical papers based upon Coleman's bathtub (e.g., Mäkelä et al, 2012; Minbaeva, 2013) mostly discuss the process of '*emergence*' only in the arrow 3 which refers to the transition from individual to a team or organizational level outcomes (see Figure 3 in Section 5.1), while individual behavior is shaped by a *set of conditions* (positivist, variable-based approach in the arrows 1 and 2). Whereas, the critical realism understands '*emergence*' as continuity, i.e. individual behaviors also *emerge* via certain processes comprised of contingent conditions within certain contexts. Once the context changes, relevant set of conditions and the entire process leading to certain individual level behaviors is likely to change. This means that critical realist philosophy entirely shifts away from variable-centered explanations to mechanism-centered explanations, and seeks to reveal "the process by which structure is activated" (Morais, 2011: 67).

Therefore, while applying Coleman's bathtub in this empirical study, it is suggested to move away from dominant variable-focused application of Coleman's methodological individualism and avoid looking for one set of variables that comprise 'conditions of individual strategic actions'. Instead, to embrace critical realist philosophy: it is suggested to focus on actions and interactions of multiple events and conditions through which strategic behaviors occurred or were prevented. This choice is not incorrect, because Coleman (1990) does recognize importance of interaction. Such application of Coleman's bathtub also recognizes equifinality: contextuality and multiple conditional influences, which are likely to shape the same outcomes, even if the processes and conditions were different; or different outcomes, when conditions seem to be similar (Sayer, 2000).

Moreover, Critical realism (CR):

“attempts to answer (...): *What must reality be like in order for this event to have occurred?* A CR researcher’s goal is to identify the mechanism that emerge from the components of a physical and social structure to produce the events of interest” (Sayer, 1992, in Wynn & Williams, 2012: 794; emphasis added), for example, individual strategic behaviors. “An actor’s believes or reasons that motivate intentional behaviors correspond to a tendency to act in certain ways (Bhaskar, 1998). (...) *Each action may in turn trigger subsequent mechanisms on the part of other entities within the structure*, leading to outcomes contrary to those expected or intended when the action was initiated (in Wynn & Williams, 2012: 791, emphasis added).

For these reasons, it is considered that *conditions of individual actions* become the entire process affected by multiple entities/objects, conditions/mechanisms, and their interaction. Consequently, this dissertation refrains from focusing on a single set of conditions of individual actions, but rather intends to observe what MNC and individual reality must be like for strategic actions of individuals residing at different organizational levels to occur. In addition, as indicated in the sub-question for this dissertation, it intends to observe what MNC and individual reality may *enable and/or inhibit* strategic actions of the individuals. This means that *dissertation provides analysis of nested arrangements (Hitt at al., 2007), but refrains from pure empiricism and attempts to theorize within the rules of theory development (choosing methodological individualism) available in social sciences.*

Moreover, it must be noticed, that Coleman’s bathtub typically reflects only one reality – the one that researcher can observe – and considers it to be factual description of the phenomenon in question. CR, however, suggest that there are three realities – invisible or visible, but only intended (in the case of social sciences); the actual (events); and the experienced realities. The three realities interact and are connected by invisible mechanisms. Three realities may or may not lead to expected strategic behaviors, but the researcher needs to observe and study them, in order to make inference about *theoretical* mechanisms that trigger the entire system and result in strategic (or not) behaviors within multiple contingent conditions. Thus, in this dissertation the choice is to try and embrace three realities of CR while considering that social outcomes in any case depend on individual behaviors.

Figure 6 suggests the outlook of Coleman’s bathtub, which is meant to better visualize the process of *emergence via multiple actions and interactions of three*

realities at multiple levels of analysis. Stratified reality and multiple levels of analysis (within which many diverse entities reside) interact altering individual strategic behaviors that affect strategy implementation outcomes at corporate level.

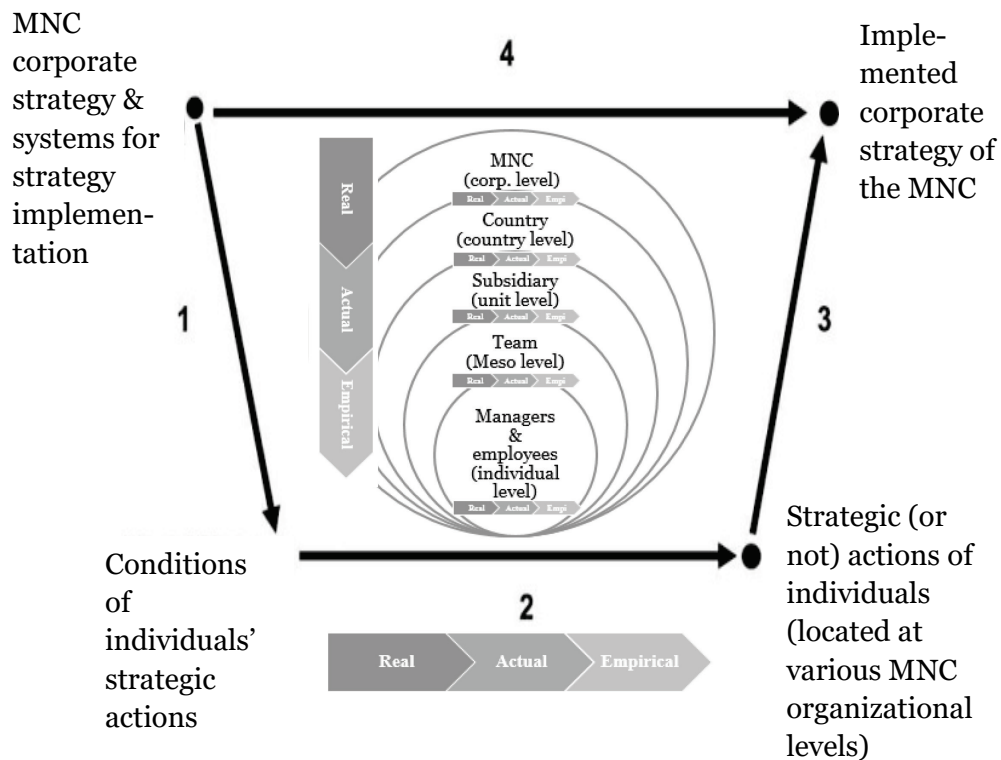


Figure 6. Heuristic framework of the dissertation: emergence of social outcomes via multiple actions and interactions within multiple conditions in the stratified reality

The following section presents, how this theoretical application of CR in development of theories within the social sciences, and Coleman's methodological individualism in particular, translates into research methodologies.

7.1.3 Applying critical realism to research methodologies

The importance and benefits of critical realism as a philosophy of science has been increasingly recognized in methodological literature (Easton, 2010; Morais, 2011; Welch et al., 2011; Wynn & Williams, 2012; Risjord, 2014). However, empirical work grounded in this philosophy, especially within the IB domain, remains scarce

(Morais, 2011; Welch et al., 2011). Consequently, it is important to discuss how critical realist assumptions can be applied in practice, while conducting a study on the strategic management of the MNC. Therefore, this section intends to discuss how to systematically approach the exploration of stratified reality at multiple levels of analysis while studying strategy implementation processes, and occurrence of individual strategic behaviors within the MNC, in particular. First, practical implications of stratified reality at multiple levels of analysis within single context organizations are discussed and explained. Second, the ways in which stratified reality at multiple levels of analysis manifests itself in MNCs—organizations that comprise multiple contexts—is explained.

Most organizations comprise at least four levels of analysis: country level, where organization resides, corporate, meso/team, and individual (Wright & Nishii, 2007; Hitt et al, 2007). Each level of analysis is nested within each other (Hitt et al, 2007); that is, individual actions reside within and are influenced by the team, corporate, and country environment. Organizational intentions regarding strategy, structure, and systems influence individual perceptions and behavior, but do not necessarily realize at individual level perceptions and behaviors as initially expected (Wright & Nishii, 2007). Theoretically, however, scholars could infer that certain *intended* strategy/ structure/ systems may transition into *expected* individual behaviors through certain *currently unknown* mechanisms acting behind the ‘conditions of individual actions’ (green square in Figures 6).

Consequently, the row of the ‘Real World’ (see Table 12) at four levels of analysis, represents the key theoretical problem of this dissertation, if the MNC context is temporarily disregarded. The research question (see grey cell in Table 12) could be rephrased as ‘what mechanisms make organizational level intentions transition into expected individual behaviors?’ Mechanism(s) connects multiple levels of analysis and produce certain outcomes through the process of actions and interactions among various entities/objects and other mechanisms (conditions). Practically, intentions and expectations at any level of analysis will never be realized due to reality being an open system (Sayer, 1992; Wynn & Williams, 2012). Nevertheless, under certain conditions, organizations can at least partially reduce the gaps between the intended, actual, and perceived/experienced by retrodiction, that is, by applying “previously identified mechanism to the explanation of the outcome in a new context” (Wynn & Williams, 2012: 799). Moreover, critical realist is capable to postulate tendencies (but not strictly formulated laws) which may or may not occur in observable realities (Morais, 2011: 71), but which still may be useful while managing organizations.

When studying natural phenomena, the Real World is likely to be unobservable. However, when studying a phenomenon that is a social product (Bhaskar, 2008), ‘thought-objects’ are considered “ontologically real, yet distinct from the entities themselves” (Wynn & Williams, 2012: 790). Therefore, strategy, structure, and system codified ‘on paper’ as an intention for strategic management of the organization can be considered to comprise the Real World of the organization at the corporate level of analysis; while intended goals, structures, and processes for team work comprises Real World at the team/meso level of analysis. Similarly, expected individual behaviors may be codified or exist as an expectation among the organizational creators/management; and thus comprise the organizational Real World at the individual level of analysis.

Theory can be developed by investigating observable events (Welch et al., 2011; Morais, 2011; Wynn & Williams, 2012) at multiple levels of analysis; and while analyzing data, which indicates individual perceptions and, how much they are shared at team and corporate levels (Ackroyd, 2005: 157). Thus, empirical investigation mainly happens while analyzing data, which resides within the Actual and Empirical Worlds (see Table 12).

Table 12. Stratified reality of the organization at multiple levels of analysis

Stratified reality of critical realism	Levels of analysis			
	Country	Corporate	Meso/team	Individual
Real World (structure) (here resides <i>theory</i>)	<i>Intended</i> social, economic, and legal systems/ processes	<i>Intended</i> strategy, structure, system of the organization	<i>Intended</i> team goals, structure, and processes	<i>Expected</i> individual behaviors <i>Real</i> knowledge & capabilities individuals possess
	<i>Mechanisms: the answer to the Research Question: How does corporate strategy of an organization become the strategic behaviors of its managers and non-management employees across organizational levels?</i>			
Actual World (Events) (here resides (partly) <i>observable life</i> of and within the organization)	Country level events & <i>the way</i> social, economic, and legal systems/ processes <i>are actually used</i> in the country	Organizational <i>events</i> & the way strategy/ structure/ systems are <i>actually used</i> in the organization	Team/project work manifested in <i>events</i> of daily operational work	Daily <i>actions of individuals</i> (managers & non-management employees) Individual knowledge <i>applied</i> in daily work
Empirical World (Experiences)	<i>Country level climate(s)</i>	<i>Organizational climate(s)</i>	<i>Team level climates</i>	<i>Individual perceptions</i>

(here resides <i>perceptions& experiences</i> , which can be (partly) observed through measurements or linguistic interaction)	(shared perceptions) for country's social, economic, and legal systems/ processes	(shared perceptions) for organization's strategy, structure, systems	(perceptions shared within teams) of operational team/ project work	about organizational strategy/ structure/ systems, and operational work <i>Perceived knowledge</i> of oneself and others
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However, it must be noted that Table 12 represents stratified reality at four levels of analysis only within a single country context. While studying MNCs (a network of unique organizational units, each residing within different countries, yet brought together under one corporate umbrella) Table 12 needs to include an extra, supranational, organizational dimension. Thus, in a line with IB literature, and for the sake of clarity from now onwards 'corporate level of analysis' will refer to the supranational level, where MNC strategy, structure, and processes reside; while in subsidiaries the term 'unit level of analysis' will be used. Corporate level, where MNC management system resides, also has three realities (Real with intended corporate strategy and systems, Actual with corporate level events and actually used systems, and empirical – perceived reality). Moreover, MNC management system may be affected by MNC country of origin, but overall it represents corporate level intentions, realities, and perceptions at supra-national level of analysis within which the rest of the MNC units are embedded. Corporate level of the MNC embraces the synergies (not mere aggregation) generated by actions and interactions of the country units embedded in the MNC network (Ghoshal & Bartlett, 1990). How MNC units, teams, and individuals are expected to act and interact in this supranational management system will depend on the intended corporate strategy and structure of the MNC (Heenan & Perlmutter, 1979; Ghoshal & Nohria, 1989; Kostova & Roth, 2003).

Methodologically, the above discussion implies that in order to develop theorization that reveals the mechanisms through which corporate level intended strategy of the MNC transition into the individual level strategic behaviors, one should study corporate level intentions, reality, and perceptions first. After that, the researcher should tap into the stratified reality at multiple levels of analysis within each chosen MNC country subsidiary.

Therefore, an empirical study built upon the assumptions of critical realism and the logics of microfoundations should solve a 4x3 'puzzle' illustrated in Table 12 for each chosen country unit (subsidiary or headquarter), which is embedded in the MNC; as well as for MNC corporate management system. Solving the 'puzzle' will result in detailed descriptions of each element (represented by cells in Table

12) of stratified reality across the levels; while comparison of these ‘puzzles’ would allow comprehending similarities and differences across country units as well as unit-corporate management systems. By doing so, the critical realist will be able to make informed inferences about the unobservable mechanism.

It is important to note that all three ‘Worlds’ are nested (Wynn & Williams, 2012) as well as all levels of analysis (Hitt et al., 2007). Subsequently, the separation of reality into twelve ‘pieces’ in Table 12 is artificial and methodological rather than real. Nevertheless, attempts at such separation are needed in order to systematically analyze data and provide as correct as possible interpretations under the limiting conditions, under which critical realist conducts the empirical study. Having this in mind, the dissertation proceeds with discussing research strategy, research design, and explanation of further methodological choices intended to tap into the stratified reality of the MNC at multiple levels of analysis.

7.2 Research strategy: Case study

To understand how corporate strategy of an MNC transitions into the strategic behaviors of its managers and non-management employees across organizational levels, the research strategy was needed which allowed: a) simultaneously looking at multiple levels of analysis; b) gathering rich data, which would tap into stratified reality of the MNC and chosen country subsidiaries, and c) observing certain behavioral trends, behavioral irregularities and suggesting possible explanations while relating them to the context. Considering these three requirements above, the case study was deemed an appropriate choice, which fits the research question, philosophical position, and is able to deliver intended theoretical contribution. Below, in-depth discussion is provided about the reasons for choosing the case study as a research strategy in this dissertation.

7.2.1 Case study as research strategy from the philosophy of science perspective

This section discusses key differences between qualitative and quantitative methods, while briefly reviewing their philosophical position and capabilities in theorizing. Second, this section explains why, from the philosophy of science perspective, the qualitative case study was considered an appropriate choice in this dissertation. This discussion is necessary, because critical realism is “compatible with a relatively wide range of research methods, but it implies that the particular choice should depend on the nature of the object of study and what one wants to learn about it” (Sayer, 2000: 19).

An important part of social science is its ability to prove and demonstrate the causality of certain influence: this validates science's ability to be replicated, applied, and be useful in a broader sense. It is commonly assumed that "when we have discovered the regularities we have discovered causalities" (Risjord, 2014: 237). Quantitative/statistical methods, based upon Positivist philosophy (Cassel & Symon, 1994), are frequently considered to be the best method to prove causality due to their ability to clearly demonstrate internal and external validity of causal models. Yet, while constructing and measuring single-level statistical models, causality via correlations can be rarely proved due to the facts that: a) they include only superficial or macro-level variables; b) models include only the measures chosen by the researcher and exclude any other possible influence of the phenomenon in question which are unknown for the researcher; c) many variables in social environment are interrelated and are hard to separate, as required by Bayes Nets logics to prove causality; and finally d) a statistical model is not able to tap into *why* causality is happening (Risjord, 2014: 239-248). Multi-level statistical models of causality do not suffer from the critique in point a), because multi-level models are capable to include and measure influence of variables at multiple levels of analysis; however, they still suffer from the critique expressed in points b), c), and d). (Risjord, 2014: 245).

Qualitative methods usually generate a debate about their quality, validity, and reliability (Schwandt, 2000). Furthermore, "qualitative methods have evolved separately within many social scientific disciplines" (King, 1994: 25). This has led to very different definitions about what qualitative study is (Cassel & Symon, 1994) and what research philosophies it represents (King, 1994; Schwandt, 2000; Welch, Piekkari, Plakoyiannaki, & Paavilainen-Mäntymäki, 2011). In broader social sciences, qualitative research is usually represented by Interpretivism or social constructionism philosophies (Schwandt, 2000). However, the field of IB predominantly consists of either positivist, or constructionist qualitative studies (Piekkari, Welch, & Paavilainen, 2009; Welch et al. 2011).

Considering the above, critical realism, as philosophy of science, does not represent quantitative methods; nor has it been traditionally popular in qualitative research. However, due to recent developments and calls to understand system-individual interactions, critical realism has been encouraged in methodological literature (Morais, 2011; Welch et al., 2011; Wynn & Williams, 2012; Risjord, 2014). While there are empirical studies, which use, for example, grounded theory (Volkoff et al., 2007); the case study research strategy is usually suggested as the first choice in critical realist studies (Easton, 2010; Morais, 2011; Wynn & Williams, 2012; Risjord, 2014; Fletcher, 2017).

The case study typically is a qualitative method, although it may include mixed methods as well (Eriksson & Kovalainen, 2008). Regardless of case study being entirely qualitative or mixed method strategy, case studies are considered to be very well suited to understand *why* and *how* causality is happening (Hartley, 1994; Yin, 2009; Risjord, 2014). Moreover, “the case study is able to identify the micro-level processes that produce the macro-level correlations and uncover various processes within a social system (which) might encounter each other” (Risjord, 2014: 248). Considering the latter, case studies allow “determining conditions under which one or another process will come to predominate” (Risjord, 2014: 248). Therefore, the case study is aligned with the intention to search for the explanations on why and how corporate strategy transitions into individual strategic behavior and allows looking at multiple levels of analysis and investigating multiple realities of critical realism, while observing how they interplay.

Finally, case study strategy facilitates mechanism-focused explanation that is key to critical realism (Morais, 2011). The case study strategy permits investigating phenomenon in holistic manner (Eriksson & Kovalainen, 2008): the critical realist researcher is able to explore open system (Bhaskar, 1998; Wynn & Williams, 2012) with clear focus, systematically while retaining openness for emerging observations and inferred explanations. The latter allows providing better theorization based upon critical realism and logics of microfoundations in comparison to using other research strategies.

7.2.2 Case study as research strategy from the methodological perspective

This section introduces the four main reasons from the methodological perspective, why the qualitative case study was considered to be the most appropriate choice in this dissertation.

First, the case study as a research strategy is particularly useful for exploring change and for “understanding formal and informal processes in organizations...informal or emergent organizations” and “new processes or behaviours or ones which are little understood” (Hartley, 1994: 211-213). Therefore, considering: a) the research question, which concerns the need to understand formal and informal processes via which strategy and structures transitions into individual behaviors, and b) the scarcity of research on the topic, the qualitative case study strategy is an appropriate choice.

Second, the case study supports the *holistic* investigation of the phenomenon in question (Eriksson & Kovalainen, 2008). Qualitative case study does not limit itself to qualitative data (Hartley, 1994): quantitative surveys (e.g., organizational climate surveys) can be incorporated to *qualitative* data analysis supporting understanding about the processes in the organization from *multiple levels* of analysis and *multiple realities*. Thus, by triangulating different types and sources of data (Hartley, 1994; Yin, 2009) the researcher is able to provide well-grounded, logical, detailed, and context-sensitive explanations about the inferred mechanisms (Wynn & Williams, 2012) behind the appearance of strategic behaviors. Several published examples (e.g., Bygstad, 2010) of multilevel critical realist case studies support these arguments and provide further methodological guidance in the empirical study process.

Third, from the IB perspective, the case study allows combining ‘thick’ description of the *contexts* within which MNC operates while providing logical explanation about the phenomenon or problem studied (Welch et al., 2011). “Behaviour may only be fully understandable in the context of the wider forces operating within the organization, whether these are contemporary or historical” (Hartley, 1994: 212). Therefore, case studies are seen as “essential in cross-national comparative research, where understanding what concepts mean to people, the meanings attached to particular behavior and how behaviours are linked” is needed (Hartley, 1994: 214). Moreover, case studies, among other qualitative methods, facilitate exploration of embeddedness, i.e. investigation of how multiple contexts interact (Hitt et al, 2007). This is necessary, because individuals within loosely coupled MNCs with fluid structures simultaneously reside within multiple embedded environments: general MNC structure and systems; local structures, systems, and cultures; global MNC culture and global projects; departments, teams, and other units, which are part of a matrix or hybrid organization.

Finally, the case study strategy is seen as particularly suitable for the development of new, adjustment, or extension of existing theory (Hartley, 1994; Yin, 2009). With the case study strategy, the researcher is able to combine individual perceptions, beliefs, and attitudes (i.e. study individual ‘stories’) within the broader context, i.e. intended and actual strategy, systems, processes, and environment. Thus, case study permits in-depth analysis of the phenomenon while observing details around it, but simultaneously retaining the ‘big picture’ and concluding about possible implications for the theory.

7.2.3 Focus of the case study

It is important to establish the focus of the case study, since without it the researcher may be incapable of drawing sound conclusions from the overwhelming amount of data that the case study strategy tends to generate (Hartley, 1994). Consequently, this section discusses: a) focus of the case study related to *critical realist qualitative case study* strategy, and b) focus of the qualitative case study *on the mechanisms that generate strategic behaviors of individuals* across organizational levels.

Critical realist philosophy, which comprises observable subjective and unobservable objective worlds, might bring confusion as to what should be the focus in the case study. In general, case studies as a research strategy may have objective or subjective focus “depending on whether they address facts or values, respectively” (Morais, 2011: 75). Case studies, conducted within critical realist philosophy, are considered to have objectivist or ‘instrumental’ focus, because they intend to provide explanation of objective causal mechanisms while investigating subjective experiences and (partly) observable events (Morais, 2011: 75). Therefore, case study in this dissertation aims to uncover objective causal mechanisms, while investigating subjective individual beliefs, perceptions, attitudes, and interpretations of observable corporate and team level events.

This implies that the case study in this dissertation is aiming for “thick, holistic and contextualized description” (Eriksson & Kovalainen, 2008: 118) of the observable and perceived reality in order to make informed inferences about the invisible rational mechanisms. Thus, this case study can be classified as an *Intensive case study* (Eriksson & Kovalainen, 2008) with multiple cases (Morais, 2011). The focus of such study is to “understand and explore the case from ‘inside’” (Eriksson & Kovalainen, 2008: 119). Intensive case studies are suggested to be particularly suitable for exploring and explaining embeddedness in organizations (Hitt et al., 2007). Consequently, the goal of the critical realist intensive case study is to understand “specific causal mechanism in various context” (Morais, 2011: 75). In this dissertation, it seeks to understand what the mechanism(s) are and how they work/manifest in multiple embedded contexts of the MNC.

A significant challenge for the case study, particularly intensive case study, which does not include large amount of cases, is to provide a sound reasoning on “how a small number of cases can constitute robust evidence of causal claims” (Risjord, 2014: 248). Addressing this shortcoming, “case study researchers need to carefully consider what sort of causal knowledge they are using in their explanations” (Risjord, 2014: 249). This is why it is recommended to identify “entities/objects that characterize the phenomenon being studied” (Easton, 2010: 123). These

entities/objects may change over the research, but initial conceptualization is necessary (Eriksson & Kovalainen, 2008: 121; Easton, 2010: 123-124). Therefore, the role of theory in the intensive case study allows having the focus and identified entities/objectives, yet keeping the doors open for inductively emerging entities/objects, observations and explanations.

In relation to these suggestions, Table 12, which presented a ‘puzzle’ to systematically study stratified reality at multiple levels of analysis in empirical setting, is further advanced by deepening the focus in relation to research questions set in this dissertation. This advancement is achieved by acknowledging earlier research on strategic behaviors of individuals. Microfoundations suggests no particular concepts or behavioral models, which would explain actions and interaction at given level of analysis (Felin et al., 2015: 592); that is why several specific studies on the topic are discussed and utilized for defining initial set of entities/objects relevant for individual strategic behaviors. The specified set of variable is presented in Table 13 while studies upon which Table 13 was constructed are discussed below.

Table 13. Entities/objects likely to be important while studying individual strategic behaviors

Stratified reality	Levels of analysis				
	Corporate (MNC)	Country	Unit (HQ/Subsidiary)	Meso (Team)	Individual (Managers & Non-management employees)
Real World (structure) (here resides theory)	<i>Intended</i> strategic goals, tools & processes, especially strategic communication, performance feedback, incentive pay, evaluation in relation to <i>organizational</i> goals <i>Intended salience of the behavior</i> within the MNC <i>Intended</i> organizational culture (normative beliefs & behavior)	<i>Intended</i> social, economic, and legal systems/ processes of a country	<i>Intended</i> strategic goals, tools & processes, especially, strategic communication, performance feedback, incentive pay, evaluation in relation to <i>organizational & unit</i> goals <i>Intended salience of the behavior</i> within the unit <i>Intended</i> unit culture	<i>Intended</i> team goals, structure & processes of operational team work <i>Intended salience of the behavior</i> within the team	<i>Intended</i> individual goals; role in the team, unit and organization; operational & strategic tasks and duties <i>Intended salience of the behavior</i> for every individual <i>Expected</i> individual strategic behaviors <i>Real</i> knowledge & capabilities individuals possess
<i>Mechanisms: answer to the Research Question: How does corporate strategy of a loosely coupled MNC become the strategic behaviors of its managers and non-management employees across organizational levels?</i>					
Actual World (Events) (here resides partly observable life of and within the organization)	<i>Actual</i> use of strategic goals, tools and processes at organizational level <i>Actual salience of the behavior</i> within the MNC	Country level <i>events</i> & the way intentions <i>actually</i> appear in the country	<i>Actual</i> use of strategic goals, tools and processes at unit level <i>Actual salience of the behavior</i> within the unit <i>Actual environmental constraints</i>	<i>Actual</i> use of team goals, structure, and processes <i>Actual environmental constraints</i> at team level	<i>Actual</i> use of individual goals, actual role in team, unit, and organization; actually performed tasks and duties <i>Actual environmental constraints</i> at individual level Behavioral <i>habits of individual</i>

	<p><i>Actual environmental constraints</i></p> <p><i>Actual organizational culture</i></p> <p>Strategic and operational events at organizational level</p>		<p><i>Actual unit culture</i></p> <p>Strategic and operational events at unit level</p>	<p><i>Actual team level culture</i></p> <p>Strategic and operational events at team level</p>	<p><i>Knowledge & skills applied at work</i></p> <p>Employee <i>position, experience and tenure</i> in the organization</p> <p><i>Daily actions and interaction of individuals</i></p> <p>Strategic and operational events at individual level</p> <p><i>Actual manager efforts (1)-(6)</i> (see text on SAB, Van Riel et al., 2009)</p>
<p>Empirical World (Experiences)</p> <p>(here resides perceptions & experiences)</p>	<p><i>Collective perceptions</i> about strategic goals, tools & processes</p> <p><i>Perceived salience of the behavior</i> within the MNC</p> <p><i>Collective feelings & beliefs</i> about strategic behavior</p> <p><i>Collectively perceived environmental constraints</i></p>	<p><i>Country level climate(s)</i> (shared perceptions) for country's systems/ processes</p>	<p><i>Unit level perceptions</i> about strategic goals, tools & processes</p> <p><i>Perceived salience of the behavior</i> within the unit</p> <p><i>Unit feelings & beliefs</i> about strategic behavior</p> <p><i>Perceived environmental constraints</i> at unit level</p>	<p><i>Team level perceptions</i> about strategic goals, tools & processes</p> <p><i>Perceived salience of the behavior</i> within the team</p> <p><i>Feelings & beliefs</i> about strategic behavior at team level</p> <p><i>Perceived environmental constraints</i> at team level</p>	<p><i>Individual level perceptions</i> about strategic goals, tools & processes</p> <p><i>Individual perceptions</i> about his/her role in the strategic objectives</p> <p><i>Individual intention to perform strategic behavior</i>, comprised from a) attitude to behavior, b) perceived norms, and c) personal agency (see Appendix 2 for definitions)</p> <p><i>Perceived knowledge & skills</i> of others to perform the behavior</p> <p><i>Perceived fit</i> with the organization</p> <p><i>Perceived manager efforts (1)-(6)</i></p>

In Section 5.3 relevant studies on *line-of-sight (LOS)* (Boswell, 2006; Boswell and Boudreau, 2001; Boswell, Bingham, Colvin, 2006) and *strategically aligned behavior (SAB)* (Van Riel et al., 2009) from neighboring fields to IB disciplines were presented. These studies attempt to explain individual strategic behaviors with variable-focused approach. Therefore, variables identified in these studies were included in Table 13 while placing them at the relevant level of analysis. Studies on LOS and SAB do not differentiate across stratified reality; thus, the researcher reinterpreted variables according to critical realist logics and placed them across the three realities accordingly (e.g., Intended/ Actual/ Perceived performance feedback at organizational level of analysis).

Multiple theoretical perspectives in critical realist studies are considered essential (Wynn & Williams, 2012: 796). Therefore, this dissertation also incorporated insights from more than 50 years of empirical research on general individual behaviors (see review in Montano & Kasprzyk (2002)). The latter research has developed a comprehensive and empirically supported model – Integrated Behavioral Model (IBM) (Montano & Kasprzyk, 2002) - for predicting human behaviors and designing systems for intervention within different populations residing in a certain single context. Earlier version of IBM in a shape of Theory of Planned Behavior has been applied in various studies in the field of management: e.g., Bulgurcu, Cavusoglu, & Benbasat, (2010), Testa et al. (2018). While Integrated Behavioral Model (IBM) (Montano & Kasprzyk, 2002) makes a large step forward in comparison to Theory of Reasoned Action (Fishbein, 1967) and Theory of Planned Behavior (Ajzen, 1991). IBM shows that not only individual attitudes, beliefs, and perceived control define human behavior, but additionally a number of environmental aspects, and other factors, residing at individual and macro levels of analysis, have influence. Therefore, IBM sees individual as nested within his or her environment. Consequently, IBM was considered as relevant complementary theoretical perspective, which was helpful in critical realist theory development process. For that reason, variables considered as important for individual behavior in the IBM (see Appendix 2) were also included in Table 13 (with critical realist reinterpretation regarding stratified reality and in line with identified levels of analysis).

Once initial set of entities/objects were presented, it is essential to understand their role in the empirical study. Qualitative case study in this dissertation aims for *Contextualized explanation*: that is, method of theorizing when causal mechanisms are specified together with the explanation under which condition these causalities appear (Welch et al. 2011: 745). Therefore, identified entities/objects neither provide a set of variables, which are likely to cause individual strategic behaviors; nor define a complete list of issues this dissertation

aims at investigating. It rather serves as guidelines for the case study within a large and complex organization, such as an MNC. Moreover, such guidelines allow enhancing validity of the study; facilitate informed development of data collection tools, and better understanding about the data sources needed for the empirical investigation. Finally, such guidelines suggest entities/objects at each level of analysis within each part of the stratified reality. The latter facilitates establishing relevant focus for the systematic and theory informed analysis of the cases while also allowing emerging entities/objects and explanations to be observed.

7.2.4 Theorizing and generalizing from a critical realist case study

It is important to present the way in which the critical realist theorizes and generalizes the findings of empirical work. This section discusses two concepts: a) retrodution - approach via which the critical realist provides reasoning; and b) transfactual generalization – type of generalization that is relevant for critical realist (case) studies, and explains, how the two are applied in this dissertation.

First, the goal of the critical realist study is not to suggest any final set of variables, but rather to explain, through what mechanisms various relevant entities/objects within multiple levels of analysis interact resulting in observed events, e.g., individual strategic behaviors in the MNC. In order to do so, it is important to answer the question “what entities and structures are necessary for this event or phenomenon to come about” and how they interact? (Morais, 2011: 70). Initial acknowledgement of existing theorization and studies; taking into account subjective experiences and descriptions of key informants, and linking the two, is the first step in moving beyond existing theorization and subjective reality (Morais, 2011: 70; Wynn & Williams, 2012).

Afterwards, critical realist uses *retroductive reasoning*, which allows moving from observable reality to inference of unobservable mechanisms, their contexts and outcome¹¹. “Retrodution is a “mode of inference in which events are explained by postulating (and identifying) mechanisms which are capable of producing them “” (Sayer, 1992: 107; in Wynn & Williams, 2012: 800). Thus, once observable reality has been described, retrodution permits elaborating on possible mechanisms and “tendencies of structure that may have interacted to generate explicated events” (Wynn & Williams, 2012: 796). This process can be rather creative (Ackroyd, 2005; Risjord, 2014); however, it is grounded in the logical connection of observed events, subjective perceptions and experiences, known and newly observed

¹¹ Inductive and deductive reasoning is considered to remain at the Actual World (Morais, 2011: 70)

entities/objects, and existing theories; while trying to understand activating powers beyond the observed phenomenon.

Finally, once the mechanism has been inferred by trying to explain subjectively described events, inferred mechanism is verified through the process of *empirical corroboration*. This allows confirming that inferred mechanism possesses the strongest power of explanation. Empirical corroboration is similar to the process of pattern matching (Yin, 2009), but it is applied to the inferred mechanism (Wynn & Williams, 2012: 801). Therefore, it represents summative validity: when mechanism as a whole must endure empirical test in which inferred mechanism is juxtaposed with empirical evidence and overall data in the case (Lee & Hubona, 2009 in Wynn & Williams, 2012: 801).

The process of theorizing, described above, leads to transfactual generalization: ability to generalize about existing unobservable mechanism located in the Real World (Morais, 2011: 71)¹². The same mechanism, about which generalizations were made in the Real World (theoretically), may produce varying events and perceptions in the Actual and Perceived Worlds in slightly different circumstances or contexts; yet, that does not imply that theorization about the mechanism is wrong. Yet, competing explanations and interpretations are always expected (Morais, 2011: 71). Thus, the researcher's reasoning about the mechanisms through which organizational level strategy, structure, and systems transition into strategic behaviors at the individual level remains a subject for further comparison, discussion, and peer evaluation in order to collectively enhance the knowledge about the individual strategic behaviors within the MNCs.

¹² Analytical (Yin, 2009) and statistical generalizations remain in the Actual World

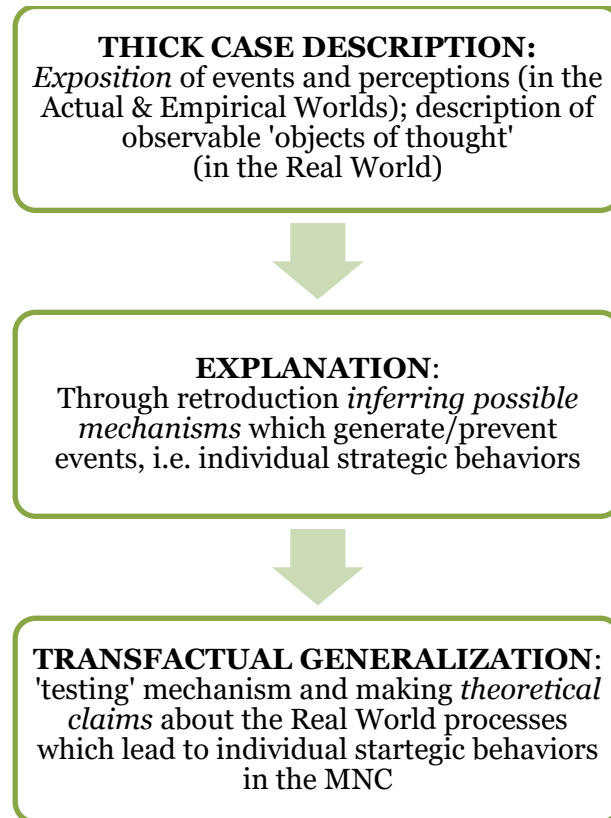


Figure 7. Process of theorization based on retrodution and empirical corroboration (based on Morais, 2011; Wynn & Williams, 2012)

Figure 7 summarizes the process of theorization based on reduction and empirical corroboration. This process will guide further empirical investigation and reporting of the findings and theoretical as well as practical implications in this dissertation. This means, that once the relevant MNC, cases, key informants and data sources are identified, dissertation will proceed with the thick case description guided by the Table 13 and empirically observed actions, outcomes, and specific structural components (Wynn & Williams, 2012: 798) that were deemed as relevant. Afterwards will follow discussion on possible inferred mechanisms. Then, dissertation will make theoretical claims and practical suggestions based on the processes that transform organizational level strategic intentions into individual level strategic behaviors within MNCs.

7.3 Research design: MNC selection and casing

This section discusses the logics behind the selection of the MNC, units of observation, and the cases, while relating them to the research question, microfoundations, and critical realist philosophy. In addition, the section reflects

on the timeline, when casing decisions were made over the empirical research process and how this affected the quality of data. The researcher utilized *multilevel approach* for casing (Fletcher & Plakoyiannaki, 2011: 182), i.e. an approach when different criteria are applied while identifying theoretically and empirically relevant MNC, units of observation, and individual embedded cases. This approach ensured that selected cases: a) were comparable (Ragin, 1997); b) were selected according to purposeful sampling (i.e. comprised information-rich cases, which would facilitate investigation of the research question in the qualitative study) (Quinn Patton, 2015: 266); and c) represented multiple levels of analysis needed for exploring the research question (Foss & Pedersen, 2019: 1614). Further sections present the ‘casing’ process in more detail.

7.3.1 MNC selection

The MNC for the empirical study was selected according to four main selection criteria, which are presented below.

This research aims at investigating strategy implementation within the MNC. Therefore, the first selection criteria was related to the consideration of what can be considered to be an MNC. There are a number of definitions of the MNC, however according to Gooderham et al (2013: 1-2) an MNC is an enterprise, which owns “substantial direct investment in foreign countries” and “is engaged in the active management of these foreign assets”. This indicates that MNC is involved in ‘value-creating activities’ rather than mere hedge-fund-type investments (Gooderham et al., 2013). In this dissertation, studying MNC with *established* multiple, strategic, value-adding units abroad, facilitates focus on its *management* and corporate strategy dissemination.

As indicated earlier, different strategies and structures of the MNC require different means of coordination and control. MNCs with fluid structures are ones where the individual role across organizational levels is crucial, and loosely coupled management systems are intended to support the utilization of individual expertise. However, these type of MNCs face the greatest difficulties in controlling and coordinating individual behaviors towards the intended direction, because under the condition of ‘weak systems’, systems are less helpful in predicting individual and organizational behavior. Thus, the focus of this study is on a) *corporate* strategy, which is expected to be enacted at the individual level of analysis and b) loosely coupled MNCs *with fluid structures*. MNC structure is usually the outcome of the specific corporate strategy (Gooderham et al, 2013: 64): thus, more fluid structures are likely to be representing MNCs with transnational (Bartlett & Ghoshal (1989, 2000)), knowledge dominated, or capability utilization

oriented strategies (see section 5.3.). Thus, only MNCs that seemed to have one of the above strategies, were considered.

The third selection criteria was related to the part of the research question addressing *organizational levels*. The question is concerned with the transition of strategy from corporate to lower organizational levels: individuals, who are in corporate management, subsidiary management, middle management positions, and individuals in operational teams. Therefore, within the selected MNC multiple organizational levels should be involved and agree to be a part of the research. Considering the location of the researcher (Finland) and Northern European business environment that is known for its cooperation in academic research (Björkman & Forsgren, 1997), the decision was to focus on searching for Finnish MNCs, which would fit the above-mentioned criteria.

To sum up, the aim while selecting the MNC was to find a *typical loosely coupled MNC*, which would be ready to cooperate in the research at multiple organizational levels. A company search and readings of company websites about their outlook, goals, and strategies, resulted in 7 potential MNCs being short-listed. After emailing their representatives of the top management team (CEOs and Global HR managers predominantly), one response was received with the invitation to meet the CEO. After an initial discussion, where the researcher and the potential MNC discussed how they would see this project, CEO agreed to the initial research proposal and the researcher was assigned to develop the research project aligned with the context of the MNC. This meant that general academic research proposal was transformed into a ‘research and management consulting project’ for the MNC: selected part of the corporate strategy was named, clear schedule and goals of the research in the company were identified, needed resources and deliverables for the company and academic research were clarified. By the end of December 2016, the MNC confirmed their final participation and the research project was officially added to the target list for the year 2017 in the Global HR function. Additionally, project was presented to several TMT members from the Finnish Headquarter unit (HQ) and one manager from the global HR function was assigned to facilitate the fieldwork.

7.3.2 Operationalizing MNC corporate strategy: choice of strategic goal ‘*Working as ‘One Corporation’’*’

The literature review indicated that corporate strategy consists of four dimensions (Andrews, 1980). Each dimension is very broad and covers different aspect of MNC management. Although corporate strategy of the MNC may contain only several sentences indicating Vision, Mission, Goals, and comment on economic

organization of the MNC, each word from these descriptions elaborates significantly once being implemented at the lower organizational levels. Therefore, while having the research question that looks at corporate strategy dissemination across organizational levels, there was a need to select one part of the corporate strategy in order to have theoretically meaningful and empirically feasible scope for further investigation.

It was agreed to focus on one *specific part of the corporate strategy* – ‘*working as ‘One Corporation’*’, for two important reasons. First, theoretically, corporate strategy ‘working as ‘One Corporation’ of the MNC represented the key elements of the transnational MNC (i.e., interdependent network of MNC units, which are learning and creating value through global cooperation while being locally responsive; simultaneously having high responsiveness and high integration). Second, empirically, the management team at the Finnish HQ unit were reviewing results of the MNCs most recent employee satisfaction survey. The survey revealed that: a) members of the MNC, especially in some units, including HQ unit in Finland, were not very well aware of the MNC strategy and considered that company perspectives were not clearly communicated to employees; b) information flow between management and employees could be improved, despite continuous efforts of the company management to deliver the corporate strategy and information about company processes across organizational levels. Moreover, the survey also indicated that members in MNC HQ unit Finland considered that cooperation across disciplines and different teams globally was not working particularly well. Since one of the key roles of Finnish HQ was to facilitate global processes in the entire MNC, company management had a genuine interest to engage in the qualitative research project, which would allow for an understanding of ‘the why’ behind the survey results on the shortcomings in implementing the corporate strategy goal ‘working as ‘One corporation’.

7.3.3 Casing

While conducting critical realist research with microfoundational thinking on phenomena such as corporate strategy and strategic individual behaviors across levels, it is challenging to define the unit of observation and analysis. On one hand, the MNC can be considered as a “social structure consisting of individuals, groups, and organizations, along with the set of rules and practices <...>, and discursive entities such as language and culture” (Fleetwood, 2005 in Wynn & Williams, 2012: 791), but so are MNC’s subsidiaries, global teams, functional teams, etc. Multiple structures are embedded in the MNC, and MNC itself is embedded in multiple structures, comprising the open system, according to the critical realist.

Therefore, while answering the research question “How does corporate strategy of a loosely coupled MNC becomes strategic behaviors of its managers and non-management employees across organizational levels?” the researcher needed to acknowledge the existence of multiple units and the events within them.

The *intended* outlook, goals, and strategies of the selected MNC represented a typical transnational strategy and, therefore, work within the MNC was organized according to a matrix structure and horizontally organized global projects. The latter resulted in defining *two units of observation* (units from which researcher collects data (Fletcher & Plakoyiannaki, 2011: 173): 1) Country units, within which corporate strategy was delivered according to line organization, and 2) Global project (horizontally connecting country units) within which corporate strategy was expected to manifest via operational work. These choices allowed discussing both *strategic processes and events* related to corporate strategy communication, dissemination and implementation as well as *operational events and individual behaviors* within the global project work, respectively. In order to reduce the scope of the qualitative research and retain deep focus, MNC management and the researcher selected *one large global project* and focused on strategy implementation within the country units involved in that one global project.

The selection criteria for the global project were as follows: a) ongoing project with relatively stable organizational system (building on methodological suggestions by Wynn & Williams, 2012; Risjord, 2014: 250); b) project within which expected strategic behaviors (‘working as ‘One Corporation’) were observed and were expected to be executed in the near future (building on methodological suggestions by Montano & Kasprzyk, 2002; Wynn & Williams, 2012); and c) project which was important at the MNC level and incorporated the HQ/home-country unit and at least one other country subsidiary.

Criterion a) (stable system) supports retrospective analysis of causes (Wynn & Williams, 2012) and the ability to draw well-justified conclusions from a small amount of cases (Risjord, 2014: 250). Criterion b) (expected behaviors) allows focusing on specific events related to strategic behavior in question (Wynn & Williams, 2012). In addition, when individuals have experienced expected strategic behavior within multiple contexts, they are able to reflect upon and relate to it, which strengthens internal validity of the obtained data (Montano & Kasprzyk, 2002). Finally, criterion c) permits reflecting on features specific to the MNC context and reduce the scope when investigating a setting important at the entire MNC level. Overall, the main goal in this process was to select the project, which “manifests the investigated phenomenon in *intensive way*” across multiple contexts (Fletcher & Plakoyiannaki, 2011: 180, emphasis added; Morais, 2011).

In line with the criteria above, one shortlisted global project comprised countries, with which the researcher was familiar from prior personal and professional experience. Thus, the researcher suggested selecting the project, where IB researcher has capabilities to relate with the context of the objects studied in order to avoid imprecise conclusions and mal-informed interpretations (Morais, 2011). This choice was also important, because, according to critical realism, social relations, meanings, and practice affect content of knowledge (Sayer, 1992). Accordingly, the *global project 'Siberia'* (name changed), which comprised members from the Finnish (HQ¹³), Russian (1), and Indian (1) units, was selected to be *the first unit of observation*.

From the IB and theory building perspective, the project was one of the biggest (in terms of scope and revenue) the MNC had; thus, it was significant at corporate level and embodied the intended corporate strategy. Moreover, *Project Siberia* involved units within culturally distinctive countries: Finland, Russia, and India (Hofstede, 2003; House et al., 2004). Therefore, at the country unit level, selection additionally represented the logics of *theoretical sampling* (Fletcher & Plakoyiannaki, 2011: 179). MNC units within the project were 'selected-to-similarity'¹⁴ (Kessler & Bach, 2014) in terms of: a) having the same global project goals and structure; b) being managed by one global project manager; c) delivering to the same international customer; and d) being overall embedded within one MNC. Simultaneously, the units were 'selected-to-difference' (Kessler & Bach, 2014), because country units within the project differed in terms of their location, cultural environment, country level management, and specializations of the teams involved in the global project. Consequently, relevant country units were selected to be the second unit of observation for discussing strategic management processes and events. The design of the empirical study is summarized in Figure 8.

¹³ Finnish TMT viewed Finland as a whole (with their multiple locations) as a 'main unit' leading global management, i.e. serving the role of the HQ; however, this was *not always perceived and implemented* in other organizational levels within Finland; and TMT was aware of this. Foreign units *perceived* entire Finland as one HQ unit; however, they were aware of multiple offices within the country. In organizational documents, Finnish unit TMT members served double roles: i.e. they were heading the Finnish unit and global MNC organization at the same time. Thus, while discussing methods, issues in Finland will be discussed with reduced complexity, i.e. by calling Finland as HQ unit; however, this issue will be discussed in the Findings section in details.

¹⁴ Yin's (2009) theoretical and literal replication logics cannot be applied to the case selection in critical realist case studies, because under critical realist assumptions, it is not possible to predict similarity or difference of outcomes (see Kessler & Bach (2014) for further explanation)

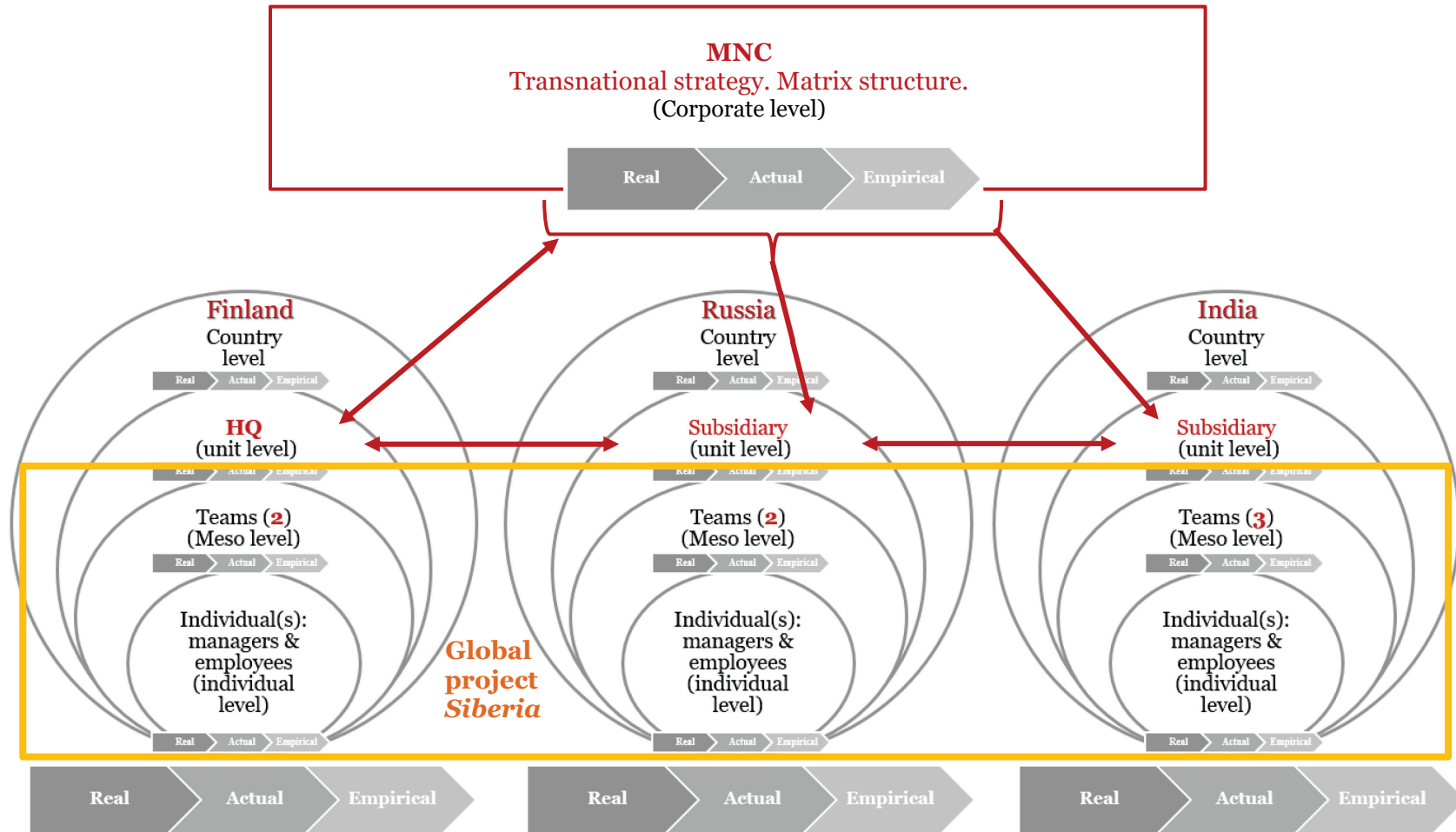


Figure 8. Design of the empirical study

7.3.4 Unit of analysis

Once the units of observation had been identified, the definition of unit of analysis became possible. On one hand, critical realist research aims at answering the question ‘What must reality be like for individual strategic behaviors within the loosely coupled MNC to appear?’ (adapted from Wynn & Williams, 2012: 794). On the other hand, Coleman’s bathtub and methodological individualism remind us that most influential power within the social system is an individual (Coleman, 1990; Felin, Foss, & Ployhart, 2015). Moreover, research question indicates the attempt to explain outcome at individual level of analysis while analyzing actions and interactions of the system–individual and individual-individual levels (see section 7.1.2. and Figure 6). Thus, the *unit of analysis* (unit about which “the researcher wants to be able to say something about at the end of the research” Fletcher & Plakoyiannaki, 2011: 173) is the *individual, who is embedded* in multiple social structures.

In relation to the above, individual embedded cases were identified in connection with two defined units of observation. These were the individuals within *Project Siberia* working at the time of the research (29 cases¹⁵). These individual cases belonged to the core team, or worked on the project for longer time, and were involved in cross-unit cooperation. Moreover, according to MNC top management in Finland, individuals working on the *Project Siberia* were to a larger extent performing expected strategic behaviors according to the corporate strategy. Thus, studying individuals, who have enacted strategic goal ‘Working as ‘One Corporation’ in the overall organizational climate of seeing cross-border, cross-function cooperation as challenging, were likely to reveal both: factors that enable and factors that inhibit expected strategic behavior; as well as the mechanisms that drive the behavior itself.

Furthermore, the 29 selected individuals working in the horizontal (operational) structure of the global project, vertically belonged to the line (strategic) organization through which corporate strategy was cascaded to them. Thus, 15 managers, who were cascading corporate strategy to the individuals within the *Project Siberia* in three countries (Finland, Russia, and India), were added to the

¹⁵ Project was ongoing for almost two years and at its peak was comprising up to around 80 individuals. However, since its start, project had a core team, which was involved in project planning, workforce planning, etc. Since the project was turning to the end by the time of the research, only the core team and some other individuals, who worked on a project for a longer time were still actively working; thus, were included in the sample. There were several individuals who were working on the project during the time of the research, but they were not involved in cross-border, cross-function work and cooperation, and thus, they were not included, since they did not meet all selection criteria.

sample. 4 managers (1 in Finland, 1 in Russia, and 2 in India) out of 15 within the second unit of observation also belong to the *Project Siberia* supervising team, but they did not participate in the operational work within the project. Out of 7 managers in Finland, 3 of them had double role and carried the same functional responsibilities in the Finnish organization and in the global MNC organization (CEO, HR and Marketing & Communication managers). Out of 7 managers in Indian unit, 1 belonged to global TMT; out of 16 cases in Indian unit within the project team, one line manager was a part of the project, but also had a double role as line manager who is cascading the strategy. Russian unit manager was also a part of the global TMT and was located partly in Russian unit, partly in Finland. Interviewee number was exhaustive for the selected context. The entire sample of 44 cases is presented in Figure 9 (detailed description of each case, their location and role are provided in Appendix 3).

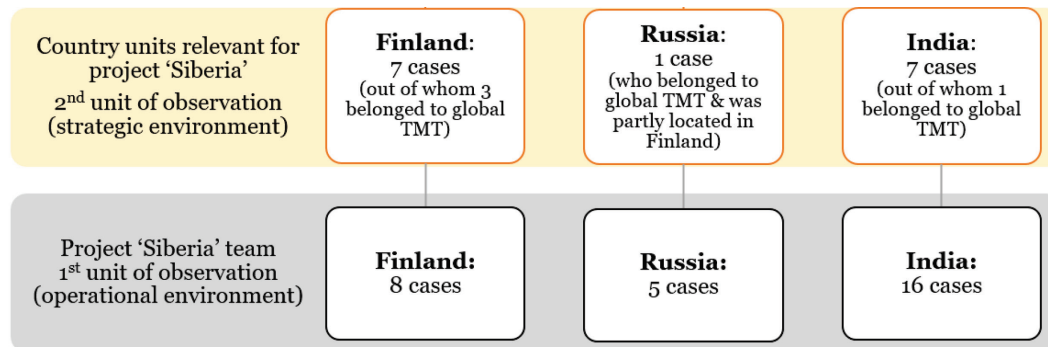


Figure 9. Sample of individual embedded cases

Although the principles of individual embedded case selection were clear from the beginning of the research work in the MNC, it must be acknowledged that selection of the particular cases did not happen at once and at the same time. First, together with the *Project Siberia* manager and with the HR manager facilitating the fieldwork, we identified teams that were participating in the *Project Siberia* and mapped their location within the line organization of country units. Accordingly, researcher and the HR manager identified individual cases at the top and middle management level (i.e. cases within the second unit of observation), who were cascading strategy to the teams. Finally, team leaders were contacted and asked to name individuals at team (operational) level, who were working in the *Project Siberia* and who were having cross-unit cooperation. Identification of cases at operational level within the first unit of analysis took from one to two months and happened after the start of data collection within the second unit of observation.

This approach to ‘casing’ (Ragin, 1992) on one hand was chosen due to the philosophical and methodological choices to remain open, while conducting the study in the open system. On the other hand, it was a result of conducting an empirical study within a large and complex organization of the MNC, within which individuals have limited amount of information about each other, operational and organizational events and processes. In line with insights by Fletcher and Plakoyiannaki (2011: 183-183), advantages of such a ‘casing’ process were observed, because the researcher: a) was able to identify relevant cases while utilizing information from multiple organizational levels and multiple informants; b) cases were identified based on the actual participation in the selected project and strategic processes. Finally, c) this created initial contact with the team and middle managers, making them a part of the research process. Thus, relevant managers were given a chance to contribute to the research project design¹⁶ within MNC while researcher was able to control that all selected individuals are included according to the defined criteria rather than by subjective team manager preferences.

7.4 Data sources and data collection

This section discusses major aspects related to data sources and data collection. First, data sources and the reasons for utilizing them are introduced. Second, the data collection process is described. Finally, the process of gaining access at multiple organizational levels of the MNC and individual cases is presented.

7.4.1 Data sources

Data sources should ensure that the researcher is able to collect sufficient and relevant high quality information about the phenomenon in question in order to answer the defined research question (Eriksson & Kovalainen, 2008: 77). Research question in this dissertation is concerned with mechanisms that cause individual strategic behaviors to appear as well as entities/objects that alter (inhibit/enable) the occurrence of these behaviors within the loosely coupled MNCs. Thus, there was a need to reveal issues on individual strategic behavior within multiple organizational levels. Accordingly, this section describes which sources of data and why they were chosen, and will briefly discuss the advantages of these choices.

¹⁶ Academic studies on strategy implementation have observed that when managers are given an opportunity to participate in strategy making, e.g., research project design within MNC in this situation, their willingness to cooperate and commitment to implement what has been agreed significantly increases (see e.g., Kim & Mauborgne (1993))

Individual behavior can be studied in multiple ways (e.g., observations, ethnography, survey (Bogdan & Biklen, 1992)). However, as Montano and Kasprzyk (2002) indicate building on extensive research on human behavior there is no need to study behaviors themselves in order to explain how these behaviors appear. Individual intentions to behave are shaped by the social system within which they reside, but also adjusted by various individual level factors, perceptions, and environmental constraints. Therefore, studying individual perceptions, specific factors, and aspects of environment within which individuals reside (see Appendix 2) is sufficient (Montano & Kasprzyk, 2002)). Based on this, the dissertation employs two sources of data: individual semi-structured face-to-face interviews, plus secondary data comprising multiple organizational documents.

Qualitative, semi-structured, face-to-face interviews are relevant for this study for the following reasons. First, *qualitative interviews* are needed to define entities and objects (measures and variables) relevant for the behavior of individuals embedded in multiple environments of the MNC, because the latter gain different meaning for the specific behaviors in the specific context (Montano & Kasprzyk, 2002: 80-81). Furthermore, “the reasons, made up of a person’s behavioral, normative, and control beliefs, determine his attitudes, subjective norms, and perceived control, *regardless of whether those beliefs are rational, logical, or correct by some objective standard.*” (Montano & Kasprzyk, 2002: 76, emphasis added). Thus, while studying causes of specific behavior the researcher cannot impose any definite standards or measures in advance. Data must be gathered from the field in order to understand contextualized individual thinking, feelings, and attitudes, which influence behavior. This additionally leads to the choice of using *semi-structured* interviews.

Semi-structured interviews permit outlining themes (needed for strengthening internal validity) with ‘what’ and ‘how’ questions (needed for obtaining contextualized explanations and unobservable inferences), rather than imposing pre-determined standardized questions on ‘what’ (Eriksson & Kovalainen, 2008: 80). Individuals are diverse and there are no overarching reasons behind their behavior: specific behavior and reasons for it are always attached to the context (at multiple levels) and individual level factors (e.g., knowledge & skills). Empirical analysis is needed to determine which conditions out of the entire list of conditions, which were observed to be important, will be relevant for the specific behavior, context, and time (Montano & Kasprzyk, 2002: 78). Consequently, themes for the interview were defined according to the relevant entities identified in Table 13; however, questions remained broad and open in order to obtain contextual understanding and reach within and beyond the observable.

The need for face-to-face interactions in this research was seen necessary for the three reasons. First, multiple organizational environments within which individuals were embedded were intended to be studied. Thus, site visits facilitated understanding of the actual environment within which each individual case resided. Second, telephone interviews tend to provide less detail than face-to-face interviews (Irvine et al, 2013); whereas deep and detailed data was necessary for an intensive case study. Finally, but most importantly, data collection aspects in IB context were considered. In addition to Finland, research took place beyond 'Western' countries, that is, in Russia and India. In such situation, contextualizing fieldwork in terms of research process and outcomes is necessary (Michailova, 2004: 365; Wilson, 2004). Face-to-face interactions permitted personal interaction emphasized in these countries (Hofstede, 2003; Michailova, 2004: 365; Wilson, 2004), adjustment with flexible schedules of the interviewees, development of trust between the interviewer and interviewee, helped to overcome prejudices or challenges related to age, gender, nationality, and alike (Michailova, 2004: 365; Wilson, 2004); and facilitated observations of non-verbal communication (Marschan-Piekkari & Reis, 2004).

Data collection resulted in having *50 personal interviews*. All interviewees were recorded with permission. 46 interviews were transcribed and analyzed (44 with each individual embedded case; additionally: 1 interview-presentation about the Corporate strategy of the MNC with the CEO; and 1 interview with the Indian HR manager, who reflected on Indian subsidiary development, management principles, and systems). Four interviews served as background information about the MNC and the project and were not transcribed (1 interview-presentation about the *Project Siberia* given by the Global Project manager and three meetings/interviews with HR manager facilitating the fieldwork while discussing organizational documents and processes).

Table 14 presents what sources of secondary data and how many interviews out of 50 were used when describing each 'cell' of the stratified reality of the MNC. Interviews with top and middle managers with varying proportions have covered multiple aspects regarding the intended, actual, and perceived issues at multiple levels of analysis. Interviews with non-management employees predominantly described actual and perceived realities within lower organizational levels. Thus, each interview was used when describing multiple 'cells' (see further section 7.5. on Data Analysis).

Table 14. Sources of data used for comprehending stratified reality of the MNC within which individual cases were embedded

Stratified reality	Levels of analysis			
	Organizational (MNC)	Unit	Meso (Team)	Individual
<p>Real World (structure)</p> <p>(here resides <i>theory</i> /<i>intention</i>)</p>	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - Organizational MNC structure - Corporate strategy document - Values and culture described in MNC website and other external communication material - Global target list <p><i>Individual interviews (7):</i></p> <ul style="list-style-type: none"> - with the CEO and TMT members about the ‘intended’ system for the MNC management 	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - Strategy document for Russian unit - Development discussion and performance management process in Indian unit - Target lists relevant for Finnish, Russian, and Indian country units <p><i>Individual interviews (6):</i></p> <ul style="list-style-type: none"> - with the country unit managers about the ‘intended’ system for the unit management 	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - Project management process document - <i>Project Siberia</i> structure & plan - Target lists for relevant functional teams <p><i>Individual interviews (8):</i></p> <ul style="list-style-type: none"> - with Project Management and other relevant Function heads 	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - Values and culture described in MNC website and other external communication material - Target lists relevant for individual managers (if available) <p><i>Individual interviews (3):</i></p> <ul style="list-style-type: none"> - with the CEO about the ‘expected’ strategic behaviors of individuals at different organizational levels within the MNC - with country unit heads about ‘expected’ strategic behaviors of individuals at different organizational levels within the unit
<i>Mechanisms: answer to Research Question</i>				
<p>Actual World (Events)</p> <p>(here resides (partly) <i>observable life</i> of and within</p>	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - various MNC external publications - Global target list <p><i>Individual interviews (7+3):</i></p>	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - Target lists relevant for Finnish, Russian, and Indian country units <p><i>Individual interviews (10):</i></p>	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - Publications about the <i>Project Siberia</i> - Target lists for relevant functional teams <p><i>Individual interviews (17):</i></p>	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - CVs of every individual case - Target lists relevant for individual managers (if available) <p><i>Individual interviews (22):</i></p>

the organization)	<ul style="list-style-type: none"> - Corporate strategy <i>presented by CEO</i> - Strategy Communication process, <i>described by Global Communication & Marketing manager</i> - Performance management process and other HRM processes, <i>described by Global HR manager</i> - Corporate structure & management system <i>described by Head of project operations in Finland</i> - Organizational culture and working habits <i>described by TMT in Finland</i> - Three meetings with HR manager facilitating the fieldwork 	<ul style="list-style-type: none"> - Corporate strategy 'working as 'One corporation' <i>as defined by country unit managers</i> - Development discussion and performance management process, <i>described by managers in each unit</i> - Strategy Communication & Implementation process, <i>described by managers in each unit</i> - Unit culture <i>described by managers within units</i> 	<ul style="list-style-type: none"> - Project Siberia structure, processes, and management as <i>presented by Global Project Manager</i> - Project management process, <i>described by project management heads in Finland and India</i> - Actual project work <i>described by managers, working on the project</i> 	<ul style="list-style-type: none"> - Organizational and unit culture, working habits <i>described by non-management employees: Finland (7), India (10), Russia (5)</i> <i>Individual interviews (29): Finland (8), India (16), Russia (5):</i> - described behaviors and characteristics of colleagues while working on the Project Siberia
Researcher visits to each location (3 in Finland, 1 in Russia, and 1 in India) of the MNC lasting from 2 days to 2 weeks				
Empirical World (Experiences) (here resides perceptions & experiences)	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - 'Organizational climate and employee satisfaction survey 2016' MNC level data 	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - 'Organizational climate and employee satisfaction survey 2016': country unit level data 	<p><i>Secondary data:</i></p> <ul style="list-style-type: none"> - 'Organizational climate and employee satisfaction survey 2016': local office level data (only partly reflecting functional and global teams' issues) <p><i>Individual interviews (29):</i> Finland (8), India (16), Russia (5):</p> <ul style="list-style-type: none"> - experiences while working on Project Siberia 	<p><i>Individual interviews (44):</i> Finland (15), India (23), Russia (6)</p> <ul style="list-style-type: none"> - Intention to perform behavior 'working as 'One Corporation' - MNC strategy & strategic environment <i>interpreted and described by all managers and non-management employees</i> - Managers and peer evaluation of individual cases' knowledge

However, data obtained via interviews for the case study strategy is not sufficient. Data triangulation is necessary in order to make more informed observations and conclusions (Hartley, 1994; Yin, 2009; Kessler & Bach, 2014). For this reason, data additionally included multiple documents on organizational strategic intentions, official processes, and professional profiles of individual cases. These documents were useful while better comprehending organizational and individual realities beyond issues described in the interviews. In addition, they facilitated comparison of intended, actual, and perceived aspects at multiple levels of analysis while searching for mechanisms that cause individual strategic behaviors. Table 14 indicates which documents were used while defining specific 'cells'.

7.4.2 Data collection process

Data was collected over period of six months: from January until the end of June 2017. Data collection started in HQ unit, in Finland, by gathering background information about the MNC management, strategy, selected Project Siberia, and conducting interviews with the top and project management. This secondary data together with interviews with top and project management were used to develop the final set of interview guidelines for all remaining selected cases. Also, when conducting the first set of interviews with top and project management, interviewees were asked to give feedback on interview guidelines in order to improve clarity of the interview questions.

Once the interview guidelines (see Appendix 4) were completed, the remaining interviews were conducted in Finland during March 2017. In April 2017 online face-to-face interviews were conducted with several managers in Indian unit and, during the unit visit, interviews were conducted in Russia. In June followed two-week visit to Indian unit, where all the remaining interviews with Indian unit members were completed.

Interviews in each country were scheduled according to the *annual* organizational processes meant for strategy implementation, i.e. strategy presentation and development discussions. All the interviewees in Finland and India had heard company strategy and had undergone development discussion before the interviews. In Russia, employees should have undergone the same procedure; although, processes there were more vague. Thus, for all the interviewees information about MNC strategy was expected to be covered briefly before the start of the interviews in each unit. Consequently, the research was conducted in line with the key 'strategic events' within the MNC. Because of scheduling interviews in line with these events, empirical research was able to reveal: a) to what extent interviewees understood the strategy communicated to them and their role in the

strategy implementation; b) to what extent they were able to link certain organizational processes to the overall process of strategy implementation; and moreover, c) how much the intended process for strategy implementation made them reflect on the expected behaviors, such as ‘Working as ‘One Corporation’’. Having clear rule for scheduling all the interviews additionally increased reliability of the data collected.

All interviews were scheduled on working days and during working time. Interviews lasted between 30 minutes to more than 2 hours, with an average length of one hour. The interviews were scheduled in advance and researcher double-checked that interviewees were still comfortable with the time scheduled before the start of the interview. For example, with three interviewees meetings were rescheduled on the spot, due to urgent unexpected work issues that needed taking care of. All interviews took place in closed meeting room to ensure privacy, and in the online interviews, both interviewee and researcher were sitting in a closed room and were using web-cameras to see each other.

The interview language was English, as it was considered to be the shared corporate language. However, English was neither a native tongue for the researcher (whose mother tongue is Lithuanian), nor for the interviewees (whose mother tongue was Finnish, Swedish, Russian, or one of the local Indian languages, typically Marathi or Hindi). This meant that in the most of the situations researcher and interviewees were facing mutual linguistic challenge. There were a few exceptions, when interviewees chose to speak their mother tongue (in Russian unit); thus, interviewees had linguistic advantage over the researcher. Moreover, since English language is widely used in Indian education system and among the professional circles, Indian interviewees were accustomed with using it, even if their English language skills were limited. Both situations indicated that researcher had equal or lesser linguistic power over the interviewee (Marschan-Piekkari & Reis, 2004). The latter benefited interviewees’ ability to express their feelings, emotions, and cognitions particularly important for capturing issues related with the ‘Empirical World’ in this study.

Nevertheless, as noted by Marschan-Piekkari and Reis (2004: 229-230), diversity of ‘languages’ while using English was observed within the MNC: a) level of English skills varied across the interviewees; b) there were specific terms and concepts used within the MNC; non-management employees sometimes used specific technical terms; and c) interviewees had visible accents of English based on their mother tongue. The researcher was acquainted with Finnish, Russian, and Indian accents and tried to clarify MNC-specific and technical language while analyzing company documents, discussing with HR manager facilitating the fieldwork, and

while re-confirming understanding of the terms used with each interviewee. However, it must be acknowledged that ability to speak fluent Finnish and local languages used in Indian unit would have benefited the data quality in some of the interviews with non-management employees.

The researcher transcribed the interviews with company top management team (6) and all interviews conducted in Russian language (3). Interviews in Russian language were transcribed while translating them directly to English with meaning-based approach (Marschan-Piekkari & Reis (2004: 238). In line with suggestion by Marschan-Piekkari and Reis (2004) translation of more challenging expressions was confirmed with native Russian linguist. A professional, global service provider transcribed the remaining 37 interviews. Researcher subsequently reviewed every transcription and made edits and corrections as needed.

Secondary data was collected in an accumulative manner. After the presentation of the corporate strategy and the project, researcher obtained a number of internal company documents, which directly referred to the research question, e.g., global strategy document, organizational charts, *Project Siberia* structure, target lists of relevant units and teams. During the interviews, interviewees at times referred to a certain document, e.g., project management process document. After receiving such references, researcher contacted the HR manager facilitating the fieldwork to enquire about the possibility to obtain those documents. This process ensured that the researcher's initial assumptions about what influences (strategic) behaviors within MNC are constantly challenged by the fieldwork.

7.4.3 Gaining access at multiple levels of the MNC

Access to HQ or other units within the MNC does not guarantee access and cooperation with all the other investigated units or individual cases (Marschan-Piekkari et al. 2004: 252). This is particularly true while conducting research outside the Western countries (Michailova, 2004). Additionally, in cross-cultural research primary data should be collected while addressing multiple possible biases and while taking care of cultural sensitivity. Therefore, this section presents steps that were taken to gain access to each organizational unit as well as to develop trust and willingness to cooperate with each individual case.

While conducting data collection within Finland there were no challenges with gaining the access at any organizational level, possibly due to the "Nordic firms typified as having a relatively close associations with academic institutions" (Björkman and Forsgren (2000) in Marschan-Piekkari et al. (2004), p. 252). All interviewees were ready to discuss openly both positive and negative issues; some

of them related this project to their own interviews conducted for the master's thesis, etc. Thus, after short introduction of the research purpose, confidentiality issues, and researcher professional background, followed the actual interview. Researcher had joint lunches with some interviewees and was given possibility to briefly observe the locations where interviewees were residing.

In the Russian unit, the situation was somewhat different. While scheduling interviews, some interviewees indirectly raised concerns about the purpose of this research. The latter resembled observations by Michailova (2004) about Eastern European organizations being "highly suspicious and resistant towards strangers from universities and business schools" (p. 371). A Finnish national headed the Russian unit, thus arrangements of the visit proceeded without interruption. However, the researcher prepared in advance to handle local issues once arrived. "Reciprocity is a vitally important feature" in Russian context (Michailova, 2004: 369); thus, the researcher arrived to the Russian unit with some gifts. The researcher interacted only in Russian language (Michailova, 2004) explaining that research is also meant to improve collaboration between country units; thus, beneficial for the interviewees. In addition, the researcher showed willingness to build friendly informal relationships. Personal approach and informal communication, ability to relate to local realities and speak the local language helped to overcome the barriers (Michailova, 2004) and establish instant connection with all interviewees. Some interviewees were significantly more open while using their native tongue (Michailova, 2004), thus it was agreed that interviewees could switch languages, if preferred, despite initial agreement to have interviewees in English. Researcher joined lunches and breaks with the interviewees and their colleagues; thus, warm and open communication continued over the entire three-day visit in Russian unit.

Gaining access to the Indian unit was the most challenging. An entirely Indian team managed the unit and, therefore, initial contacts with the unit, attempts to define the final list of interviews, schedule the visit, etc. appeared to be very encouraging, polite, but leading to no actions and needed arrangements. The researcher identity initially was perceived as young female student¹⁷ (Wilson, 2004) from Finland¹⁸ and none of these dimensions helped to gain importance in

¹⁷ Interestingly, the same identity benefited the researcher later during the actual visit to India. Clarification that researcher was a part of Indian family and was mentally and emotionally embedded in Indian culture, led to the highest care, attention, and respect. Being a doctoral student made senior managers share detailed information, because, according to them, researcher was writing the thesis, so they had to be open and honest, to make researcher learn and understand how things work.

¹⁸ This aspect was revealed over the first interviews with Indian managers, once researcher clearly indicated being of other than Finnish origin. Reactions to this fact and later comments revealed a number of challenging issues regarding Finnish HQ-Indian unit

hierarchical society (Hofstede, 2003) while trying to encourage Indian unit members to postpone their duties in order to facilitate researcher's visit arrangements. Since arrangements about the visit to Indian unit were continuously postponed or missing, it was agreed to arrange several online interviews with Indian managers.

First, online interview with manager from the Indian unit was a failure regarding the connection quality as well as cultural sensitivity in interviewing and interaction. Thus, before the next interview the upcoming day, the researcher made significant changes with ICT technology used and adjusted culturally (according to the suggestions by Wilson (2004) and personal experiences with Indian culture): a) despite of the online setting and time limitations, meeting with the interviewee started from informal discussion. Then, b) researcher took significant amount of time to introduce herself from professional and personal perspective, in particular. The researcher mentioned her marriage with an Indian national, described her experiences within Indian family, Indian wedding, trips to visit relatives in the villages, etc.; and then, reflected on professional work experience before starting the doctoral research. Finally, c) researcher emphasized her own origin, being Lithuanian, i.e. *Indo-European* and speaking mother tongue considered to be close to Indian Sanskrit, as well as professional association with the University, not the MNC¹⁹.

In addition, some other cultural aspects were considered in wording during the interviews (Marschan-Piekkari & Reis, 2004) with Indian unit members. For example, with Finnish and Russian nationals researcher was discussing both positive and negative aspects on the matter openly. In the Indian unit, focus was more on positive issues (Wilson, 2004). Thus, instead of openly asking about negative issues that emerged, researcher was discussing about positive examples, which were then naturally by interviewees compared with negative issues. In addition, language used while discussing the negative issues in Indian unit was considerably softer and indirect in comparison to the other two units. In India, where collectivism is very high (Hofstede, 2003; Gupta & Hagnes, 2004), interviewees sometimes faced challenges, when asked to reflect on their *individual*

relationships and certain negative perceptions, which Indian unit members had about Finnish unit and its members. This served as partial explanation, why gaining access to the unit was so difficult.

¹⁹ This introduction was extensive and time consuming, but made a significant difference in further interactions. Once finished, without being asked, interviewees moved on to introducing themselves and proceeded with interview agenda in very open and friendly way. As appeared later, during the visit in Indian unit, repeating the same introduction was not always needed, because 'rumors' about the researcher's background were spread shortly after arrival and at times interviewees even started conversation from clarifying the 'missing' details of their interest.

opinion; thus, interviewees often formulated their answers with plural form or while describing collective opinions and actions. Occasionally, Indian interviewees also used specific metaphors and expressions related to their culture and history. Thus, it was evident that language in interviewees' responses accommodated their cultural values (Marschan-Piekkari & Reis, 2004: 234-235). Consequently, while analyzing the data researcher had to clarify certain aspects by independent studies or discussions with Indian nationals.

Although, the changes in interviewing facilitated online interviews with Indian unit members, they did not help with gaining access at the operational level. The final breakthrough was achieved during the visit to Russia, where the researcher utilized significant value of personal networks common in both Russian and Indian cultures (Michailova, 2004, Wilson, 2004). Once the researcher shared her challenges about gaining access to the Indian unit at operational level with one Russian unit member, who had been working as expatriate in Indian unit for considerable amount of time, personal call with Indian middle manager was arranged and full cooperation in selecting cases and interviewing them was assured.

Contact with Indian HR manager during the online interview and on the first day of the visit to Indian unit appeared to be very sincere. During the visit to the Indian unit, one HR team member was assigned to supervise data collection process personally. The researcher was joining unit members in multiple canteens for lunches and interacted as much as situation permitted. "Exposure to a country before undertaking the research" and being acculturated in India through earlier personal-life experiences facilitated these interactions as well as helped during the interviews (Wilson, 2004: 435). However, Indian unit was large and split across several buildings, thus, it was not possible to meet and interact with every unit member; interactions outside interviews were more random and shallower, in comparison to experiences in Russia. Nevertheless, unit members were sharing meals with the researcher and the researcher even received a gift from Indian unit HR manager what was a sign of being an honored guest (Wilson, 2004) and served as an indication of gaining deep access within the Indian unit.

After every interview in all three countries, the researcher made notes about key points, insights and reflections, the reactions and behavior of the interviewee, and researcher's own behavior during the interview. This practice allowed for an honest reflection on the quality of the interview data. Most of the recordings were of good quality; however, it must be acknowledged that three interviews with Indian unit members had shortcomings. One online interview had significant problems with the sound quality and suffered from lack of cultural sensitivity; one

interview suffered from substantial challenges while using English language; and one interview was hard to follow and conduct due to extremely strong local accent. Thus, these interviews were only partially used in data analysis. The following section describes data analysis process in more detail.

7.5 Data Analysis

Data analysis process aligned with critical realism philosophy principles is still at its infancy. There are several good examples (Morais, 2011; Saka-Helmhout, 2014; Fletcher, 2017) where scholars reflect on the data analysis methods and processes that were used in their empirical studies. Yet, established data analysis process is not available, as it is available within positivist case studies (e.g., Yin, 2009) or interpretivist research (e.g., Gioia methodology). Empirical studies within critical realism frequently comprise data analysis based on borrowed processes from other methodologies and philosophies of science (e.g., Volkoff et al., 2007), or offer concise sections on data analysis process in which scholars chose not to elaborate on the details at this stage (e.g., Bygstad, 2010).

Although, data analysis and mechanism inference process within critical realism philosophy of science remains rather creative (Ackroyd, 2005; Risjord, 2014); most of the scholars agree upon certain steps in this process. These steps are: a) observing events and conditions within which phenomenon occurs; b) observing entities/objects that seem to influence the phenomenon (demi-regularities); c) observing agency (that is, individual participation) issues; and d) putting attempts to establish logical connections between observed events, entities/objects, agency, and theoretical frameworks to infer the mechanism behind the observable.

To remain consistent with the study design, data analysis process in this dissertation was guided by: a) the idea of ‘mapping’ the realities presented in Table 12 and elaborated in Tables 13 and 14; while b) incorporating practicalities suggested by Bygstad (2010), Morais (2011), Saka-Helmhout (2014), Bygstad, Munkvold, and Volkoff (2016), and Fletcher (2017); and c) borrowed, but altered in line with critical realism assumptions, well-established data analysis techniques suggested by Yin (2009). Consequently, data analysis consisted of three main parts, summarized in Figure 10.

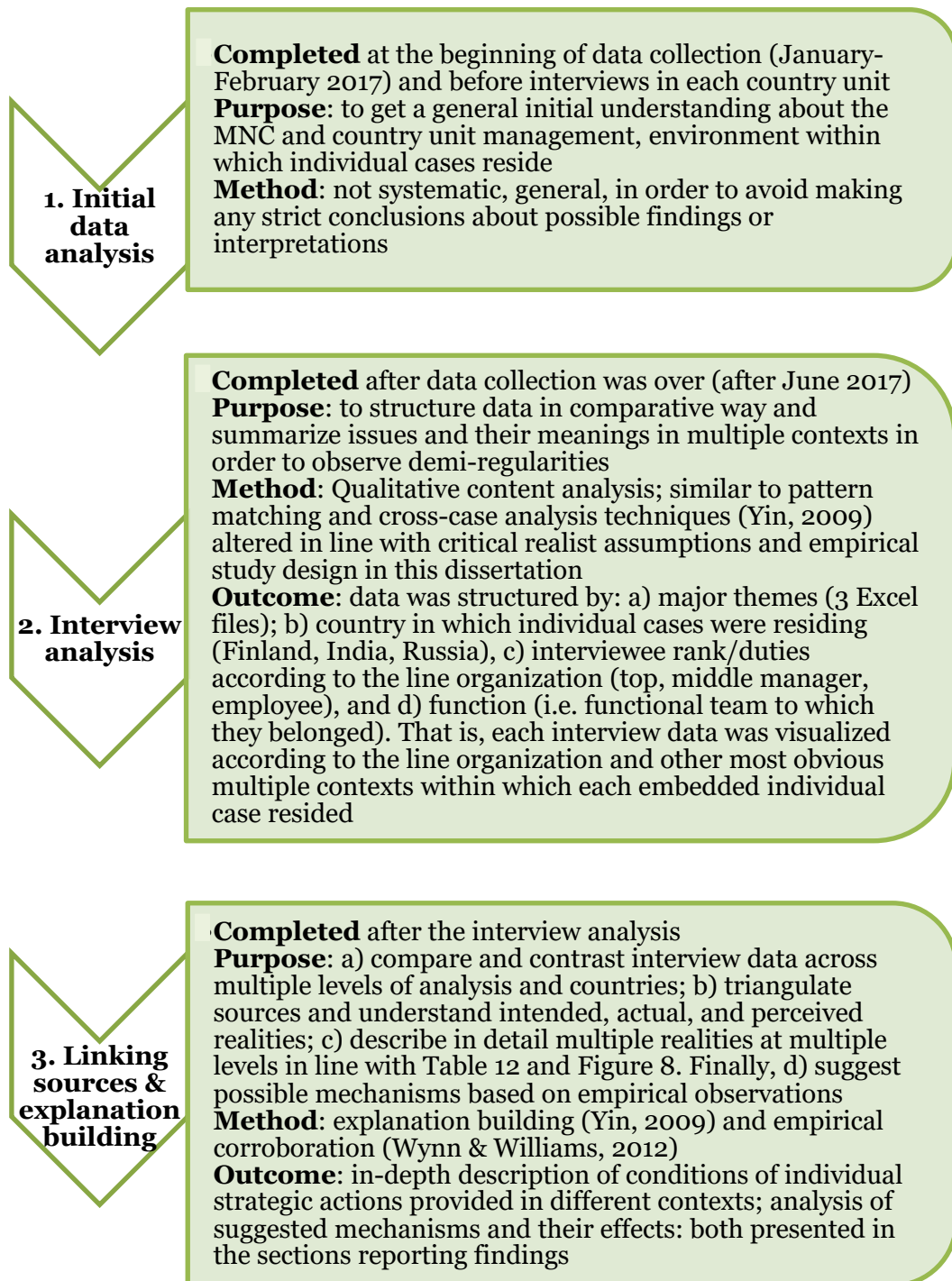


Figure 10. Data analysis process

7.5.1 Initial data analysis

In the beginning of data collection (January-February 2017), secondary data collected about the MNC and relevant units was briefly analyzed by reviewing MNC strategy, structure, project information, etc. Researcher listened through the recordings of corporate strategy and project presentations, discussions with HR manager facilitating the fieldwork. This process was not systematic, but rather focused on getting general understanding (based on MNC management intentions) about how processes in the MNC are expected to work. This decision was made in order to avoid any pre-determined conclusions about the MNC, individual interviewees, or possible emerging issues. This surface analysis was done in order to understand key aspects of the MNC management and design the interview guidelines in the context of the MNC (e.g., by referring to MNC strategy, by using company-specific terms, or enquiring about tools, such as target lists, which were used for strategy implementation within the MNC). After this initial data analysis, similar review of secondary data and researcher's notes were made before visiting each country unit. Additional secondary data was gathered and reviewed simultaneously while conducting the interviews. Furthermore, after each interview researcher was making notes with the summary of the interview. Systematic data analysis started after the end of the data collection (July 2017).

7.5.2 Analysis of the interviews

Once the data collection in all the locations was completed and interviews were transcribed, systematic data analysis started from the analysis of the interviews. Critical realism is characterized by "researcher-driven analytical process" (Fletcher, 2017: 186). Thus, researcher codes and analyses the data in relation to existing theory (that is considered to be fallible) (Fletcher, 2017) while considering contextual conditions and events (Bygstad, 2010).

This means that, first, data analysis started with breaking interviews into pieces that cover similar themes about the reality interviewees resided in, their comments about this reality and themselves as individuals in this reality. For this purpose, based on the interview guidelines, three Microsoft Excel files were designed, which focused on *three major themes* in each interview: 1. strategic behavior 'working as 'One corporation' (mostly perceptual data); 2. Systems and processes of strategy implementation in the MNC (data on intentions, actual, and perceived issues), and 3. the rest of the issues related to individual background, use of language, and communication of the strategy, employee role in the strategy, etc. (data on intentions, actual, and perceived issues).

Each MS Excel file had a separate sheet for each country: Finland, Russia, and India. Within each country sheet, on the top of the columns were added interview questions, relevant to each entity (see Table 13) *without* separating the three realities. Each sheet included list of all the interviewees within the country unit. Interviewees were listed from the top management to non-management employees (and had different color indicating interviewee position within the organizational structure) (see Figure 11 below). Within the same country unit, team functions were also separated (see example in Figure 12).

Thus, interview data was structured by: a) major themes (3 Excel files); b) country in which individual cases resided (Finland, India, Russia), c) interviewee rank/duties according to the line organization (top, middle manager, employee), and d) function (i.e. functional team to which they belonged). Such layout was in a line with the sampling logics. Additionally, it reflected strategy delivery processes within the MNC. Finally, this layout allowed easily visualizing line organization and other most obvious multiple contexts within which each embedded individual case resided.

The image shows a screenshot of an MS Excel spreadsheet with a grid of interview questions and interviewee information. The spreadsheet is organized into columns for different themes and rows for different interviewees. Red arrows point from text boxes to specific cells in the spreadsheet. One box points to a question in the top row, another points to a cell in the middle row, and a third points to the 'India' tab at the bottom. The spreadsheet has tabs for 'Finland', 'Russia', and 'India'.

Interviewee ID	Interviewee Name	Interviewee Position	Interviewee Country	Interview Question
Interviewee 01	Interviewee 01	Top Management	India	Question, which is supposed to explore certain aspect of the major theme, directly taken from the interview guidelines (see Appendix 4)
Interviewee 02	Interviewee 02	Middle Manager	India	
Interviewee 03	Interviewee 03	Non-management Employee	India	
Interviewee 04	Interviewee 04	Non-management Employee	India	
Interviewee 05	Interviewee 05	Non-management Employee	India	
Interviewee 06	Interviewee 06	Non-management Employee	India	
Interviewee 07	Interviewee 07	Non-management Employee	India	
Interviewee 08	Interviewee 08	Non-management Employee	India	
Interviewee 09	Interviewee 09	Non-management Employee	India	
Interviewee 10	Interviewee 10	Non-management Employee	India	

Figure 11. Example of one-theme MS Excel file for data analysis

Questions with *positive* aspects of strategic behavior: e.g., advantages, what makes it easy to perform, etc.

Questions with *negative* aspects: e.g., disadvantages, what makes behavior hard to perform, etc.

C team: green color for middle managers, yellow for engineers (non-management employees)

S team: green color for middle managers, yellow for engineers (non-management employees)

Project Management team: rose color for middle manager, who is also LMT member, yellow - for project managers (non-management employees)

Finland Russia India

Figure 12. Example of data structuring by function, organizational level, positive/negative aspects related to strategic behavior

Interviewee might have answered the question after being specifically asked about the issue, or mentioned the entity while reflecting on the other topics. Both of these texts were considered and placed under the relevant column. If interview revealed new aspects, different from the questions in the interview guidelines, these aspects were placed in a new column. This procedure of dividing text into smaller parts, which are supposed to reflect on or explain certain entity, represented the logics of *pattern matching technique* (Yin, 2009: 136) and holistic coding (code that applies to a larger unit of data, rather than “line-by-line coding” (Miles, Huberman, and Saldana, 2014: 77); thus, was in line with standard coding procedures advocated by critical realist researcher Flechter (2017).

Division of every interview text to smaller parts was completed in two steps. First, each printed transcript was cut into pieces according to the questions asked, and these paper pieces were grouped according to the three major themes. This step was necessary, because interviews were semi-structured and questions were asked not according to the original order, but rather according to the interview flow. Once initial grouping by major themes was completed, researcher was reading each piece of paper and dividing the text under each question into smaller pieces:

ones, which were relevant for the specific question asked; and other topics, which were relevant for other issues. Such two-stage analysis allowed looking deeply into the text and making proper division of data under each smaller issue. As it is seen in the Figure 13, amount of text under each issue was relatively large, because each question asked in the interview was broad and open. In addition, interviewees shared information freely, what resulted in having lengthy overall transcripts of almost all interviews.

A	B	C
		advantages of working as 'One corporation'
Interview 44	Employee (lead engineer)	<p>See, now the industry is moving in such a way that it should be more efficient, on time delivery and it should be -- less means cheaper in rate. So they want to be reduced cost, that is the first thing. While working with way suppose we have the project from the European country, so then the labour cost in Europe it is high, to reduced that, the one way is that to dump that job in such a country, so they have the labour cost low. So that is the one thing, so they are -- we've seen that the rate is lot of difference. In that way that is necessary to shift the job in such country to get the cheaper rate.</p> <p>Second one, by doing this, there should not any issue with the project, somebody in that Europe or in that continental, they should have -- they should be reliable #[40:17]. It is not good thing to shift everything here in other country and is culture now. So main -- their aim is the person can communicate, they can relate the local peoples. Suppose the project in UK, the person from the UK, they can directly discuss, because they knows the cultures, they knows the how industries working in the UK and they can directly discuss. They can sort out lot of issues. But if suppose, everything is done in India then it is difficult to communicate and difficult to understand and difficult to sort out the issues. That is the more challenging. And even it is the best means, small task, but it is playing a big role. So that's why, it should be necessary, the person from local who can deal but it should be cheaper and shifting another country and some area there are some expert then that that is coming in another country. So in that way it is working. So and it is culture, and still now it is culture. And in some where also, even in suppose the pure Indian company, even though some U.S. they're giving the job to the Indian company, still some people they are sitting in U.S. They're trying to understand the culture and how to solve the issues and they are learning and then they're doing this business. So in that way it is working.</p>
Interview 44 (key points)	Employee (lead engineer)	<p>1. industry demands for low-cost on time delivery; thus, outsourcing to cheaper labour country is necessary. 2. Local presence near the customer is needed to prove reliability and ability to understand local culture, 'QW', etc. Build relationships with customer in the way local customer prefers. 3. There are different experts in different company countries, so they can gather needed knowledge, when required</p>

Figure 13. Breaking interview data in themes and coding it by summarizing key points in relation to the context

Second, once the interview with each individual case was finally divided across the three MS Excel files and smaller aspects of each major theme, there was a need to interpret the 'broken' data in relation to existing theory. Critical realism recognizes objective rational facts that are lived by irrational, emotional agents (Morais, 2011). Therefore, while interpreting interview pieces, it was important to acknowledge the fact that interviewee descriptions of experiences were highly moderated by culture. Indians, especially at middle management and operational level, always tried to turn negative observations into positive, e.g., 'Finns are very formal with working hours', but actually it sounded: "Finland colleagues, they are

very punctual on time. That some good habits, I try to implement from Finland. They're very punctual, on time, they give their times to family, means, they balance their work and family life" (Int. 36, India); however, higher rank Indian managers were much more straightforward. Russians were very straightforward in their evaluations of both positive and negative aspects: (talking about Finnish colleagues and their treatment of working hours) *"How is it possible? They come in 'oh, coffee', read some news, 'okay we need to relax. Now -- we need to work for half an hour', after that relax, after that lunch, after that again one more coffee and four, five o'clock everybody left."* (Int. 30, Russia). Finally, Finns were straightforward, but their evaluations did not carry emotions or value, they just reported the observed facts: *"well this is Finland, that one is India, so it's a very different kind of cultures and countries and, like I said, there's rubbish everywhere, we have rubbish cans. <...>, but people were actually very nice and we didn't have any problems, communication, well, sometimes communication was bad, sometimes good and only this time management system was something a little bit different than here"* (Int. 20, Finland). Although, there were some emotional evaluations by one case, but only after the official interview was over.

The researcher was reading each piece of the text separately once again and making notes under it, while summarizing the key points. Points were summarized by considering deeper meanings and multiple contexts within which individual case resided: context of relevant country, function, team, interviewee rank/duties in the line organization and in the *Project Siberia*, etc. After researcher considered reaching the understanding of what interviewee was trying to say, brief key summary was placed below the extract (see Figure 13).

7.5.2.1 Counting the codes

Counting the codes according to the assumptions of critical realism is not necessary, since overall conditions within which phenomenon occurs (Bygstad, 2010) and overall presence or absence of certain entities/objects (Saka-Helmhout, 2014) is what matters, rather than frequency of codes on which variable-based explanations (Morais, 2011) are based on. Yet, comparative analysis allows observing demi-regularities (Fletcher, 2017). Demi-regularities define the environment rather than provide a positivist-type 'test' of importance of certain entity. Thus, once data of every interview was mapped and summarized in the manner described above, such layout greatly facilitated the possibilities to observe occurring demi-regularities.

Demi-regularities were observed by comparing entities/objects mentioned by interviewees and their context. For example, key point number 1 in Figure 13

indicates the importance of ‘industry demands’. Thus, researcher took this key aspect and compared the case of the Interviewee 44 with all the other interviews, searching for: a) had any other case mentioned the same factor, b) if yes: in what context and with what explanation this factor was mentioned by the other interviewee, c) if no: how important seem to be this issue for company strategy, processes, individual behaviors, etc. Newly mentioned issues were analyzed with the same procedure while trying to summarize and establish the meaning of the issue mentioned by the interviewee. This process was similar *to cross-case analysis technique* (Yin, 2009); however, instead of focusing only on the search for regularities (as positivist would do) while using cross-case analysis technique; researcher evaluated and observed issues, which were mentioned only once as well. In addition, researcher went deeper in the analysis of the similarities and compared contexts of the same code in order to understand similarities and differences in *meanings* of the code for each individual case. This allowed observing that the same entity, for instance corporate strategy per se, had significantly different meaning in every country context.

The analysis described above provided overall picture about the entities/objects important in the process of emergence of individual strategic behaviors within the MNC. However, such ‘mapping’ did not reflect stratified reality, neither had it grouped the factors according to the levels of analysis. The latter two issues were achieved in the third part of data analysis in which interview data was juxtaposed with secondary data. This analysis is described in the following section.

7.5.3 Linking sources of data and building explanation

Once interviews were mined in the comparative manner, work with combining sources and describing stratified reality across multiple levels of analysis became possible. There are very little methodological explanations on mapping realities and operating across levels in available multilevel critical realist studies (e.g., Bygstad, 2010; Saka-Helmhout, 2014). According to Bygstad et al. (2016), researcher based on “researcher’s domain knowledge and experience” should choose analytical strategy (p. 94). Therefore, the researcher chose to proceed with the proposed logics of ‘mapping’ stratified reality explained in Section 7.1.3. Such logics resembles suggestions of explanation building (Yin, 2009); yet, provides systematic way to approach multiple realities at multiple levels of analysis, as it would be expected by critical realist.

Consequently, the researcher started writing description of each set of the MNC reality ‘puzzle’ grounding the thick description on the data sources indicated in Table 14. The researcher was comparing and contrasting interpretations of

interviewees, descriptions within the documents and the interviews, as well as the facts available in the documents in order to build description of 'how the reality was like' (Wynn & Williams, 2012) in each strata within each level of analysis. Documents indicated in Table 14 were reported and described as they were. Whereas smaller amount of interviews relevant for each piece of the 'puzzle' were re-interpreted according to the level of analysis and strata, they referred to. Examples of this re-interpretation are provided in Tables 15 and 16 below.

Interviews with middle managers and non-management employees were used to describe more levels of analysis, as indicated in Table 15; while interviews with top management mainly described corporate, unit, and, in few situations, individual level of analysis (see Table 16). The interview extracts that referred to things 'on the paper' (e.g., 'system that we have'; 'according to the process X...', etc.) were assigned to the 'Real World'. The interview extracts that referred to how things are actually done ('we do it...'; 'our managers usually...'; 'within the team we do it...') were assigned to the 'Actual World'; whereas, interview extracts were individuals provided their own experiences and interpretations ('in my opinion this is...', 'I feel...', etc.) were assigned to the 'Empirical World'.

Data obtained via questions from Part 3 in the Interview Guidelines was treated as entirely perceptual data representing the 'Empirical World' of the interviewees, since the questions, built upon IBM, initially were meant to reflect individual perceptions. However, if individual perceptions referred to particular events (e.g., reflection on a specific situation/behavior of a colleague after which certain feeling/perception occurred), building on the relations between the reality and individual perceptions illustrated in the Appendix 2 (IBM model), entities were reported within the Empirical World, but eventually assigned to the Actual World.

Such division between the two realities was also made by counting 'strength' of the perceptions (based on signaling theory: the stronger perceptions about something, the higher chance that it relates to actual, or real entity); and organizational climate literature (shared perceptions are influenced by certain real or actual entities)²⁰ and comparing them to secondary data as well as reported events in the interviews. For example, number of unit goals assigned (system) were compared to interview data considering their salience among individuals (in their actual work and perceived strategy implementation processes); or interview data and sharedness of individual perceptions about what implementation is like; how

²⁰ "often causal powers inhere not simply in single objects or individuals but in social relations and structures which they form" (Sayer: 2010: 104- 105). Knowledge, which is a social product, is "dependent upon antecedent knowledge and the efficient activity of men" (Bhaskar, 2008: 24). Knowledge is not merely an individual experience – individual knowledge can only build upon social knowledge.

global project work is like (perceptions) were compared to implementation systems described in MNC documents and global project work structures.

Such data analysis procedure was different from positivist or constructivist data analysis in which both interview data and secondary data are considered to be representatives of 'truth' and described 'as is'. In this dissertation, 'truth' was stratified; thus, certain documents were able to represent only certain part of reality at certain level of analysis; whereas within the same interview three realities and multiple levels of analysis were extracted and observed.

Therefore, the description of each piece of the 'puzzle' of the reality within which individual cases were embedded, was completed while triangulating secondary (organizational documents) and primary (interview) data comparing and contrasting differences between the intended, actual, and perceived realities. Due to availability of data, it was not always possible to have level of measurement and level of analysis aligned, as it is strongly encouraged in the methodological literature (e.g., Mathieu and Chen, 2011). Thus, description of some realities at certain levels of analysis was built while utilizing individual level of measurement (data from the interviews) to describe other levels of analysis (e.g., unit, team, or even corporate levels of analysis) (see Section 5.1. for definitions). Such utilization of data was grounded in the principles of critical realism (according to which individuals (including the researcher) are only partly able to observe and experience 'the real'); and relationship between the reality and perceptions explained by the Integrated Behavioral Model (see Appendix 2). Thus, clear theoretical explanation how the levels are linked (Mathieu and Chen, 2011) was available justifying the method for explanation building.

Table 15. Interpreting interviews with middle managers and non-management employees according to stratified reality within each level of analysis.

		<u>Empirical World: how I as individual perceive/feel about it</u>				<u>Actual World: how I/we do things</u>		
	Unit of analysis	Individual level of analysis	Team level of analysis	Corporate level of analysis	External environment /issues	Team/meso level of analysis	Corporate level of analysis	External environment/ issues
Level of measurement: Individual level of measurement	Interviews with non-management employees (PMs, designers) Example from Interview 18, Finland	<i>"I think it's because of my English skills. So, only thing that makes it hard is that other parties don't have good English."</i>	<i>"they don't understand things to same as us and team needs to be asked directly like that person's name for information." "I sometimes have a hard time hearing what they are saying and same thing goes around"</i>	<i>"that's the, like a first thing that I noticed when I saw that, how to say, notification of the job (...). So that was the one thing that interested me because it was international company. So there have been some possibilities to move abroad if I want to."</i>	-	<i>"If you have like send a common email and you expect someone to answer they don't." " "if those meetings are not like putting memos and it's -- there is going to be misunderstandings."</i>	-	<i>"it's more like a Russian habit that you need to like ask for a person specifically."</i>

	Unit of analysis	Individual level of analysis	Team level of analysis	Corporate level of analysis	External environment /issues	Team/meso level of analysis	Corporate level of analysis	External environment/ issues
Level of measurement: Individual level of measurement	Interviews with higher and lower level Middle-managers Example from interview 23, India	"I'm habituated towards one thing.... When somebody tells me, no, you don't do this, we will do it this way. So definitely, it is difficult actually."	"For example, if I'm trying to say that my problem, I am not having resources or this or that, so if you are under pressure to have submissions for example, <u>so if you have not met me or our communication has not happened that much so I don't understand what you want to say or you're not able to understand my situation</u> . So there itself, things can go wrong (in team work)"	"is not in MKMC actually, but in general, if somebody is doing some political decision making or political interference actually -- fortunately that is not happening in MKMC. So that disturbs me"	"...definitely there is difference in culture actually because of the geographical and economical differences."	"what we have done you know this is a forum where everybody can put their own views. It is not that section manager tells them that this is the thing and then they will blindly follow. Everybody would have their own say. So if some news there, you think then yes, and it is discussed openly actually." "When we discuss with our colleagues or we tell them in a same level, because the communication with respect to technical discussion is mandatory (globally), that is what is required."	"for the action plans, these basic goals which are required is given to us basically. For example, it is a global way of working or develop mind or tools for -- strategies for lowering the cost, all those basic tasks kind of actions are given by the management ...and that we discuss how to achieve it, what is our action to achieve these."	"That is how I've seen how other companies are also operating. So one of the important thing which we have seen in MKMC, we deal a lot of real emphasis on the quality and the deliverables, (...) basically I think, since we are working with European counterparts or colleagues, that is one of the good quality I think which we get from there."

Table 16. Interpreting interviews with top managers according to stratified reality within each level of analysis.

Int. X	Corporate level of analysis	Unit level of analysis	Individual level of analysis
Real	<i>"...first of all the system is such that the strategy we know in what directions and we know what we want to focus on, etc. then these summary sheets, (...) internal documents are accessible to all the managers in each country, that based on this, they can run their own. Here then, for example, they have the strategic plan, and here we have the (target lists)."</i>	-	<i>"they (designer at individual level) could contribute by really asking, is this now a cost sufficient solution? is this, from a customer's point of view, very good? have I optimized the material? is this, what I have designed, really easy to manufacture? does it go smooth and fast to utilize this design I have? and really be interested in that"</i>
Actual	<i>"it's a process that takes time. Say, in ideal situation would be that (showing the planned schedule) this week we would work on the strategic plan, then we would go to the (target lists), and then we go into the budgets. It tends to go over here and there schedules, but on another hand, it's not that critical that everything is ready from the first of January and then the way of working suddenly changes. It doesn't work like that. It's more important that we get the good content to it"</i>	<i>"...with unit managers at least once a month we go through their situation and discuss, and then we have a monthly report, where they have ongoing projects, sales situation, and the revenue, EBIDTA, for the month in question and the coming three months..."</i>	-
Empirical	<i>"I think...the challenge we are having is, if you are in (Nordic country), easily you want to do work in (that Nordic country), with (that Nordic country's) resources, etc. which are 10 times more expensive than the Indians. Really to have this MKMC global approach and see that, what is the optimal thing, there...we don't have it that much, but when we have it...we have profit and loss in each country, and they have their own budgets and have to perform...there is a risk that you get sub-optimization"</i>	-	<i>"...the other thing is when people are not used really to work internationally, some still have language problems, in Finland there are still people that want to work in Finnish language and nothing else, that's of course a drawback."</i>

Building on this comparison, several theoretical mechanisms were inferred and juxtaposed to the entire set of data. The later represented empirical corroboration (Wynn & Williams, 2012) via which the most logical inferred mechanisms were selected and further theoretical explanations were offered (see Section 8).

7.6 Quality of the research design

There are six criteria for judging the quality of research conducted with critical realism assumptions: 1) research has ontological appropriateness (that is, research problem is complex and involves individual reflections); 2) there is contingent validity (that is, research aims at searching for generative mechanisms within 'open' system, emphasizes search for 'why' phenomenon is happening); 3) research involves "multiple perceptions of participants and of peer researchers" (that is, research is "value-aware", is able to observe phenomenon from multiple angles, since single individual perceptions are always biased); 4) methodological trustworthiness is considered (that is, research is very explicit about all the procedures taken in the research: from study design, collection, data itself, and its analysis); 5) there is analytical generalization (that is, multiple relevant theoretical issues are identified before the data collection; there is clear research protocol based on earlier academic work); and 6) construct validity is taken into consideration (that is, data is triangulated; prior theories are guiding analysis) (Heally & Perry, 2000: 120-4).

These criteria resemble quality criteria for qualitative or case research suggested by Yin (2009), Lincoln and Guba (1985), and Miles and Huberman (1994) and applied in other than realism paradigms (see Heally & Perry (2000) for explanation and in-depth comparison). Therefore, this section will address quality issues related to critical realism research (Heally & Perry, 2000) and widely-known quality criteria traditionally applied for evaluating qualitative research, such as construct, internal, and external validity, as well as reliability (Yin, 2009: 40-41). Below, table 17 summarizes the actions taken to address the quality measures in the empirical research.

Table 17. Actions taken to address quality measures in research design (based on Yin, 2009; Healy & Perry, 2000; Robson, 2002 in Saunders et al., 2003)

Quality criteria	Actions taken to address this research quality measure
Validity issues were addressed by:	
Construct validity (Yin, 2009)	Establishing focus of the case study based on earlier empirical research on individual (strategic) behaviors (see Table 13) Designing interview guidelines upon the themes observed in earlier empirical research; where possible, designing 'why' and 'how' questions, based on established formulations (see Appendix 2 for examples) Triangulating interview data with substantial amount of secondary data, collected in the accumulative manner Conducting interviews at all organizational levels of the MNC (TMT, middle managers and non-management employees) while selecting interviewees upon the logics of selecting for 'similarity' and for 'difference' (Kessler & Bach, 2014)
Contingent validity ²¹ (Healy & Perry, 2000) (Internal validity (Yin, 2009))	Explicit description on microfoundation approach and how it was applied in theorizing in this critical realist case study (see Section 7.1.2.). Explicit description on how contextual descriptions facilitate inference of the mechanisms and why these inferences of causes are considered trustworthy (see sections 7.1.3. and 7.2.4). Performing explanation building (Yin, 2009) and empirical corroboration (Wynn & Williams, 2012); and adopting other methodological principles of critical realism (Wynn & Williams, 2012: 796) Triangulating data by using multiple data sources and considering multiple theoretical perspectives in order to verify findings (Yin, 1994, in Gibbert, Ruigrok, & Wicki, 2008: 1466; Wynn & Williams, 2012). Explicitly explaining how the Real, the Actual, and the Empirical Worlds were defined in empirical study as well as which data and how was used to describe them (see, e.g., Table 14)
Process validity	Choosing specific behavior which allowed operationalizing selected corporate strategy Having exhaustive interviewee number for the selected context Selecting ongoing project, within which all individual cases were at least partly performing behavior in question at the moment of the data collection Scheduling interviews after strategic goals were presented and target lists were delivered to each individual case
External validity	CR case study is a legitimate research strategy, even if it involves small amount of cases, because the major objective is to understand "why things

²¹ N.B. Causality claims made in critical realist study are broad and contingent (Healy & Perry, 2000); therefore, claims will always remain theoretical and will be a subject of debate (Ackroyd, 2005: 157-159). According to critical realism, this process of 'discovery' has no epistemological constraints (Risjord, 2014). These explanations can be refined in further studies while improving suggested theory (Easton, 2010). Therefore, data analysis in this dissertation focused on "why" issues, (and) description of the context" (Healy & Perry, 2000: 122) as well as offering most convincing explanations upon the available knowledge (Easton, 2010).

	are as they are" (Easton, 2010: 119). Generalization to a broader population is not the key purpose of this dissertation. This dissertation aims to conduct a well-thought, logically grounded exploratory and explanatory research, which generalizes to a theory (Yin, 2009; Wynn & Williams, 2012) (see extended discussion in section 7.2.4).
– Reliability issues were addressed by:	
Participant bias	Having conversation in culturally sensitive manner (see section 7.4.2) Gaining access and building trust at multiple organizational levels and with each individual case (see section 7.4.3) After every interview completing notes on the level of openness reached during the interview
Participant error	Scheduling interviews on convenient time of the interviewees and re-scheduling, if needed Conducting interviews live face-to-face in closed meeting rooms, or while using web-cameras to see each other.
Observer error & bias	Starting interviews with general questions and then proceeding according to the interviewee comments to ensure interviewee-driven conversation. Being value-aware (Healy & Perry, 2000): after every interview, making notes reflecting researchers own performance and interviewee reactions, which were used later during data analysis; reflecting on researcher identity and perceptions towards academic research in relevant countries. At least for few days, visiting the offices within which individual cases were residing, and, when possible, engaging in informal activities with interviewees and their colleagues

8 KEY FINDINGS

Theorizing about the mechanisms that are likely to lead to expected strategic behaviors starts from a thick description of the realities within which individual cases are embedded (see section 7.2.4). Consequently, the findings sections attempt to provide a thick description of individuals and the environment within which they were embedded.

The thick description was conducted by analyzing system–individual and individual–individual interactions that were observed while studying a) the strategic environment, that is, the process of implementing the corporate strategic goal ‘Working as ‘One Corporation’ (within the 2nd unit of observation); and b) the operational environment, that is, the process of working within the *Project Siberia*, which operationally manifested the chosen corporate strategic goal (within the 1st unit of observation). Moreover, the researcher in this critical realist case study inferred rather than observed the mechanisms. Thus, explanation of mechanisms required separate treatment beyond merely reporting the analyzed data. In order to maintain the focus, make the thick description comprehensive for the reader, and have a space to explain inferred mechanisms, the findings of the empirical study are presented as the *Key Findings* and the *Detailed Findings*.

The *Key Findings* consist of two sub-sections that a) provide a summary of entities found to be relevant to the strategic behavior in question (presented comprehensively in *Detailed Findings* section); and b) building on the entire data analyzed in the *Detailed Findings* section, describe and analyze inferred mechanisms (critical realist theory) suggested to explain the strategic behavior behind ‘Working as ‘One Corporation’. Accordingly, the *Detailed Findings* section elaborates on the content and the effects of every entity/object related to the strategic behavior and presented within the *Key Findings* section. Moreover, the *Detailed Findings* section allows the reader to juxtapose suggested mechanisms with the entire set of empirical data (i.e., to conduct empirical corroboration (Wynn & Williams, 2012), see Section 7.2.4.) to test the suggested theory on why and how the strategic behavior manifesting corporate strategic goal ‘Working as ‘One Corporation’ occurs.

Figure 14 summarizes the scope of the observations presented in the two findings’ sections.

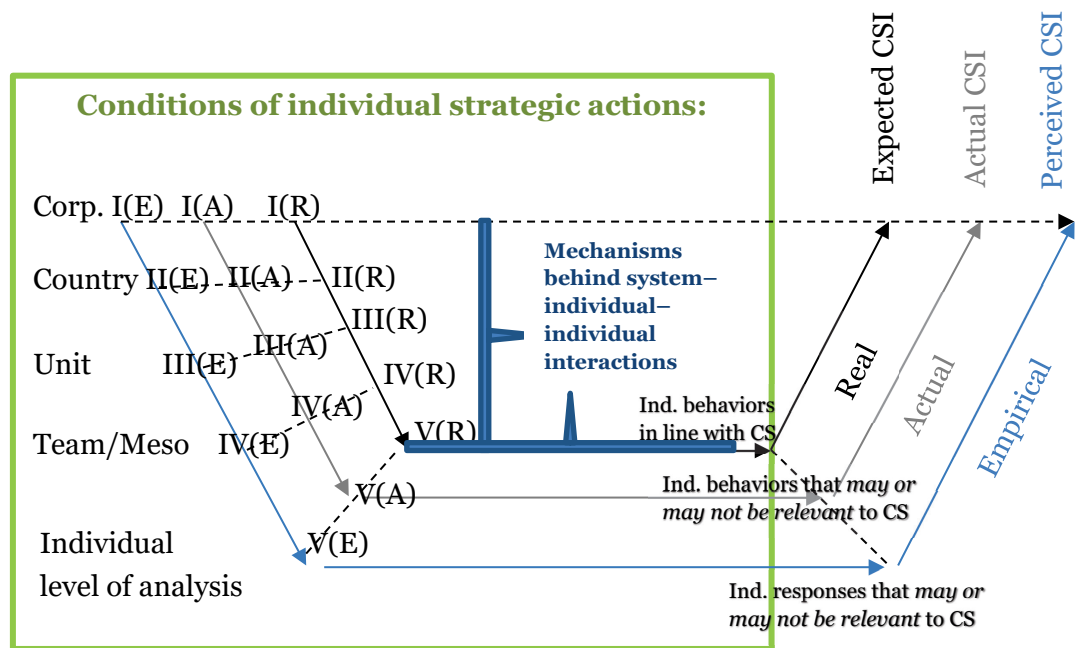


Figure 14. The scope of the observations presented in the findings²²

The following two sub-sections of the *Key Findings* present a summary of the *entities* that enabled or inhibited studied strategic behavior, and present the *mechanisms* identified that explain the *causes* of the strategic behavior in question.

8.1 Entities that enabled or inhibited the strategic behavior ‘Working as ‘One Corporation’ (summary)

As summarized in Figure 14 above, to understand the conditions under which individual strategic behaviors occur, one needs to realize multiple system–individual interactions and individual-individual interactions within three realities: the Real, the Actual, and the Empirical Worlds that co-exist within

²² The letter and number combinations, such as I(E), II(A), or I(R) in Figure 14 indicate the cell in Table 18. The Real World is marked with letter (R); Actual – (A), Experienced (E). The levels of analysis are numbered: I, II, III, IV, V. Thus, I(R) refers to the cell in Table 18 that represents Real World (R) at I (Corporate (MNC)) level of analyses. Entities/objects listed in this cell are: Intended strategic goals ‘Working as ‘One Corporation’ and Global delivery model.

multiple levels of analysis. Therefore, entities that enabled or inhibited the strategic behavior ‘Working as ‘One Corporation’ are presented while referring to the reality and the level of analysis.

The Real World of MKMC (the case multinational corporation) is a theoretical world, within which all intentions about MKMC strategic and operational management reside. Therefore, entities observed within the Real World at multiple levels of analysis were related to the control and coordination systems and mechanisms meant for SI: documented organizational strategies and designed processes for strategic and operational work (i.e., the management system ‘on paper’), the relevant espoused cultural values, and the expectations of MKMC’s top management regarding how people within MKMC should behave accord to the intended corporate strategic goal ‘Working as ‘One Corporation’’. The Actual World of MKMC is the activity world. The entities in this reality depict how MKMC actually works: what happened in the project, how managers applied documented organizational processes in practice (or applied their own practices instead), how collaboration between the country units worked (and what did not work), etc. Finally, the entities in the Empirical World of MKMC—the world of perceptions—described how individuals, their groups, or units felt about the implementation of the strategy and its manifestation in operational work; how they interpreted strategic processes and their colleagues’ behavior. Individual or group feelings/interpretations did not necessarily represent the entities that were factually/physically real, but they were equally important since their effect on individual behaviors was real.

Since the MNC is an open system, some entities observed in each reality were visible to everyone, some were hidden, and some were visible only for certain organizational members (e.g., only the top management team, or only individuals working on a global project); thus, entities were identified by comparing realities, levels of analysis, and taking into consideration minor comments or observations, not only by looking at frequencies of interview codes.

The analysis of the data was focused and abductive; thus, theoretical constructs defined in Table 13 guided the process. However, data-driven observations were welcomed and included, if deemed relevant. The result of empirical analysis supported some of the entities/objects that were initially expected to be related to individual strategic behavior, while new entities/objects also emerged. A summary of these entities/objects derived from the empirical analysis is provided in Table 18.

Table 18. Entities found to be supporting or inhibiting individual strategic behavior according to the strategic goal ‘Working as ‘One Corporation’

Stratified reality	Levels of analysis				
	I Corporate (MNC)	II Country	III Unit (HQ/Subsidiary)	IV Meso (Team)	V Individual (Managers & Non-management employees)
Real World (R) (structure) (here resides theory)	<i>Intended</i> strategic goals ‘Working as ‘One Corporation’ Global delivery model	Geographical distances between the countries of MNC and between MNC countries and its customer	Unit role Unit size	Project-based work environment	<i>Mechanism (individual-individual interaction): commitment(to different targets) & reciprocity (beliefs)</i>
	<i>Mechanism (system–individual interaction): reciprocity (beliefs) & commitment (to different targets)</i>				
Actual World (A) (Events) (here resides (partly) <i>observable life</i> of and within the organization)	Actual salience of corporate strategic goals Actual balance between ‘trusting’ expertise & given directions for strategy implementation via corporate processes and practices Actual financial	Culture as ‘is’ (cultural practices) in all three countries Cultures of Doing Engineering Finland: - small and open economy - Nordic country India: - frequent outsourcing and	Actual organizational system for strategy communication & implementation followed in practice Suitability of actual strategy communication & implementation system to unit’s size and overall environment Actual unit goals	Misalignment between strategic intentions and organization (functional teams) and operational work environment (global project teams) in terms of goals/ duties/ structures Operational work process agreed and followed between a specific customer and MKMC as well as divergence from it	Functional position Individual motivation at work Individual work habits Individual behaviors, such as: - giving equal treatment and respect to all colleagues at any organizational level - being available and open to be approached or discuss with others - sharing knowledge with others

	flows & expectations for unit financial performance	cross-border operation practices - Holistic thinking approach in culture Russia: - economically isolated transition economy	Longer cross-unit visits Manager-manager & manager-employee interactions Actual time dedicated to strategy Actual unit culture Actual structures and systems for sharing responsibilities	Working 'for the customer' vs. working on 'the best solutions for the customer' Tools used for cross-function, cross-border work & communication Communication practices used in cross-function, cross-border interaction Manager practices to interact with their team Appreciation received from managers for (at least partially) targets reached	Knowledge, skills, and abilities (KSA): - Tolerance of diversity (including willingness to learn about diversity) - Attitude towards and (dis-)trust in others - Technical knowledge - Language skills - Communication skills - Experience of working on diverse global projects - Empathy & individual approach to team members - Being able to build relationships across functions, teams, and cultures
Empirical World (E) (Experiences) (here resides <i>perceptions & experiences</i>)	Perceived status of corporate strategy implementation within the corporation	Psychic distance	Perceived status of corporate strategy implementation within own and other units	Interpretation of strategic information in the context of operational work Relationships among local and foreign counterparts	Perceived meaning of strategy Perceived acceptability of strategy statements for individuals

Table 18 does not indicate what effect each entity has on strategic behavior, because the effect of each entity is contingent; for example, *psychic distance* (perceived differences between the country cultures) served as an entity hindering collaborative behavior between India and Finland, but supported such behavior in Indian unit collaboration with other European country units. *The actual organizational system for strategy communication and implementation followed in practice* was supportive to the emergence of strategic behavior within the Indian and Russian units, but acted as a hindrance in the Finnish unit. The *Detailed Findings* (section 9) elaborate on each entity, its effects, and conditions for certain effects to occur. Although some entities were reported to have mostly supportive or mostly negative effects on the behavior studied, according to critical realism, this might only be due to the scope of the observations that can never entirely explore contingencies available in the open system.

These set of conditions within each cell of Table 18 *are not* the conditions that lead to strategic behaviors: *There is no cause-effect relationship* in these descriptions. The description of these conditions (i.e., intentions, actual activities and events, as well as perceptions) were related to strategic behavior, in that they supported, made easier (i.e., enabled), or made more difficult (i.e., inhibited) environment for strategic behavior to occur. Most importantly, such descriptions allowed the observation of the same phenomenon from multiple angles, *to infer rational unobservable mechanisms that cause* the phenomenon in question.

8.2 Mechanisms that caused individual strategic behaviors

Explanatory mechanisms were identified via the process of empirical corroboration (Wynn & Williams, 2012), that is, by suggesting possible explanations and exposing them to a test on the *entire* empirical data set (see section 7.2.4.). Possible mechanisms were inferred while following certain rules. First, the researcher attempted to search for the mechanisms beyond the observable reality (i.e., beyond codes, directly mentioned entities, documented procedures, etc.), since the mechanisms behind the phenomenon are invisible and are inferred rather than observed (Bhaskar, 2008). Second, attention was paid to holistic structures within which events are observed; observed demi-regularities were contextualized (Kessler & Bach, 2014). Finally, while observing several cases, the researcher searched for a condition that is necessary for all observations, even if the outcomes that condition produced under the same or varying circumstances were different (Saka-Helmhout, 2014).

Based on the thick description of entities and their relationships within an open MKMC system, it was possible to infer several mechanisms that allowed answering the main research question: *how does the corporate strategy of a loosely coupled MNC become strategic behaviors of its managers and non-management employees across organizational levels?*

Two mechanisms were identified – ***commitment and reciprocity*** – that guided individual–individual and system–individual interactions and were viewed as causing individual strategic behaviors according to the corporate strategic goal ‘Working as ‘One Corporation’’. The sub-sections below define the identified mechanisms and also explain how and why these mechanisms caused the studied behavior. Given the mechanisms were inferred (rather than observed); they were thus identified via an abductive process by comparing empirical data to the available fallible theories. Consequently, the findings on the mechanisms include references to relevant academic studies in addition to the presentation of the empirical data.

8.2.1 The mechanism of commitment at the individual level of analysis (individual-individual interaction)

While comparing profiles of individuals within the first unit of observation, that is, the sample within which the behavior was performed, it became clear that all individuals who were performing the behavior ‘Working as ‘One Corporation’ had strong profession-, job-, career-related, or non-work commitment. Individuals in the *Project Siberia* taken separately had very similar commitments, but also largely shared them as a team, particularly due to the focus on ‘engineering’ in one or the other way.

Commitment in the academic literature is most frequently studied with an organization as the target (Wright & Kehoe, 2008: 12). Organizational commitment comprises: a) affective commitment (“employee’s emotional attachment to, identification with, and involvement in the organization” (Meyer & Allen, 1991: 67)); b) continuance commitment (“employee’s need for employment” (Presbitero et al., 2019: 189)); and c) normative commitment (employees “internalization of the normative pressures imposed on them” (Presbitero et al., 2019: 189) particularly regarding their “feeling of obligation to continue employment” (Meyer & Allen, 1991: 67)). Commitment in this study does not refer to the individual commitment to an organization, but rather to individual commitment to different targets related to their profession, job, career, or some personal interests, values, and/or needs.

Individual commitment as observed in this study was something that was valuable, interesting, and reflected individual needs rather than represented individual identification with and attachment to a particular organization (Presbitero et al., 2019). Werbel and DeMarie (2005) suggest that individual “interests, values, and needs” (p. 251) are likely to support the implementation of corporate level strategies. Whereas Wright and Kehoe (2008) indicate that individuals may have different commitments of different strengths simultaneously and offer an example: “one could be committed to their job, but not the organization” (p.10). Accordingly, commitment in this study is defined in line with the definition by Klein, Morrow, and Brinsfield (1987) and suggestions by Wright and Kehoe (2008: 9): “*as an individual’s perception that they are bound to a given target*” that may or may not relate to a particular organization, as it will be discussed later. The targets and the rationale for being bound to them are likely to change over time (Wright & Kehoe, 2008).

It was evident that commitment was driving behaviors since individuals developed “acceptable justifications for their behavior as a way of making such behavior meaningful and explainable” (Salancik & Pfeffer, 1978: 230-1). As suggested by Wright and Kehoe (2008), the rationale for their commitment helped individuals to explain their behavior to themselves and others. The interviewees in this study raised certain actions they took or conversations they initiated and considered them to be valuable, interesting, and necessary particularly while explaining their understanding of behaving in line with the strategic goal ‘Working as ‘One Corporation’.

Although individuals shared similar commitments via which they justified their behaviors, commitment as a mechanism appeared to be contextual. The country and the professional cultures as well as individual level entities (e.g., motivation, work experience) were interacting altering the definition of individual commitments. Consequently, although individuals within the global project were strongly personally committed to ‘doing good engineering’ or ‘organizational growth’, individuals in Finland had very different beliefs about what ‘good engineering’ was; how ‘good engineers’ should behave, and how organizational growth could be achieved in comparison to their colleagues in Russia, or in India. Therefore, the same mechanism acquired very different content and meaning within each country context.

For example, Finnish engineers focused more on good technical solutions and paid less attention to the broader implications of their work output for society or engineering as a professional identity. For Russian engineers, ‘good engineering’ included a responsibility to various stakeholders; consideration of diverse

solutions to deliver high quality output; and debating as an engineer (i.e., relating to each other via professional identity) team. In India, the personal growth element was very important; thus, doing good engineering meant that the respondents grew as an engineering team and as an engineering company; thus, they grew as individuals. The same 'good engineering' might not be defined in entirely the same way by all interviewees within one country, but general trends of what was of key importance could be distinguished within each country context. Nevertheless, individuals across all country units also had similar elements in their definitions of commitment; for instance, in the definitions of good engineering, good quality output was typically a shared characteristic.

As a result, having similar commitments to profession, job, career, or non-work issues, and sharing some of the elements within their definition, encouraged a unity within a global team striving to work together as 'one'. Nevertheless, the meaning of the same mechanism being subject to context produced conflicting situations, too. That is why a number of misunderstandings and clashes happened while conducting operational work in this cross-border setting. For example, Russian engineers committed to good engineering paid attention to the esthetics of their drawings and their tradition of presenting certain issues, since doing so was part of their understanding of good engineering; while such choices were irritating and annoying for Finnish engineers, who focused on technical ideas and plain solutions rather than the style in which these solutions were presented. In such conflicting situations, reconciliation among individuals was still possible due to the second mechanism, reciprocity.

8.2.2 The mechanism of reciprocity at the individual level of analysis (individual-individual interaction)

The global team studied achieved alignment in strategic behaviors and managed to overcome various obstacles also due to a second mechanism, *reciprocity*. *Reciprocity beliefs* were essential for working as 'one corporation' in several ways. First, the initial beliefs of individuals within the *Project Siberia* about possible reciprocation resulted in (partial) interactions (or no interaction in other projects) with colleagues from other functions and countries. Second, reciprocity beliefs were re-enforced/ (diminished in other projects)/ or generated via interaction in the *Project Siberia*.

For example, in the *Project Siberia*: Finnish project managers believed in the value of the essential contributions made by the Russian and Indian teams to the project due to their knowledge and scope capabilities respectively; being a small unit, the Russians believed in the Indians' essential role while offering a scope of headcount

for the project, although Russians were not initially convinced about working together; while the Indians believed in the value of Russian local knowledge and the capabilities of the Finnish global project manager to handle the project successfully. These examples are evidence of “reciprocity beliefs” (Cropanzano, Anthony, Daniels, & Hall, 2017:24) relating to possible “reciprocity as interdependent exchanges” (Cropanzano & Mitchell, 2005) that allowed team to work together as one:

“The whole point is to help people do their work. Obviously, we have the same goal to have good business. That's our common goal. And when discussing with the people, if you truly help them, if you truly have something to give them... that's the only way.” (Int. 12, Finland)

The same reciprocity beliefs in *Project Siberia* were reinforced and strengthened once interaction in the project occurred. For example:

“(a colleague talking about Andrey, who became the essential link between MKMC Russian and Indian units) But what is interesting when he (Andrey) went there (to India at first), he was exactly like all other Russian designers in MKMC Russia. He didn't trust anyone there. But now he says they are great. He enjoys working with them, he really loves them, and they like him and then he found the way to communicate, he now understands their mentality. [...]I called him on Skype and asked: ‘Andrey now, how do you feel, what do you think about Indian designers there in our office?’ He said: ‘They are great’.” (Int. 16)

However, the reciprocity beliefs that all individuals residing in various MKMC units while working in a global team setting have the ability to contribute (or reciprocate) was not evident in every project at MKMC; neither did these reciprocity beliefs necessarily get strengthened or reinforced once the interaction in projects happened. That is why there was extensive debate within the units and teams on tolerance of diversity, the ability to accept another’s position, the need to trust others, etc., in other words, to understand and accept each other’s possibly similar commitments that were defined and expressed in diverse ways. The belief that all team members were able to reciprocate, even if their thinking or skills were different, eventually united the global team in the *Project Siberia*.

While working on the global project, the dominant norms of reciprocity within each country culture—that is, how one should behave and the other should respond, (Cropanzano & Mitchell, 2005: 877)—were juxtaposed. Individuals in global teams were reflecting on each other’s ‘acts of reciprocity’ in reference to their own cultural norms of reciprocity. For example, Russians were shocked that

a Finnish manager can leave the meeting that he himself arranged due to some personal family needs. Indians were frustrated with the Finnish formal treatment of work hours; while Finnish unit members could not understand the amount of Indian overtime, because they sincerely believed that working hours and holiday plans are followed as intended. Russian and Indian 'acts of reciprocity' were perceived to be more similar than Finnish ones.

Such a juxtaposition of individual 'acts of reciprocity' in a cross-border work setting of the MNC generated many perceptions about how colleagues in other country units are interested in and committed to working as 'One Corporation'. In other words, the strength of the individuals' commitment to the profession, job, career, and other non-work issues varied depending on the employees' cultural background and local norms, but was also affected by competing individual commitments (Wright & Kehoe, 2008) altering the beliefs of reciprocity between the team members involved. Nevertheless, in this conflicting situation caused by the contextuality of reciprocity and competing commitments, shared professional and job commitments among individuals within the global team as a parallel mechanism, supported reciprocity and allowed for re-conciliation.

Building on the observations above, it is possible to suggest that commitment and reciprocity, as two mechanisms, are largely complementary, in that they can reinforce each other, strengthen each other, or diminish challenges arising from each other's contextuality. However, the inferred nature of the mechanisms does not entirely support such observations, since diverse norms of treating competing commitments across countries are likely to diminish the beliefs of reciprocity.

8.2.3 Mechanisms of commitment and reciprocity across the levels of analysis (system–individual interaction)

The two mechanisms of commitment and reciprocity largely guided the behaviors in the individual–individual interactions within the global project team, but also shaped the system–individual interactions. The corporate mission and vision of MKMC were grounded in the idea of 'doing good engineering' at the level that its customers would wish to continue strengthening their relationship with the MNC, and also a desire to grow MKMC. All individuals, in one way, or another, had commitments to the similar targets, for instance to good engineering or growth. This similarity, however, did not indicate that organizational–individual commitment fit automatically resulted in strategic behaviors, because this relationship was simultaneously shaped by the second mechanism, reciprocity.

The *organizational* commitment and reciprocity between an individual and an MNC typically increases when the individual experiences “positive treatment from the organization and co-workers” (Presbitero et al. 2019: 207). The findings of this study allowed: a) suggesting that *individual* commitment might be aligned with organizational strategic goals, thus, might be perceived to represent *organizational* commitment²³; and b) specifying what kind of MNC environment puts into effect the mechanism of reciprocity that together with the mechanism of *individual* commitment causes strategic behaviors ‘Working as ‘One Corporation’’. This finding illustrates the idea of Coleman’s bathtub and microfoundations that speak to the mutual influence between system and individuals.

In addition to having similar commitments to the MKMC mission and vision, individuals in the *Project Siberia* also perceived that the MKMC system allowed them to live up to and fulfil their commitments. That perception was shaped not precisely by MKMC’s positive treatment of individuals as social exchange theory would suggest, but rather by practices utilized by managers while interacting with their counterparts and with individuals in non-management positions. Some of these manager practices were institutionalized as the unit management system; some of them were only performed by managers or the management team. Nevertheless, these practices facilitated system–individual interaction, with managers being the mediator between the two. Figure 15 below illustrates these processes.

For example, two Finnish project managers involved in the *Project Siberia* had personal contact with the CEO and were able to approach him for advice if needed. Non-management employees in Finnish teams within the *Project Siberia* had very close personal and professional relationships with their line managers. In the Indian unit, managers demonstrated very interactive behavior with employees (which was untypical in the local country culture); employees were encouraged to approach managers for and with suggestions; strategy communication happened while giving time for employees and lower level management to question strategic initiatives in public; employees at all levels were informed about the process of strategy making and given significant attention during their development discussions. Managers in the Indian unit also paid significant attention to recognizing employee achievements and/or their efforts at work. In the Russian unit, the unit manager was ‘translating’ strategic messages to the operational work terms relevant for employees, committed engineers. In the Russian unit,

²³ building on the reasoning behind the Attraction-Selection-Attrition (ASA) model: “people are differentially attracted to careers as a function of their own interests and personality” (Schneider, 1987: 441); thus, are likely to be attracted by and to the organizations which corresponds to their interests, values, and needs (Schneider, 1987).

employees were less bothered with strategic communication, but instead the unit manager analyzed and juxtaposed employee operational work with the MKMC strategic initiatives; while employees were encouraged to approach the manager with suggestions and ideas.

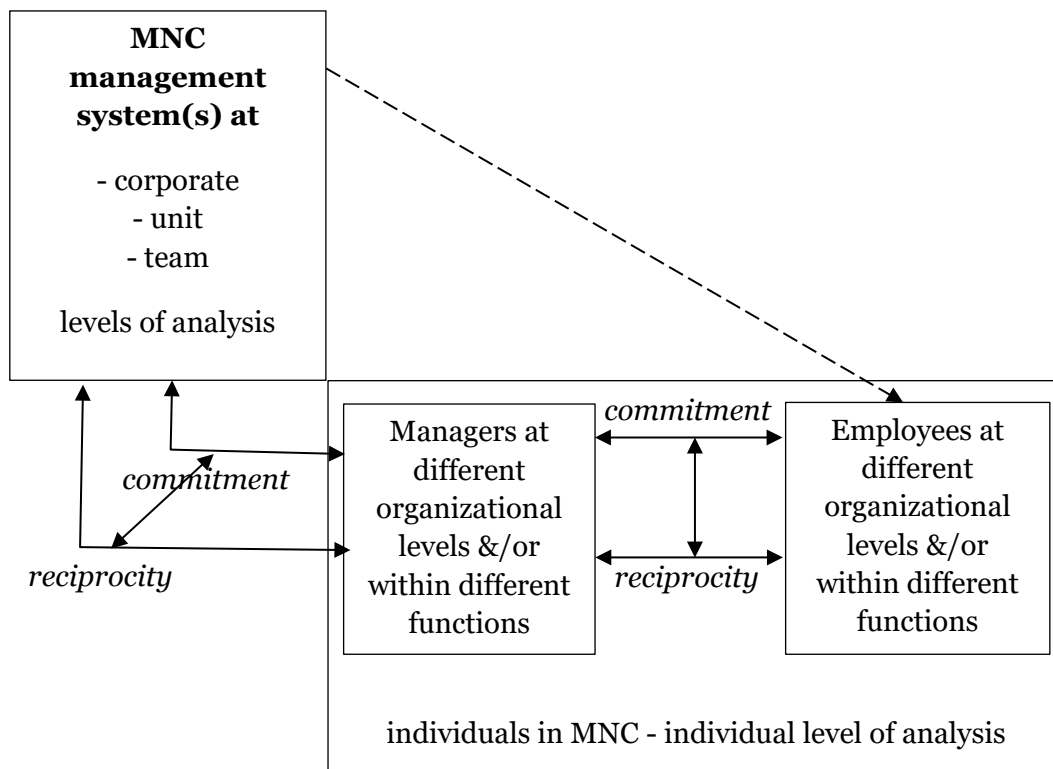


Figure 15. System–individual–individual interaction shaping strategic behaviors

These practices performed by managers made it possible to translate MKMC strategic goals and values into terms that resonated with individual commitments. In other words, managerial practices applied made it possible to sell MKMC's strategic goals to individuals in the project while referring to their key interests, values, and needs individuals were bond to. The approach encouraged the employee buy-in of the strategy²⁴ and individuals were reciprocating, since they were convinced that organizational strategic goals and their operational manifestation in the *Project Siberia* were in line with their own commitments.

²⁴ Personal selling emphasizes "customer dialogue, value, and relationships" (p. 4) "The key sales management task is determining the appropriate type of relationship to pursue with specific customers. Some customers want and can best be served with a transaction approach. Others require some type of relationship strategy" (p. 9) in Ingram, LaForge, Williams, & Schwepker (2015)

The MKMC management system appeared to have a direct influence on managers, while employees in non-management positions were mostly affected by manager practices rather than by the system itself. Nevertheless, the influence of the system on non-management employees was still strong, particularly in terms of shaping individual *beliefs* about the *possibility* to fulfil and live up to their commitments. For example, many employees in all three country units expressed the idea that the MKMC environment gives them the opportunity to develop their careers internationally; thus, individual–organizational commitments were aligned and both parties were ready to reciprocate, if the practices employed supported the process.

To summarize the information above, managerial *practices* together with *institutionalized management systems that were actually applied* by managers created an environment in which the MNC was or was not able to incorporate commitments and facilitate reciprocation, that is, the process through which individuals were able to fulfill their commitments while working on global projects in line with the corporate strategy “Working as ‘One Corporation’”. This means that if practices and the systems actually applied created a perception among individuals that they could realize their personal commitments via systems available in MKMC²⁵, individuals were willing to reciprocate, and thus behave in line with corporate strategy.

It must be recognized that the content and methods of reciprocity were modified by culture (in line with suggestions by Presbitero et al., 2019); thus, reciprocity was contextual, as was commitment. In each country unit, the corporate strategy, the strategy implementation system, and operational work environment were evaluated and interpreted by individuals according to local cultural norms. Therefore, reciprocity norms (Cropanzano & Mitchell, 2005) in system–individual–individual interaction varied in each country unit:

- In Finland, reciprocity was weakest, since In-Group Collectivism practices (pride in being associated with a certain organization (Gelfand et al., 2004)) are at a very low level, thus, the reciprocity observed between individuals and the organization was very formal and transactional. In such a context, the power of commitment as a mechanism appeared to be significant, since individual perceptions about the possibility of fulfilling their commitments appeared to be the strongest cause of individual behavior.

²⁵ and as it is stated in IBM, based on extensive research on individual behavior, realized intention to behave will most likely lead to individual behaviors as expected

- For Indian unit members corporate strategy was almost revered, while the legitimacy of the unit manager in the eyes of unit members meant that they believed that the unit managers always care about employees and, thus, will do their best for them; while employees will reciprocate and do their best for managers and the MNC. In India, reciprocity was almost a devotion.
- In Russia, reciprocity was more bureaucratic: managers work with strategy; thus, if employees fulfill management assignments, it is a mutual benefit: employees reciprocated with their good work, while the MNC will reciprocate by providing steady employment.

Now that the key findings of the study have been presented, the next section presents more detailed findings that have informed the conclusions offered above.

9 DETAILED FINDINGS

The thick description, i.e. detailed findings, provided below should *act as a test for the two inferred mechanisms* presented in section 8.2. Thus, reader is able to evaluate the entire set of empirical data exposed against the suggested *invisible mechanisms* that cause strategic behavior in line with strategic goal ‘Working as ‘One Corporation’’. The following sections also elaborate on the content and the effects of every entity/object related to the strategic behavior listed in Table 18.

The Detailed Findings section is structured according to Figure 8, which illustrates design of the empirical study (see section 7.3.3). First, two global structures – MNC corporate management system (section 9.1.) and Operational work environment defined by the *Project Siberia* (section 9.2.) are described within the three realities: the Real, the Actual, and the Empirical. These two structures were *designed to unite*²⁶ selected units and individuals within them; they represented two units of observation, selected for this study; and described *shared* strategic and operational environments within which all individual embedded cases were residing. Second, starting from the section 9.3., attention is shifted to the *environments* that are *different* from each other, i.e. three geographical locations in which units (and individuals within them), connected by global project and corporate management system, were physically residing. Description of these different environments start with description of three realities at the country level of analysis. Then, moves forward to description of intended, actual, and perceived strategic and operational environments within each country (Finnish, Indian, and Russian) unit. Finally, in section 9.5., attention shifts from the environments to the *individuals* performing behavior in question. Individual embedded cases are described looking at what made them different and similar.

Descriptions of the realities and entities within them mostly match theoretical ‘mapping’ technique presented in Table 12, but due to availability of empirical data and desire to expose important comparisons between the worlds and the levels of analysis, location of some descriptions are slightly adjusted. It must be noticed that, to describe higher levels of analysis (e.g., corporate, team, unit levels of analysis), in addition to secondary data representing corporate/unit/team level of measurement (e.g., corporate level surveys; organizational structures and processes), individual level of measurement (mostly from interview data) was also used. Yet, in some cases, only individual level of measurement was available to describe higher levels of analysis (e.g., when discussing culture in subsidiaries, or some aspects of project work). When only individual level of measurement was available to describe higher levels of analysis, researcher made an attempt to

²⁶ But not necessarily achieved this goal

discuss ‘sharedness’ (i.e. calculate frequency or describe observations on to what extent certain description is shared among the interviewees) in order to provide at least certain understanding about the extent of agreement on certain higher level entities. See explanations and reasoning for such actions in section 7.5. and section 7.5.3. in particular.

9.1 Global strategic work environment: Multinational Corporation MKMC Engineering

The Multinational Corporation MKMC Engineering²⁷ has been operating in the global engineering service market for over 30 years and for over 10 years it has been operating while having extensive international presence and value adding activities abroad. MKMC is a limited company with Venture Company as its majority shareholder and minority shareholder package held by MNC management and founders. Currently MKMC has own operations in more than 10 countries. Since 2002, MKMC has been actively expanding via mergers and acquisitions and by green-field investments as a response to its customer needs and outsourcing opportunities. MKMC operates in Business-to-Business environment, i.e. MKMC customer for engineering services are likely to be different from the end customer to which manufactured/built solution is being delivered. MKMC is an expert organization, which employs over 1000 people. The three following sections describe the stratified reality of MKMC at the corporate level of analysis.

9.1.1 The Real World at the MKMC corporate level

This section describes *intended*, i.e. documented and expected to be followed, corporate strategy and its implementation system that comprise the Real World at the MKMC corporate level.

²⁷ Data represents situation of the MNC at the time of the field study, even if it is described in the present tense. The name of the company and interviewee data have been anonymized due to sensitivity of information involved in empirical research (Tilley & Woodthorpe, 2011). The reasons to consider information as sensitive were as follows: a) empirical research dealt with the strategic and managerial information regarding corporate strategy and internal strategic and operational systems, and b) individual feelings/ perceptions/ and opinions about corporate management, other individuals within the MNC, etc. Thus, lack of anonymity might have harmed MNC’s competitiveness or image as well as relationships within the MNC. Moreover, anonymity allowed establishing trust between the researcher and interviewees, significantly improving the quality, scope, and accessibility of data.

Intended MKMC corporate strategy

MKMC does not differentiate corporate strategy from business strategy – both of these strategies are presented as a single document of ‘MKMC strategy’. MKMC strategy is reviewed every year; however, strategy itself is written for a period of three years. Strategy document by its content is divided into two parts: first part is indicating Vision, Mission, Key Actions & Goals, Competitive Advantages, and MKMC presence internationally as well as in selected business areas; while second part refers to ‘What MKMC should deliver in years 1-3’. Thus, despite corporate and business strategy are not differentiated, first part of the MKMC strategy document covers corporate strategy issues, according to the definition by Andrews (1980), and remains relatively stable; while most of the updates are made in the second, business strategy part.

Current company CEO and one of the MKMC founders were largely behind the major ideas of the current MKMC corporate strategy. Almost a decade ago, external consultants were hired to review the strategy. Consultancy offered different format for visualizing and communicating the strategy, which was used for several years before abandoning it at corporate level; however, strategy content remained almost the same. Thus, corporate strategy might have had slightly different wording or visuals in yearly strategy updates, but key concepts, goals, expected form of operations remained the same. By the time of the research, MKMC was following essentially the same corporate strategy with relatively similar visual expressions for the last 7 years.

In terms of corporate strategy content, MKMC strategy has geocentric focus (Heenan & Perlmutter, 1979). MKMC is intended to be a Transnational Corporation (Bartlett & Ghoshal, 1989, 2000) with Integrative structure (Ghoshal & Nohria, 1989). This means that its units, when needed, are expected to participate in global cooperation for producing customer solutions, while having individual expertise in serving and gaining local customers:

“Since we have MKMC organization or company in each of these countries, our vision is that all these local companies would sell all MKMC services....and then to do ... this global network delivery model. So if we have 5 guys in Sweden they can deliver work for 100 people, when they use this.” (Int. 1, TMT member Finland)

Thus, MKMC can be said to adopt the concept of global resourcing and local presence. Currently, MKMC comprises smaller units in multiple countries to

ensure being close to their customers. However, MKMC has two large ‘organizations’: one in India to support global project execution in a cost-efficient manner; and one in Finland to coordinate global cooperation and serve large international customers originating from Finland and other European countries. Regardless of their current size, almost all units are expected to have organic growth locally while maintaining global cooperation for resources and knowledge with other MKMC units, when needed. At corporate level, MKMC defines the features of key customers and MKMC-customer relationships, but local market adaptations for gaining and serving customers are encouraged within local units.

Intended MKMC strategic goal ‘Working as ‘One Corporation’ and its salience

‘Working as ‘One Corporation’ featured in the first two pages of corporate strategy and represented (B) dimension (“the kind of economic and human organization MNC is or intends to be” (Andrews, 1980:18-18)) of the corporate strategy:

“Although we are located in different countries, we work together as ‘One Corporation’, that we get the most suitable resources, competences for every customer. If there would not be those tax authorities, for example, we would not need the different country companies [...] as soon as you make organization charts, you are building up walls between people. That’s a challenge that we try to work against here.” (Int. 1, TMT member, Finland)

‘Working as ‘One Corporation’ in strategic documents was directly named among three key strategic undertakings (in order to achieve MNC vision, mission, and key goals). Indirectly, it was indicated to be a competitive advantage, which can create value for the MNC, i.e. corporate strategy slide indicating competitive advantages did not specifically mention words ‘working as ‘One Corporation’. The latter slide mentioned: global delivery model, scope of international operations, and broad range of MNC competences. The CEO considered both slides of equal importance and something that everyone, including non-management employees, in the MNC needs to know and understand at least at the basic level, as well as behave accordingly:

“I expect that people understand this big picture. [...] It concerns everybody” (CEO of MKMC).

However, strategic intention ‘Working as ‘One Corporation’, by TMT, was considered as absolutely essential for successful MKMC operations.

Based on interviews with the TMT members in Finland, the strategic goal ‘Working as ‘One Corporation’’ had several implications for behaviors at the individual level. Employees were expected to work together regardless of their physical location, function, or title; they were expected to have no prejudice about each other’s capabilities or ideas, but rather to consider everyone equally and seek for best solutions building upon expertise of all team members. Employees were expected to cooperate and share the tasks regardless of their individual interests or opinions, but based on what would be the best for the customer. Finally, employees were expected to apply a global approach and develop a global mindset while working.

Intended MKMC strategy review and implementation system

MKMC ‘head unit’ is in City A, Finland. MKMC strategic management is coordinated among the three ‘powers’: Board of Directors (CEO, CFO, and board members meeting monthly); MKMC Global Management Team (CEO, CFO, Global HR, Country unit heads, and CIO meeting monthly), and MKMC Business Management team (CEO, Business Area heads, Key Account Managers, and Country unit heads by invitation meeting bi-weekly). The Board of Directors approves MKMC strategy. Yearly reviews of the strategic goals happens by all the three ‘powers’ giving their input, i.e. by suggesting strategic goals for the upcoming year. Thus, the approved strategy generates a global target list, which consists of 5-6 general annual goals for each strategic unit (country/business area). This global target list further guides development of the yearly budgets for each strategic unit. Target lists at strategic unit level are finalized in individual CEO-strategic unit head discussion. Global support services (e.g., Communication, HR) also discuss yearly goals with the Country heads and relevant local managers in order to align activities while implementing global-local targets. After collecting target lists set for each strategic unit to one global target list, the latter document is approved by the Board of Directors. All Country unit heads meet face-to-face around twice a year, while the rest of their interaction happens mostly virtually.

Once the corporate strategy and global target list are approved, strategy (with all its components, including the part on ‘Working as ‘One Corporation’) is cascaded down. MKMC has matrix structure with three dimensions: Country line, Function line, and Business Area line. Each country has own organizational chart of the country ‘organization’, i.e. line organization divided by functional teams. Strategy is cascaded in the MKMC according to the a) country ‘*organization*’ (line), and then b) function line. Business area strategic unit is horizontal, thus, goals given to

the business area heads usually remain within a single manager or very small teams; business area heads mainly reside in Finland, HQ unit, and cooperate with relevant MNC members while implementing their goals without having hierarchical power upon them. Country heads are *expected* to review business area target lists and select preferred points to be implemented in a specific country.

The process of cascading the entire strategy is such that the CEO and/or Country unit heads (each country has slightly different practices) personally communicates MKMC strategy to all managers and employees in a shared event or virtually. Afterwards, middle managers are *expected* to remind strategy and cascade specific yearly targets to their functional teams and/or each individual within the functional team. Yearly targets are delivered to team/individuals via team/individual development discussions. If functional team is large and has very similar duties, managers are allowed to cascade the yearly goals via the team discussion. In such cases, job description for the role is also very precise and is likely to indicate set of in-job expectations. If team is smaller, or comprises from individuals with diverse duties, managers are expected to have individual development discussion with every subordinate. According to TMT members, target lists were used at least for the last 15 years, and were considered to be the major official tool for strategy implementation within the MKMC. However, the need for conducting development discussions was constantly debated among the TMT members with some of them strongly supporting the process; while others seeing little value in it and relying more on middle management ability as well as willingness to reflect upon the corporate strategy and its implications to the strategic and operative tasks.

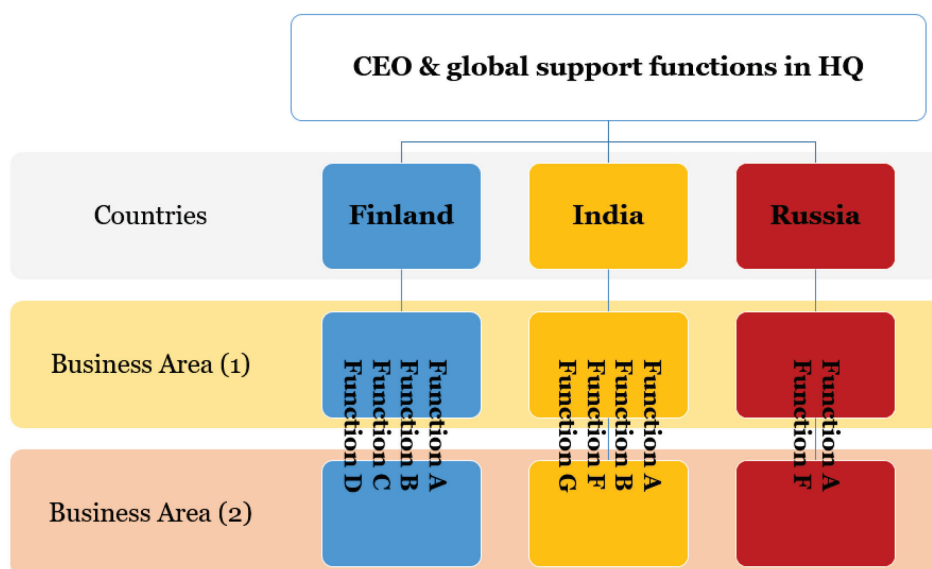


Figure 16. MKMC organizational structure

In addition, MKMC has large internal document management system, where managers can access information about the company, its structure, strategy, management, processes, etc. Thus, once global target list is completed by every country/business area head adding the yearly targets for the country/business area, it is uploaded in this system where every country unit and business area head *can* access the document and familiarize oneself with the yearly targets across the MKMC group. There is monthly newsletter issued and sent via email to every MKMC member. This newsletter covers both strategic and operational developments in the MNC at corporate level and from multiple countries. Strategy document is re-shared with employees via this newsletter, too. MKMC has its own magazine, which covers business and individual stories within the MNC, and is shared with MKMC members and its customers. Stories in this magazine are intended to reflect MKMC development issues, but also to share live examples representing company's strategy, culture, expertise, and successful business achievements, in line with global delivery model and other key strategic intentions.

Intended MKMC corporate culture

Overall, MKMC in its 'Corporate Values' statement encourages: a) equality, respect, and equal treatment of subordinates, co-workers, and customers; b) sustainability in management and customer relationships; and c) importance to quality and expertise development²⁸. 'Flat' corporate culture is expected to support employee engagement and strategic behaviors, especially 'Working as 'One Corporation''. However, simultaneously employees are expected to deeply engage to their work and provide exceptional solutions for MKMC customers:

"It's important that the way we do it in the company that it's fair, there is a structure, you can rely on that. Just because I am your line manager you don't get gains or losses, compared to the other line manager. But you can rely on that, all line managers are expected to behave, to treat people, there are procedures, fair procedures on salaries, and everything." (Int. 11, TMT member Finland)

MKMC originates from Finland. However, the official global working language is English. All MKMC publications, newsletters, and other material internally and externally are issued only in English language without local adaptations. CEO, all heads of Global support functions and Business Area, Key Account Managers, and Directors in the Board are Finnish nationals. Some country units are managed by

²⁸ Corporate values of MKMC are anonymized, referring to the key ideas behind the statements.

expatriate Finnish nationals (e.g., Russia), while others have manager of local origin (e.g., India). Venture Company, holding majority of MKMC shares, is also of Finnish origin. Since the establishment of MKMC, majority of its customers were MNCs of Finnish origin, however increasingly the customer base has become more geographically diversified. For example, in India around 30% of Indian ‘organization’ revenue is obtained from local customers. *Project Siberia*, which served as a first unit of observation in this research, was also being delivered to a non-Finnish customer.

9.1.2 The Actual World at the MKMC corporate level

This section reflects the *observable events* at the corporate level, that actually appeared while reviewing and implementing corporate strategy of the MKMC group and strategic intention ‘Working as ‘One Corporation’ in particular. This section reports how intended systems and processes for strategy implementation in MKMC at corporate level of analysis were actually used and applied.

Actual MKMC corporate strategy

MKMC, like many MNCs, seemed to have a crystal-clear strategy from its inception. The strategy seemed to be well-articulated and communicated in MNC’s webpages, documents, publications, etc. However, it appeared that the MKMC strategy had emerged over the years via a learning-by-doing process and had been subject to multiple influences, with the current strongest influencer being the majority shareholder:

“Earlier it was only Finland and India. We were discussing only between Finland and India, what should be our strategy.” (Int. 39, TMT member)

“So that’s the real basis of our strategy, getting more business with others....do whatever...(smiles) and then we have learned, how we can get other customers. We don’t say it there (in the strategy) (laughing), but when we have the investment company, which is a majority shareholder, then it’s very simple what your task is...and then to combine that with the rest.” (Int. 1, TMT member)

Moreover, availability of human resources within MKMC, and people’s willingness to relocate in global service industry more generally, appeared to hamper organizational intentions of having a clear unit network with each unit possessing a certain specialization:

“That is the reason why MKMC is like it is. [...] in that sense that many multicultural organizations are working like that and they have this competence centers, where you have, for instance, that France would be specialized in, I don't know, piping and some other location specialized in something and then all these people are sitting in one location and they get support from each other and so on. But we are the opposite. We have all kind of competences in all locations, because [...] they cannot find engineers, they cannot simply find competent workforce. [...]. Everybody is not ready to move.” (Int. 12, TMT member, Finland)

Thus, MKMC's functional teams were spread around Finland, rather than were concentrated in some specific location. Country units had some dominating functional expertise, or expertise within specific industry, but overall had diversity of engineering knowledge within each unit.

Actual MKMC strategy review and implementation system

The officially indicated 'head unit' in City A, Finland, did not refer to the 'HQ' of the MKMC group. Finnish 'organization', drawn in a single official organizational chart of the 'unit', was actually spread across multiple locations across the entire country. The majority of the TMT members from Finnish 'HQ organization' were located in City A, but some of them also resided in other cities around Finland. These locations were never differentiated from HQ and home-country units. On the contrary, TMT members always referred to Finnish 'organization' as the one, intended and leading global cooperation in the MKMC group.

First, although the strategy review had a rather clear process and yearly targets, which, according to official procedure, were supposed to be made by three 'powers' giving equal inputs; actually, the Board of Directors was dominating the process and this was noticed by TMT members in all three countries (Finland, India, and Russia):

“There is no more that we are evolving the strategy. Now, more of the strategy is done at the group level and the strategy implementation is discussed. Each country is having the implementation side. The strategy is driven by the Board. Earlier, the Board was more listening what the operations wanted to do, but now the Board is driving the strategy.”

Moreover, possibly without realizing it, the pressure from the Board of Directors to maintain high profitability was strongly visible when discussing strategic priorities with strategic unit heads:

Researcher: *“What helps you to prioritize and select the points which end up in the target list?”*

Interviewee: *“It’s usually very easy, because Jukka (CEO) only appreciates sales and revenue. OK, revenue and profit. And of course the focus has to be there. So, it’s every year the same.”*

Second, strategy communication globally was largely managed at the TMT level, i.e. by the CEO communicating to personnel whenever possible, preferably once a year in every location or virtually, as well as in the discussions between the CEO and TMT members (Global Management team and Business Development team). It was ‘trusted’, that Country heads and then middle managers will take the strategy to everyone down in the organization, once the CEO presented it, or discussed it with the TMT members. However, no clear instructions on how this cascading should be done, were given at a global level:

“(when strategy is presented) then we do the (target list), and mostly the (target lists) are made by managers in charge of certain group of people, that they think through by themselves, that what are the most important things that we should do and focus on, and (target list) is something what is outside the normal operative work. For example, when you know that you have to improve on that and that; you put it as a separate (target), and then of course that’s the important thing, that information goes down to everybody.” (Int. 1, TMT member Finland)

It was also ‘trusted’, that Country and Business Area heads read the target lists of other units and initiate strategic discussions with their counterparts on shared strategic issues. However, it was acknowledged by TMT members in Finnish HQ that the level of engagement to target list development and follow up varied significantly across managers:

(while showing one target list in the internal document system) “here you have everything quite well thought through and documented, then he is following up during the year and every month, and really does it that way. Then there are others in the same role that have difficulties to get this done - real difficulties to systematically go through and follow up. There you have different types of people. [...] Russia is doing it in a very detailed manner, even too detailed. [...] In India they are quite detailed

and I would say they have been working it out together in the team. [...] that works quite well.” (Int. 6, TMT member, Finland)

The target lists were made upon the preliminary template: first indicating around 5 or slightly more key targets per strategic unit for the year; then detailing targets to be achieved, indicating ‘measurement for achieving the target’ as well as person within the strategic unit taking the ownership of the target. Above the Corporate Target list four key corporate strategy points were listed, including the strategic intention to ‘Work as ‘One Corporation’’. However, there was no requirement that each key corporate strategy point must be addressed in the annual targets within each strategic unit. Moreover, template did not include requirement to show, how each selected target links with the MKMC corporate strategy; thus, strategic units were selecting the targets to be achieved by referring to entire strategy document, rather than the four key corporate strategy points listed above the global target list.

The organizational structure, which emphasized Country and Function lines in the matrix, was created two years ago and had significant influence on implementation of ‘Working as ‘One Corporation’’. Earlier structure was based on having Global Business Areas as a major dimension in the matrix. That resulted in Business Areas being globally profitable, while certain country units possibly making a loss. To address earlier challenges, Country units were placed as a major component in the organizational matrix to ensure profitability in each MKMC country. This change together with the Board’s pressure for profitability in each strategic unit, backfired since Country units were now focusing on their local accounts and ‘Working as ‘One Corporation’’ significantly diminished.

“(after the structural changes) Finland started to look at MKMC Finland profitability and not working as mother company, supporting the rest of the group. Then we got these borders between all countries. Cooperation between the countries had more or less stopped. [...] when we are discussing, for example, project management, Pasi (Project Management function head) is thinking that he has 13 project managers, but that’s only Finland. We need to get global thinking back to the picture, which is where we have the biggest challenges today” (Int. 7, earlier Country X head, currently manager leading local operations in Finland)

Consequently, while implementing the corporate strategy ‘Working as ‘One Corporation’, MKMC was launching multiple global projects and processes at middle organizational level, which aimed to establish horizontally connecting way of working and restore global cooperation while maintaining country units as main organizational dimension in the organizational structure. However, the way

strategic units were appraised at the corporate level, i.e. by actual focus on country unit profitability, remained as before. Structural changes of the MKMC did not restructure operational work, because managers and non-management employees were always expected to work on global projects uniting multiple country units and different engineering disciplines. Larger projects had their own operational structure designed upon the need of expertise and not upon the countries, functions, or individual positions. However, level of operational horizontal integration across the teams and units varied. For example, due to long history (over 10 years) of working on cross-border projects, Indian and Finnish units were more familiar with each other's operations, in comparison to Russian unit, which was only starting to actively participate in global projects and cross-unit cooperation.

Actual salience of the strategic goal 'Working as 'One Corporation' at the corporate level

Since there was no official requirement to include each key corporate strategic goal to the yearly target list of the units, and since strategic unit heads were facing continuous pressure for profitability, how visible and salient the strategic goal 'Working as 'One Corporation' actually was at the global level remained questionable. Analysis of the Corporate Target list revealed some key insights.

For the year 2017, country unit in Russia had seven targets out of which three directly named development of global delivery model. Out of the latter three, one directly referred to 'Working as 'One Corporation'. In Indian country unit, four large targets were set, out of which one directly referred to global delivery model, and mentioned 'Working as 'One Corporation' in detailed description of that target. Whereas in the target list for Finland, out of nine yearly targets, one was only *indirectly* referring to global delivery model. Moreover, in detailed explanation of that target it only referred to shifting more work to Indian unit, rather than intentions to facilitate global cooperation, as intended for Finnish 'HQ organization'.²⁹

Corporate target list from previous strategic year (2016) were somewhat similar. Out of four targets, Russian unit was directly referring to 'Working as 'One Corporation' in one of them when discussing cooperation with other European

²⁹ The Corporate target list for the year 2017 was given to the researcher in the beginning of the strategic year, once it was considered to be completed. Thus, possibly there were changes of that list during the year, which were not followed up. Nevertheless, target list as it is described was also made available for all strategic units at that time.

and Indian units. Out of six targets for Indian unit none of them directly or indirectly referred to the corporate strategic goal in question. While out of six targets for Finland, two mentioned ‘Working as ‘One Corporation’’, but the meaning of it in detailed explanation referred to shifting more work to India.

To conclude, yearly Corporate target list analysis revealed that the salience of strategic goal ‘Working as ‘One Corporation’ at the corporate level varied. Moreover, the interpretation of this goal significantly varied as well. Most unexpectedly, Finnish ‘HQ organization’, regardless of their intended role to facilitate cooperation across all MKMC units was focusing on Finnish-Indian unit cooperation development, which historically was already strong; while Russian and Indian units, worked towards being a part of the MKMC group’s global delivery model.

Actual MKMC corporate culture

Trust in management expertise and engagement, described in the actual MKMC strategy implementation process, was also observable in the overall organizational culture. TMT in Finnish ‘HQ organization’ took a collaborative, rather than hierarchical approach for managing the MKMC group, attempting to enact corporate values of equality and respect to every stakeholder of the MNC:

“Many big companies are like ‘HQ says like this, and this is, how you do it’ regardless of whether you have better ideas, or better way of working [...] I don’t believe in the HQ way of working, where you sort of ‘this is it, forget that you have brains yourself’. The way I do it is [...] that, I would provide, like for a teenager or for a child: you have these options, what do you prefer? What do you think would function for your organization?” (Int. 11, TMT Finland, previously management team member in non-Finnish MNC, which employs over 100 000 people)

Example of how collaborative MKMC culture reflected in organizing operational work within larger global projects: *“When we have these projects (like ‘Siberia’) [...] There is not so that (Country head) in each country is taking responsibility for that specific project. There is a steering group. It is there to support the project manager. There we can always discuss that should we take this cost or income now here or there. That can be agreed and that works quite well.”* (Int. 6, TMT member, Finland)

On one hand, MKMC advocated very clear organizational values. On the other hand, flexibility in working practices allowed for ‘negotiating’. This resulted in the situation where organizational culture varied greatly in every location within Finland, as well as across the country ‘organizations’ (units) (as observed during the unit visits and commented in several interviews³⁰). Thus, corporate culture seemed to be inconsistent and highly influenced by key individuals within each unit. Organizational culture within each relevant unit will be described in more detail in further sections.

9.1.3 The Empirical World at the MKMC corporate level

This section describes *shared* perceptions of MKMC group members regarding the implementation of the corporate strategy and introduces individual interpretations of TMT members in Finnish HQ. Thus, first, the section discusses some parts of the ‘Organizational climate and employee satisfaction survey 2016’³¹, and, second, presents the interview data (individual level of measurement to describe corporate level of analysis). This triangulation is needed to understand, what general climate in the corporation was present, and how it was interpreted and experienced by the team of individuals, who had power to influence all other managers and who were predominantly altering entire corporate management system.

There were a number of factors in the survey related to ‘Working as ‘One Corporation’. Globally, MKMC members felt that working culture and inclusion in their team was at excellent level (4 out of 5); whereas, cooperation across the teams and disciplines globally (3,7/5) and decision-making in company level (3,5/5) were less effective. Survey also indicated that there is high trust and communication *within* the functional teams with their line manager (most of factors being rated above 4 out of 5); whereas, information flow from management to employees, and from employees to management at company level was evaluated only slightly above 3 out of 5. Additionally, MKMC members perceived that MNC strategy and future outlooks are not as clearly communicated to them as they would have wished (on average 3,5/5); leadership is on the average level (3,45/5), and top management was considered to have some ability to make right decisions for the company (3,7/5). Therefore, at corporate level survey indicated that employees perceive being well-connected with their functional line managers, but are more distanced from the ideas of global delivery model or ‘Working as ‘One

³⁰ Long-term, detailed observations were not conducted in order to confirm this conclusion.

³¹ Survey was answered by 825 employees globally; consequently, the survey results can be considered representative of MKMC employees.

Corporation” across the teams and countries. Moreover, MKMC members felt lack of understanding about the strategy despite the yearly CEO presentations of MKMC strategy in different locations for the entire staff.

Based on the individual feelings and interpretations of TMT members in Finnish ‘HQ organization’, it seemed that corporate intentions and actual behavior of the TMT members have not penetrated deeper in the organization.

“We want to be really good employer, to make it feel that people want to work here, but we can’t have a culture where people go home at 4 pm every day. Sometimes you need to go the extra mile and stay until 7 pm and then project is finished. But I would like to build a corporate culture where people are really willing to sacrifice a bit more [...] It would be very nice, if people would be more hungry.” (Int. 10, TMT member Finland)

“The other thing is when people are not really used to working internationally, some still have language problems. In Finland there are still people that want to work in Finnish language and nothing else, that’s of course a drawback. Also, as I see it, to be racist, that’s perhaps too strong word, but still, you consider Europe and us being more worth than, for example, Indians. That is still there, and I don’t know is it only Indians, but generally, when you are not used to working as we say ‘Working as ‘One Corporation’, across borders, that you really can respect others and have trust in others and have good cooperation; instead of [...] ‘we have to do everything here, because we know how to do it’. That is very much existing everywhere.” (Int. 6, TMT member Finland)

Thus, Finnish TMT *perceived* that MKMC members are not always as engaged in their work, as they would have wished. Also, they considered that there was a challenge to accept English as the global working language; and that there were attitudes towards each other at individual level, which prohibited seeing all members as equal.

9.2 Global operational work environment: global project *Siberia*

This section presents the global operational working environment, within which the individual embedded cases resided. Despite being located within certain country units and functional lines within the unit’s ‘organizational’ chart, individuals also belonged to entirely different, horizontal structure of global

projects, where operational work was executed. *Project Siberia* selected for this empirical research is described in more detail.

9.2.1 The Real and the Actual Worlds in the *Project Siberia*

The *Project Siberia* (name changed) was planned to last for two and a half years and involved individuals from Finnish, Russian, and Indian units. The project aimed to design a large factory to be built in Russia. The project was meant to deliver solutions for one specific customer. It belonged to one business area. However, since MKMC utilized local presence and global resourcing strategy, the project comprised two functional lines, but different specialization teams who were working on the solution while cooperating globally. Figure 17 provides details on which teams were residing in which country and indicates how many embedded cases belonged to each team.

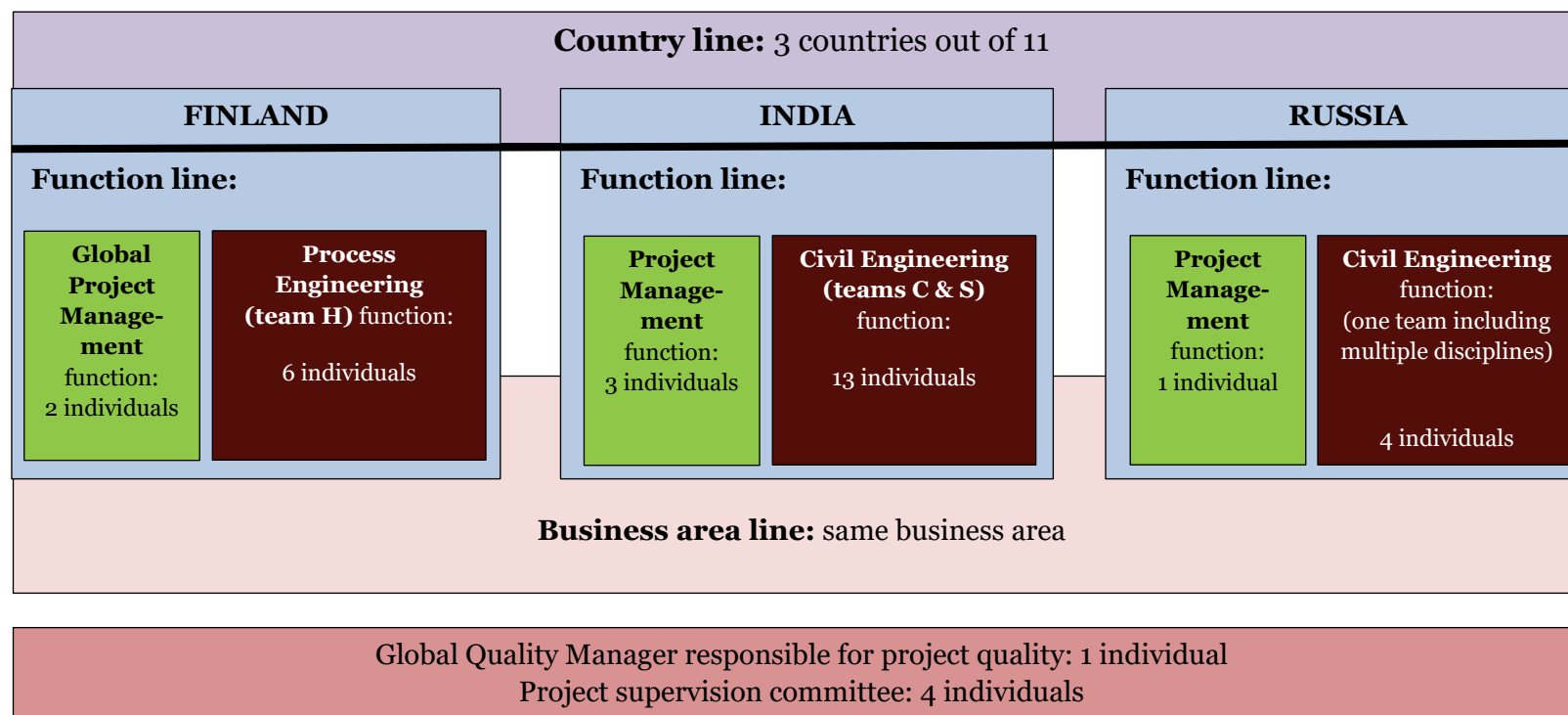


Figure 17. Global project *Siberia*: teams participating in the study

While working predominantly within the global projects, MKMC members were embedded in multiple structures and environments. Being in two – corporate organizational and operational project – structures meant that individual roles and responsibilities in most of the situations were significantly different depending on which structure is considered. For example, within the MKMC corporate structure Global Project Manager belonged to non-management employee position (i.e. did not have any strategic responsibilities according to the line organization). Within the *Project Siberia* structure, the same Global Project Manager was a manager responsible for operational work of entire global team, which comprised around 80 people at its peak, and was directly reporting financial and technical project results to the CEO of MKMC group and other members of the project supervision committee. The opposite was also possible. For example, according to the MKMC corporate structure, Manager of Business Area (1) belonged to Top Management Team and was reporting directly to the CEO of the group. However, in the *Project Siberia*, the same person was responsible only for the operational work of Team H in Finland and reported to Global Project Manager, while other line managers of the Team H did not directly participate in the project due to their load and responsibilities in other projects. Being located in multiple, differently-ranked positions according to strategic and operational structures was usual daily practice within MKMC. Operational responsibilities were granted based on person's expertise and overall workload at certain period of time, rather than on an official job title.

Each unit within the project participated on the basis of their unit strategy, but also had some additional responsibilities, at times. The Finnish unit strategically responsible for global project coordination and management; was also delivering design work, since some specific expertise was not available in other country units. India - strategically largest design and execution hub – was also providing quality assurance of entire global project, since Global Quality manager resided in India. Finally, Russian unit - strategically expected to serve as guiding expert to local market and regulations - was also providing certain parts of design work. Execution of the project could be seen as direct example of operationalizing the corporate strategy 'Working as 'One Corporation''.

Indian unit hosted a representative from the customer company in the *Project Siberia*. Moreover, Indian unit had already established ties with customer's unit in India due to earlier relationship while working on smaller-scale project. This meant that while conducting operational project-related tasks, Indian unit was the only unit having direct face-to-face contact with their customer 'organization' on daily basis.

Global project work in MKMC was supposed to be organized according to official ‘Project management process’, which comprised all main project management stages and described issues to be considered and completed. However, it was not emphasized in the operational work:

Interviewee: “We are now in global environment, we have certain processes. For example, the easiest part for me is the project management where we have project management process. And the target is that we all work in the same way. It’s not new, but basically we are sometimes forgetting that we have very good processes.

Interviewer: “Why do you think they’re forgotten? Are they good processes?”

Interviewee: “We have good processes, but sometimes we are not following those. And that is our challenge [...] that is also one thing why we are now arranging these lessons - just to remind people that we have everything here. And it will help you if you just follow this process.” (Head of Project Management Function, Finland)

Additionally, the customer, a large Western MNC, in the *Project Siberia* had its own strong procedures and requirements to be followed. For example, the customer visited the units and checked expertise and capabilities of those involved. Entire project execution plan was designed and adapted to customer needs and requirements. Consequently, while working on the *Project Siberia* new structures and processes were also emerging. Thus, before the start of the project, customer was well acquainted with the MKMC strategic and operational ‘organization’ as well as with the upcoming intended project execution process.

As indicated in the Figure 17 interviewees resided in seven functional teams: three teams belonged to project management function; whereas remaining four – to several engineering functions. Technical difference between the teams was visible mainly between the project management and engineering disciplines, because project managers by their actual operational work were focusing more on project management, while engineers, regardless of their discipline, worked on the shared project design model. TMT members in HQ Finland explained that teams in the projects are working virtually while using the same virtual model, so distance geographically or culturally *should not* be an issue while working together as one global team.

9.2.2 The Experienced World in *Project Siberia*

While discussing experiences in the *Project Siberia*, as a manifestation of strategic goal ‘Working as ‘One Corporation’’, interviewees were asked to reflect on the advantages/disadvantages, barriers and enablers, as well as practices that enabled

or inhibited work in this project. Although, below are presented interviewee perceptions, majority of the entities that occurred are placed in Table 18 within the Actual World at the team level of analysis, because interviewee perceptions were shaped by the real events to which they were referring to (also see Appendix 2, which explains in detail how actual entities relate to individual behavior). In this section, individual level of measurement is utilized to explain team level of analysis.

9.2.2.1 Unit role, global project manager characteristics and experiences in the project

The strategic *unit roles* had a large influence on individual expectations in global project work. As mentioned earlier, Finnish unit was expected to take the role of ‘global coordinator’ in the MKMC unit network, while other units in the network had to contribute by their technical expertise and work on technical details of the drawings. When these unit roles cascaded to operational level, it backfired collaboration in line with ‘Working as ‘One Corporation’’. MKMC members considered that Finnish unit was not capable to fulfill its unit role, because many Finnish project managers refrained from technical details:

“It's not like this, that management is only giving some task and after that deadline that they already stated to some customer; then, they just push people. It's not working like this. (Sharing feelings discussed among Russians and Indians engineers about Finnish project managers, other than in Project Siberia) ‘Oh they (Finns) are managers’. Managers, they are not doing proper design work, they can just speak a lot.” (Int. 30, employee, Russia).

Finnish Global PM in the *Project Siberia* and other two PMs located in Finland on this project, as mentioned by Indian and Russian unit members, were an exception from the rule. For example, Global PM in ‘Siberia’ frequently engaged in technical discussions together with entire global team; thus, he was *perceived* as capable to handle the project coordination (i.e. capable in fulfilling Finnish unit role). Moreover, engaging in technical discussions with the team also created the feeling that Finnish PMs are working according to the corporate strategic goal ‘Working as ‘One Corporation’ and that technical work is valued equally as the work of ‘managers’. However, if Finnish PMs took coordinator’s role refraining from technical details, it caused negative feelings and project was considered to fail:

“The main part is like the control. One person should control all these things. [...] they should cross-check, these things, [...] he has to monitor

this. Managers are very important for the project team. [...] Project managers (Finns), not local. [...] Most of the project flop because of this.”
(Int. 38, team leader, India)

Thus, project manager's *technical skills* via which he or she was capable to engage in global operational work with other units shaped perceptions about how Finnish unit was or was not capable to fulfil its *unit's role*. On the other hand, it was obvious that *unit role* influenced individual perceptions about what kind of behaviors they should or should not perform in global project work. For instance, Finnish managers, being in 'coordinating' unit, perceived that refraining from technical details in operational work is in line with their unit strategic role.

9.2.2.2 Work in the *Project Siberia* experienced by Finnish global team members

TMT members in Finland had shared perception that Finnish unit members are resistant to share their work with Indian unit, because they are afraid to lose their workplaces to the unit, which is offering resources for smaller costs. These feelings were likely caused by: a) the results of recent organizational climate survey; b) earlier year events, when Finnish unit was forced to perform downsizing due to reduced financial capabilities; and c) corporate history that continued to foster the feelings of Finnish-Indian unit cooperation over the broader idea of MKMC being entirely transnational network of units. However, at the middle management and employee level, 7/12 interviewees openly acknowledged positive feelings about working according to 'One Corporation' with both Russian and Indian units; while other five interviewees remained neutral.

On one hand, both interviewees at middle management and employee organizational levels in Finland (12) mentioned that strategy 'Working as 'One Corporation'' allows for a number of individual and company advantages. For example, perceived benefits at company level were capability: a) to quickly access knowledge about local markets and their regulations through MKMC local units (3/12), b) serve customers better by providing service globally at customer location (2), c) to gain customers globally (1), d) to access broader range of skilled resources (2), and e) to use lower cost resources to reduce price or work load (2). Perceived benefits at individual level were possibility: a) to get a job without the need to relocate due to widespread network of MKMC offices (2/12), and b) to have international work experience, possibility to re-locate to foreign units within the company (3). Large amount of mentioned advantages were reflecting on opportunities that may or may not be realized.

On the other hand, interviewees perceived several disadvantages, too. For example, two middle managers mentioned that distance across units removes a number of informal communication and reduces overall efficiency particularly in communication among the line managers. Also, due to *geographical distance* between the units initial project arrangements seemed to be hindered:

“But sometimes the staff is a bit stiff to start with the global (cooperation). [...] I feel, when it goes to manager level, it takes some time. I have seen that the co-operation starts and of course when we need it should be fast, but it could take some week or two (to) agree about things.” (Int. 19, employee, City C, Finland)

One middle manager and one employee extensively discussed perceived operational level disadvantages that inhibit ability to work as ‘One Corporation’:

“When we do really big projects, this kind of set up (is) really good. But then when we come down to really small tasks in some projects, we can be really inefficient when some 50 hours work can be split up for 10 persons. That's worst example. Instead of one guy doing it in two days [...]. And so communicating between stages really kind of small tasks they can take much more hours. But if we have to do something really small. (Interviewer: You still have to follow the same procedure?) Yeah. Or at least we do. No one is stating that we really must follow it. But everyone is used to do it.” (Int. 15, middle manager, City B, Finland)

The above reveals *misalignment between the strategic assumptions* (that have certain level of future orientation, i.e. presents intentions to be realized) *and operational work* (happening at present). Strategy ‘Working as ‘One Corporation’ was based upon the (partly futuristic) assumptions that transaction costs have reached the breakeven point and global way of working is beneficial (this is where MKMC *intends* to be); yet, people doing operative work experienced that some parts of their work did reach that point (in the bigger projects like ‘Siberia’), while other parts (in the case of smaller projects) did not. The latter led to frustration or confusion at individual level and observations about the disadvantages, which were attributed to the corporate strategy.

Cross-border operations was perceived to be a norm (especially regarding Finnish-Indian cooperation), thus, individuals claimed that colleagues tend to avoid discussing it with each other. Yet, frustration was seldom shared and it arisen from predominantly two issues: a) receiving different outcome (e.g., drawings) than expected from other units (3/12), and b) communicating and coordinating work across the disciplines (within the same or different function lines) (2). Major

perceived barriers at team level were: a) *technical challenges* used for team's communication (e.g., challenges with internet connection in the meetings) (4/12) and b) lack of *formalization of/divergence from existing processes* at operational team level (3). To overcome this barrier, interviewees suggested: a) after the online discussions, re-confirming agreement on points via email; b) PM taking an active role in leading conversation, enquiring about everyone's position, and solving disagreements; c) global PM having assistants in each country unit involved; and d) sharing 'lessons learned' inside the global teams and across the teams.

Belonging to the project management *functional position* might have strengthened the feelings of certain challenges, especially at employee level. Project managers felt being the individuals, who: a) had to manage multicultural teams mostly on their own (with some mentoring and help from their line managers); b) had to manage uncertainty in the situations when actual project outcome is created in geographically distant places, but under their supervision and guidance; and c) had to make decisions about work allocation, sharing the duties that are hard to divide into parts across multiple units and foreign teams with only minor guidance from official project management process and strategy.

Thus, MNC setting (*cultural and geographical distance* in particular) brought significant amount of perceived challenges to the individual working in the project management *functional position*. The latter might have inhibited willingness to work as 'One Corporation', if individual had no needed skills, experience, or developed habit to work in such way. Knowing that Finnish HQ unit role was to coordinate global projects it can be assumed that many employees, who worked as project managers, felt this additional discomfort what might have strengthened overall perceptions of cross-border, cross-discipline cooperation being challenging.

9.2.2.3 Work in the *Project Siberia* experienced by Indian global team members

13 out of 23 interviews in Indian unit expressed open feelings about working as 'One Corporation'. All of them were positive about it, but the level of positivity varied. For example, Local Management Team members (3) observed that 'One Corporation' is essential, but still challenging at the operational level since building feeling of oneness takes time. All middle managers (7) were exceptionally positive, expressed deepest appreciation for foreign colleagues, noticed that way of working in diverse teams is naturally inclined in diverse Indian environment, thus, working across borders is only an extension of cultural diversity, etc.

Employees in project management function remained neutral once asked about their feelings. Employees in Team C (3/4) (which function was to provide support to multiple cross-disciplinary teams) was excessively positive about 'One Corporation'; whereas Team S (3/5) (which functioned within one precise discipline of engineering) was moderate in their feelings. Some Team S members questioned longevity of such working model believing that Indians will soon learn dealing with Western customers directly; others perceived scope as the only difference between local and multinational companies; and some shared their concerns that with foreign colleagues communication can never be entirely genuine. These frequencies suggest that *functional position* had large influence on the individual feelings about working as 'One Corporation'.

Similarly to the situation in Finnish unit, Indian interviewees listed perceived advantages of 'Working as 'One Corporation'' at organizational level to be possibility to: a) combine diverse resources and knowledge from different locations needed for global projects (9); b) serve customers better by providing service globally at customer location (2); c) use lower cost resources to reduce price (2); and d) gain customers globally due to global brand (1). Individual perceptions echoed strategic document and realities while working on *Project Siberia*. Perceived individual level advantages were most likely originating from actual experiences of interviewees and their colleagues. These were: a) exposure to diverse markets, customers, knowledge that provide opportunities to learn and grow (4), b) possibility to make relationships with colleagues from different countries (3), and c) possibility to travel and see other countries (1).

Disadvantages, however, were exclusively realized by *experiencing actual events during the operational work*. All the issues observed were related to challenges in information transfer across the units (5), e.g., lag between unit communication, initial difficulties while understanding colleague way of communication, or dependence on project manager skills to manage information transfer.

These perceptions reveal several important issues. First, if perceived advantages in Finland and Indian were mostly about opportunities, all perceived disadvantages originated from actual events at operational level. Apparently, MKMC corporate strategy communication was able to create understanding about the benefits that units can gain while working together. However, when enacting corporate strategy at operational level, interviewees observed certain inefficiency of such process. Such *interpretation of strategic information in the context of operational work* significantly affected individual intentions to perform behavior in question.

Overall among Indian interviewees there was a shared belief that working in glocal way is essential to remain competitive as a company. Individuals in Indian unit seemed to be tempted to work with foreign units, but such working model created stress and fear at least initially:

“If we want to grow then everyone should accept this actually. Means, it is the one of the requirement that everyone should accept this[...]. Nowadays, if you see, in the global level, if you see the bigger companies, they have like this same strategy. [...] So here more important is that everyone should know what India is doing. Here the problem is... [...] sometimes in Finland, if you say ‘I can't do’, then that will be taken differently...” (Int. 24, middle manager, India)

“Enough chance (should be given) to every (global) team member so that they perform and they get the opportunity to rectify their mistakes” (Int. 28, Local Management Team member)

“First thing is that while working in MNC, multinational, they're quite happy because we're coming in a globalised world. Somewhere they are feeling, awkward about how to deal (in multinational environment). [...] we've seen that some leads, they never communicated to the foreign guy, outer guy. And then when he started discussing, then now he is comfortable now. Initially he thought that ‘no, no it is difficult’ [...] It is difficult for him to discuss with the outer guy.” (Int. 44, employee, India)

Although not stated directly, it was possible to observe that there are a lot of tensions and beliefs how Indians will be treated in interactions while working in a glocal cooperation. When asked ‘how others feel about working as ‘One Corporation?’ almost all interviewees who answered the question (7/9) started from talking about challenges, stress, or their expectations about the foreign unit colleague behavior in collaboration process. Interpreting indirect Indian way of communication that meant that overall atmosphere was rather tensed and individuals within the Indian unit felt not heard, they expected being blamed for their mistakes instead of having a shared discussion on how to improve the way of working, or how to collaborate better. Therefore, it was *shared normative belief* that European units and Finnish colleagues in particular, are unlikely to be amiable or empathetic to Indians.

Certain *communication practices* (16/23) were perceived as the best method to facilitate collaborative behaviors. It was believed that: a) *open discussion* about the situation, plans, challenges, needed inputs, team member suggestions, requirements, how work could be organized better (9) encourages working as ‘One

corporation'. b) utilizing multiple *ICT tools* ease and fasten communication (e.g., sharing sketch on the screen, using call or video conference) (7). c) *supporting* colleagues (e.g., by providing guidance, talking in empathetic way) and ask for guidance (4), d) *explaining* why decisions or certain requests were made (2), e) communicating respectfully (1), f) confirming that team members share understanding on issues (1), g) adjusting communication according to colleagues culture and way of working (1) ease working as 'One Corporation'.

Furthermore, communication practices, such as having at least one person in the team from foreign unit who knows both local language and English well and is technically competent to discuss positions of local and global teams (5); staying at clients premises to discuss customer needs and requirements (1); as well as constantly initiating discussion and information coordination across multiple teams (1) also were perceived to encourage individuals to behave according to 'One Corporation'. Interacting with foreign colleagues particularly via *longer cross-border visits* or at least *frequent* Skype calls, or virtual meetings. 8/23) allowed increasing self-efficacy. Nevertheless, overall *project-based work environment* and possibility to be a part of it was also significantly supporting enactment of goal 'Working as 'One Corporation' since people considered that *learning* about foreign colleagues, the way they communicate and use language (8) while working together; having *clear* organizational system and shared goals (4); and allowing for *time* (6) helped removing barriers while working together as one corporation.

For handling those multiple aspects of communication, there were other factors, perceived as facilitating working as 'One Corporation'. These factors were: related to *functional position* (job duties that included frequent change (i.e. working on the same task or similar projects continuously develop rigid habits in way of working) (2); ability to travel to other units (1); time spent working on the global projects (1)); *manager-employee interaction*: active middle manager position to handle conflicts within the local team (1); and *individual attitudes about each other*: trust in each other (1) and belief in shared goal (1). Since these perceptions referred to actual behaviors observed while working on the project, *communication practices used in cross-discipline, cross-border collaboration* as entity are placed within the Actual World.

Regardless of high optimism about working as 'One Corporation' and having a list of suggestions how to facilitate it, difficulties created by the lag between exchanges of information were seen as hard to overcome:

"If suppose the inputs are coming to Russia and those inputs need to be transferred immediately to India. And somehow in tight schedule there are chances of missing this input and if suppose they have created an

input and not transferred to India, then India will definitely work on the previous input and they will submit the package.” (Int. 26, LMT member, India)

Thus, *geographical distances between the country units* were having influence on the global project work.

9.2.2.4 Work in the *Project Siberia* experienced by Russian global team members

Out of five employees, four openly expressed positive feelings about working as ‘One Corporation’; while one person remained neutral. Interestingly, the same as in Finland, project management *functional position* seemed to be causing feeling of additional challenges than engineering function. Same like PMs in Finland, in Russia PMs faced additional stress while: a) managing multicultural *diverse* teams mostly on their own (with some mentoring and help from their line managers), and b) managing uncertainty in the situations when actual project outcome was created in *geographically distant places*, but under their supervision and guidance. Additionally, Russian environment created situation where most of the local partners were not able to speak English *language*; thus, in all global project meetings where local Russian MKMC partners had to be present, PMs were working as translators English-Russian-English additionally to handling all other PM duties. Consequently, PMs felt more overwhelmed while working according to ‘One Corporation’ principle than MKMC members in engineering function.

In Russian unit, there was also relatively clear division between feelings while working with MKMC India and MKMC Finland. Three out of five employees emphasized extremely warm feelings while working with Indians; whereas cooperation with Finland was not mentioned or mentioned while referring mostly to certain challenges faced. Russian interviewees perceived that Russian normative environment is different from the West; however, no such differences were perceived between Russian and Indian environments. This was mostly the result of varying *relationships* between the Russians and the individuals in Finnish unit as well as strong relationships established with Indian unit via *longer-term cross-border visits*. Russian unit was closely connected with Indian unit, since out of less than 20 people employed four has been visiting Indian unit for varying amount of times, and one engineer spent almost two years in Indian unit:

“I spent bunch of time (in India), I know all these people personally, I know what is happening, dentist visit even, everything I mean” (Andrey, Russia)

Despite having Finnish expatriate as unit head, Russian unit had varying relationships with Finnish unit at operational level. These relationships depended mostly on whom in Finnish unit Russian unit members were interacting with:

“With Jan (PM in Project Siberia), I don’t have any problem at all. We can openly discuss all the things. But I had bad experience with Finnish colleagues, they completely did not listen to me. [...] I just could not get how that is possible. For instance, someone (from Finland) arrange some meeting at 4'o clock, eight people for instance are sitting and discussing, that particular person, who arrange this meeting, then says ‘Oh, guys sorry I need to go to kindergarten’” (Int. 30, engineer, Russia)

“Now I’m working with Karl Lagansson [...] It’s very good relation, interesting too. [...] I have met him actually in Finland, he’s very nice person. If you will meet him, best wishes from me.” (Int. 34, engineer, Russia)

Feelings about cross-border collaboration of Russian interviewees were additionally shaped by certain linguistic terms used in strategic communication. Term ‘resources’ is commonly used in Western management education when referring to both material and human resources; appeared to be not acceptable for Russian interviewees when referring to humans:

“I can't understand this attitude of European people to Indian people. That is really very disappointing point, because they (Europeans) just thinking about them that... they (Indians) are slaves... (Interviewer: In what way you felt that?) When I worked in my first project, I mean, now it's just kind of correct for me, but that time someone told me ‘you can find some Indian resources’, some guy from Finland told me. I supposed to do some work for some another project and I just didn’t have time and he told me that ‘you can find some resource’ -- not some person, but resource. Now even in India they're telling that ‘we have lack of resources [...] we have free resources’.... that time I thought that this is negative attitude.” (Int. 30, employee, Russia)

Interestingly, negative feelings gained in the initial cross-border communication lasted even after realizing the widespread usage of term ‘resources’.

Project Siberia was the first global project in which Russian unit members had extensively collaborated with MKMC members from other units. Thus, advantages that MKMC Russia unit members named were those largely explored when working in the *Project Siberia*. Advantages mentioned were: a) Indian large pool

of cost efficient resources; b) Indian readiness to work hard and overall devotion for their profession (differently from Russia, where engineering profession is not outstandingly prestigious); and c) Indian unit members commitment to deliver high quality work (even if they do mistakes, they are eager to develop and improve instantly). Disadvantages were also observed from gained experiences while working on the *Project Siberia*. ‘Working as ‘One Corporation’ was seen challenging due to: a) each MKMC country having its own way of working (mostly regarding ‘culture of doing engineering’); b) difficult and expensive visits to other MKMC units; and c) trips to the counties like India, where it may be challenging to adapt to local climatic and other conditions. Thus, instrumental attitudes in MKMC Russia were largely shaped by experiences obtained from *project-based work environment*.

Differently from interviewees from other two units, in Russia multiple *structural* issues were perceived to facilitate or inhibit behavior according to ‘One Corporation’. For example, internal bureaucracy, especially related with financial arrangements among MKMC units (2) and lack of structure in meetings (1) were perceived to inhibit enactment of ‘One Corporation’. Whereas clear organizational structure in Indian unit (2) was considered as facilitating factor. These perceptions have possibly derived from Russian unit dependence on *actual financial flows within MKMC*, since Russian unit was not gaining revenues from local market, as other units did. Also, perceptions possibly derived from Russian units own small *size* due to which organizational structure in the units was entrepreneurial rather than resembled structures of multinational corporate environment.

9.3 Country contexts of the selected MKMC units

While being virtually embedded within two contexts, that were *shared* to every individual case - global project and MKMC corporate management system - individual cases simultaneously were physically embedded in *different* country units. These MKMC country units resided within particular country contexts. Such embeddedness was likely to have significant impact on MNC implementation efforts and unit as well as individual behavioral responses to them (e.g., Kostova & Roth, 2002; Värlander et al., 2016; Bjerregaard et al., 2016). Moreover, societal cultural differences influence behavior of individuals, as those “carriers of culture” (Caprar et al., 2015: 1017, in Tung & Stahl, 2018: 1177). Therefore, it is important to briefly review and understand the country contexts of the selected MKMC units.

“Culture is a construct that reflects the complex interaction of values, cognitions, norms and institutions” (Tung & Stahl, 2018: 1176). Thus, this chapter first reviews

the cultural dimensions that are representatives of Finnish, Indian, and Russian country contexts. The discussion on cultural dimensions in terms of *values* (“judgements about “the way things should be done”” (House et al, 2004: xv)) defines intentions and expectations, suitable to describe the ‘Real World’ of the critical realist. Discussion about *practices* (*actual* behavior and acts in the culture) (House et al, 2004), is considered to describe the ‘Actual World’ of the country contexts. Finally, individual experiences allows reflecting on some parts of the ‘Empirical World’, i.e., how a group of individuals residing within a specific country context *experienced* cultural differences³².

The GLOBE study (House et al, 2004), utilized in the discussion on cultural values and practices, comprises aspects of implicit motivation theory, which is the basis to explain “*long-term* individual global behavior patterns” (House & Javidan, 2004: 17, emphasis added). Since the empirical research in this dissertation has been largely built upon the Integrated Behavioral Model meant to predict *short-term* behaviors under constant conditions, insights from GLOBE study provides complementary long-term oriented view while trying to explain individual behaviors. The following section briefly describes and compares values (‘Real World’) and practices (‘Actual World’) in Finland, India, and Russia based on the GLOBE cultural dimensions.

9.3.1 The Real and Actual Worlds: Values & Practices in Finland, India, and Russia

Finland, India, and Russia as societies vary greatly according to their cultural values and practices. These countries belong to three different cultural clusters: Finland to Nordic Europe, India to Southern Asia, and Russia to Eastern Europe cluster (Javidan, House, & Dorfman, 2004). In terms of metaconfiguration of GLOBE Societal Cultures, both Russia and India belong to the East; while Finland – to the West (Gupta & Hanges, 2004: 201). Comparison of the key cultural dimensions and their scores is available in Figures 18 and 19. Further, meaning of the scores are explained by discussing implications of these scores on behaviors, with the focus on behaviors related to ‘working together/cooperating with others’, as it is central to this dissertation.

³² Although, this chapter should represent ‘Country unit of analysis’, it must be acknowledged that discussion on the ‘Real’ and ‘Actual’ Worlds of countries is focused more on the country as a ‘context’ in line with suggestions by Tung and Stahl (2018: 1177); whereas, discussion on ‘Empirical’ World, representing individual experiences regarding the cultural differences, methodologically belongs to the unit level of analysis when having individual level of measurement.

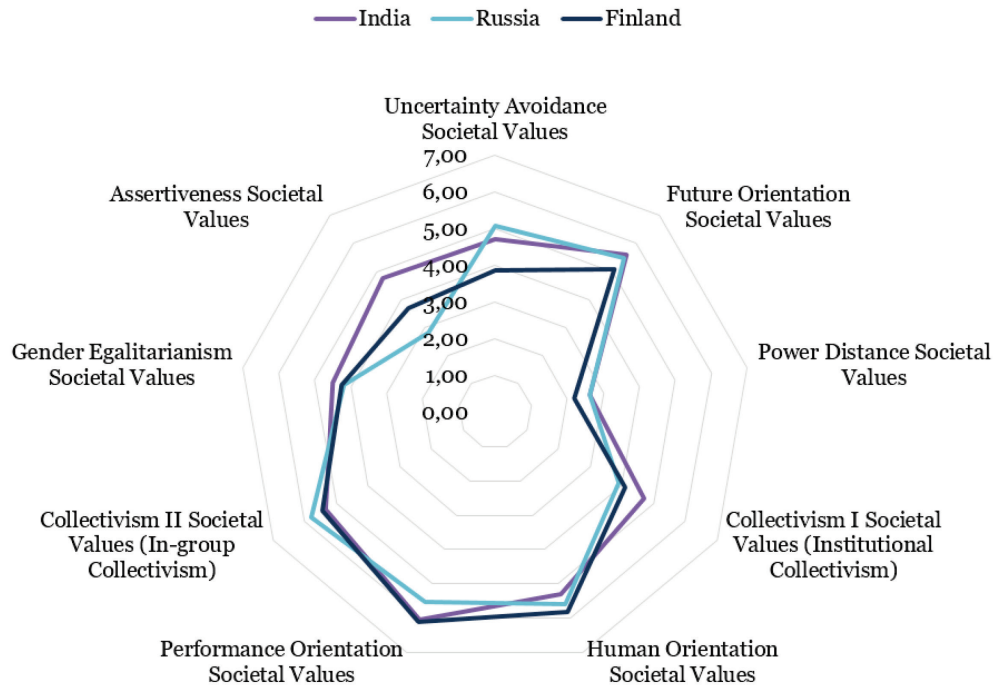


Figure 18. Culture in Finland, India, and Russia as ‘should be’ (values) (Based on House et al, 2004)³³

³³ Definitions below applies to both values and practices of listed dimensions (House & Javidan, 2004: 11-13):

“*Uncertainty Avoidance* is the extent to which members of an organization or society strive to avoid uncertainty by relying on established social norms, rituals, and bureaucratic practices.” (p. 11);

“*Future Orientation* is the degree to which individuals <...> engage in future-oriented behaviors such as planning, investing in the future, and delaying individual and collective gratification” (p. 12)

“*Power Distance* is the degree to which <...> (individuals) expect and agree that power should be stratified and concentrated at higher levels of an organization or government” (p.12)

“*Institutional Collectivism* is the degree to which organizational and societal institutional practices encourage and reward collective distribution of resources and collective action” (p.12)

“*In-Group Collectivism* is the degree to which individuals express pride, loyalty, and cohesiveness in their organizations or families” (p.12)

“*Performance Orientation* is the degree to which an organization or society encourages and rewards group members for performance, improvement and excellence” (p.13)

“*Humane Orientation* is the degree to which individuals <...> encourage and reward individuals for being fair, altruistic, friendly, generous, caring, and kind to others” (p. 13)

“*Gender Egalitarianism* is the degree to which an organization or a society minimizes gender role differences while promoting gender equality” (p.12)

“*Assertiveness* is the degree to which individuals <...> are assertive, confrontational, and aggressive in social relationships” (p. 12).

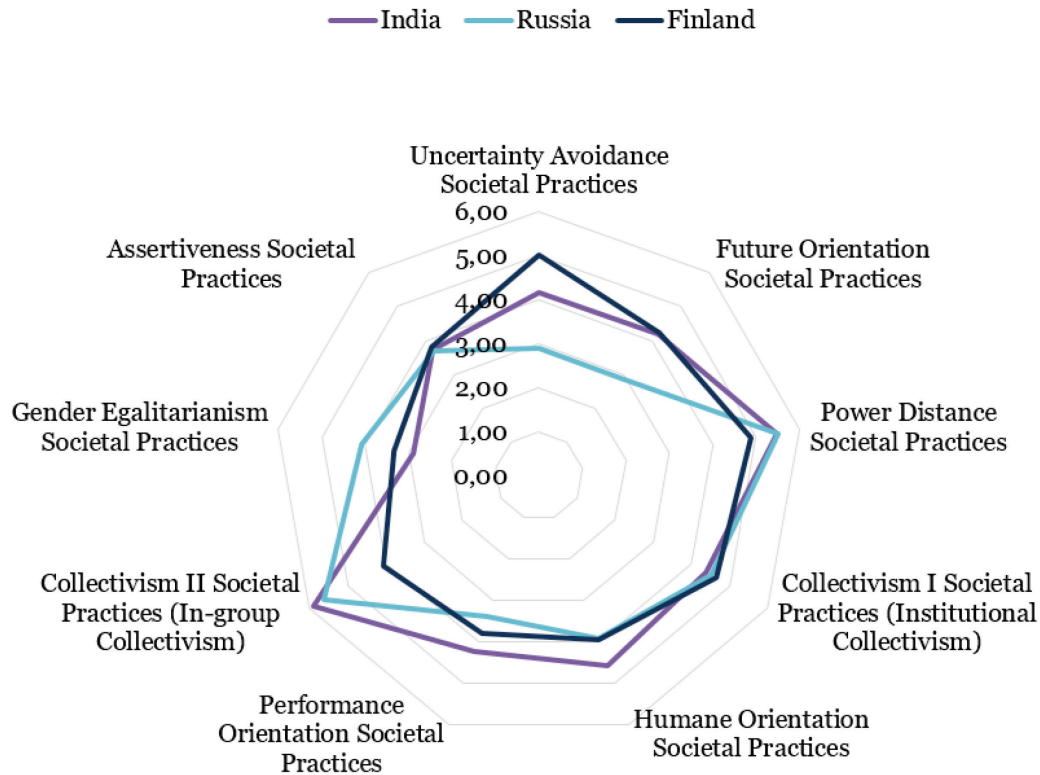


Figure 19. Culture in Finland, India, and Russia as 'is' (practices) (Based on House et al, 2004)

Based on the comparison in Figures 18 and 19, it is visible that the three cultures in question are much more aligned and similar in terms of their expressed values than in terms of their actual practices. Thus, looking at how values and practices, in particular, regarding collaboration are similar or different across these cultures, are essential.

According to Figure 18, Indian and Russian cultures seem to agree that relationships with others *should be* formalized; clear agreements, rules, and communication standards should dominate the interaction and overall behavior of individuals. These cultures seem to be less favorable towards change and “show less tolerance for breaking rules”, relies on hierarchy and bureaucracy in uncertain

situations, and seek continuous feedback on their behavior (Sully de Luque & Javidan, 2004: 604, 606, 618). High-score for *Uncertainty Avoidance* dimension is also associated with “ethnocentrism, intolerance of differing opinions, <...> racism, and prejudice” (Hofstede, 2001: 146, in Sully de Luque & Javidan, 2004: 607). Whereas Finnish culture, which has low-score in this dimension seem to appreciate the opposite *values*: Finnish managers tend to prefer informal interactions and trust by words rather than formal agreements. Furthermore, Finnish nationals tend see change as preferable, but rules for behavior as negative; they are likely to prefer avoiding documentation of “the conclusions drawn in meetings”, have no difficulties in breaking rules or taking risk (de Luque & Javidan, 2004: 618). However, all three cultures seem *to actually enact their values* related to uncertainty differently (see Figure 19): Finland with high-score in practices tends to rely on formal interaction, rigidity, and possible prejudice about others; Russians are likely to follow informal way of dealing, acceptance of change, and trust by verbal agreement; while Indians stands in the middle.

Scores for *Future Orientation* reveal that there is a difference between the preferred values and actual practices in all three countries. All three countries seem to have middle *value* in building long-term relationships, developing adaptive behaviors, planning, learning from and fighting hardships in the interaction, being intrinsically motivated, and tend to be highly influenced by “persuasive communications advocating a distant goal”, which they break in the path with minor milestones (Ashkanasy et al, 2004: 293-302). However, Indians and Finns actually tend to *practice* Future Orientation related values at high level, while Russians seem to be more oriented to immediate goal messages, be less intrinsically motivated and actually interested in immediate rewards as well as short-term interactions and reproductive routines (Ashkanasy et al, 2004: 293-302).

In terms of *Power Distance* all three country scores indicate that hierarchy and obedience *should be* at the medium level. While comparing separate country rates, Russia and India has only slightly higher expected power distance than Finland (Carl, Gupta, & Javidan, 2004: 540). *Actually*, Russia and India are among the first set of countries that tend to widely practice hierarchy, while Finland is among the second (Carl, Gupta, & Javidan, 2004: 539) meaning that actual and expected demand for hierarchical power and unquestionable obedience in all three countries is relatively high.

Evaluating scores for *Institutional Collectivism*, Indian culture seem to have strong community orientation (Gupta & Hagnes, 2004: 200); while Finland and Russia by their *values* are rather individualistic (Institutional Collectivism).

However, Finland is the country, where collective *actions* and *practices* seem to be encouraged the most (Gelfand et al., 2004: 468); while Russia and India tend to practice them only at the medium level. In terms of *pride* about being associated with certain organization (*In-Group Collectivism*), Finns tend to have medium *value* and very low *actual* expressions. Whereas, Indians and Russians are likely to also see that *value* of association to some organization should be at low or medium level respectively, but *actually* they tend to be very attached and loyal to as well as cohesive with their 'in-group' (Gelfand et al., 2004: 469).

This means that Finnish nationals are likely to be sticking to their 'in-group' practices, beliefs, and relate themselves more with their closed circle, than Indians or Russians would do. However, Finns are likely to be very individualistic in their relationship with the organization they work for: i.e. they would prefer autonomous treatment by the organization; would engage in short-term work relationships, would see help for others as a choice rather than duty, and would have more transactional rather than relational contract with their employer; finally, they would engage in individual decision making and would be more motivated by their own rather than team's goal. While Russians and Indians, who have high-score for In-Group Collectivism practices, would more likely do the opposite (based on Gelfand et al., 2004: 443-459). However, while considering individual behavior, it is important to notice that even within the country, collectivistic-individualistic behavior common for certain society will be adjusted depending on the individual ethnical background, age, education, and socioeconomic status (Gelfand et al., 2004: 449).

Dimension of *Performance Orientation* represents, how much task is valued upon the relationship; how much individual competitiveness and achievements are valued, how much urgency is granted to "getting things done" (Javidan, 2004: 244-5). On average, all three countries have middle-score for this dimension in terms of *values*; however, compared by practice scores, Finland and India express slightly higher performance orientation than Russia (Javidan, 2004: 251). The same, but stronger is reflected in how the three nations tend to *practice* these issues: Finland and India seem to practice performance orientation at middle level; while Russia seem to have actually more focus on "attending the right school" as an important measure of success, cooperation rather than competition, tradition, low sense of urgency, and appreciation of relationship over the tasks (Javidan, 2004: 245).

Indians and Russians tend see humane *values* as important at medium level; while Finns seem to show highest appreciation for them. Yet, when it comes to actual *practice*, Indians tend to *practice Humane Orientation* considerably stronger in

comparison to Russians and Finns, who seem to practice these values at the medium level (Kabasakal & Bodur, 2004: 573-4). This means that in India all ‘others’ (“i.e. family, friends, community, strangers”, co-workers) are usually taken with high importance and “people are urged to provide social support to each other” (Kabasakal & Bodur, 2004: 570). Moreover, relationships are paternalistic and patronage is common (Kabasakal & Bodur, 2004: 570). Whereas in Russia and Finland, relationships are more formalized and institutions are usually taking over the social duties at least partly; “people are expected to solve personal problems on their own”; and self-interest in relationships is more important than interest of others (Kabasakal & Bodur, 2004: 570).

All three countries have mid-score in *Gender Egalitarianism* in terms of *values*. This means that all three countries partly agree that gender stereotypes and gender-role differences should be minimized (attitudes); while gender discrimination avoided and equality promoted (behaviors) (based on Emrich, Denmark, & Den Hartog, 2004: 348-351). Yet, *practices* seem to be different from expectations in all three countries (Emrich, Denmark, & Den Hartog, 2004: 365).

Finally, all three countries *practice Assertiveness* at medium level (Den Hartog, 2004: 410). While Russians tend to think that their society *should be* against assertiveness and should see assertiveness as negative; should value cooperation, indirect communication, and warm relationships; should emphasize tradition, seniority, and experience; and should value the person for whom s/he is rather than for what s/he does (Den Hartog, 2004: 405). Indians, with high-score in Assertiveness, seem to value the opposite, and consider that Indians should be focusing on competition, being more direct and expressive, should see others as opportunistic, and should value initiative and results more than relationships (Den Hartog, 2004: 405); while Finns tend to expect to balance the two positions.

Interview data suggests that cultural practices were more salient in global cross-border work within the studied project. However, since no particular measures to study this entity were taken, conclusions remain without strong confirmation.

9.3.2 The Empirical World: experienced country culture in Finnish, Indian, and Russian units

Building on the interview data, it occurred that in addition to cultural practices there were two constructs, *psychic distance*, i.e. perceived difference between the countries (Johanson & Vahlne, 1977), and *culture of doing engineering*, professional culture within each country, influencing positive or negative experiences while ‘Working as ‘One Corporation’’. The two are presented below.

9.3.2.1 Psychic distance

Perceptions of being different from other units were also not initially considered as a separate entity; yet, it was observed to have large influence on how individuals *experienced* ‘Working as ‘One Corporation’’. Perceptions of being different varied significantly in each country. Indian interviewees openly acknowledged seeing themselves as very different from all other MKMC countries; although, in terms of metaconfiguration of GLOBE Societal Cultures, both Russia and India belong to the East (Gupta & Hanges, 2004: 201):

“There had been these challenges of cultural differences, there are differences in opinion because we come from a different culture (reflecting on the work with other European country units) It was not quite different from Finland. I think it was so much the same. You know, it could be because India is so different, so these small differences between these countries, then they don’t matter a lot because the cultural differences between India and the other countries, they are so much. There are too many. So I think when there’s a small difference in between these countries, we hardly make it out“ (Int. 27., middle manager, India)

Russian unit, despite being considered by HQ as belonging to European MKMC unit group, were also perceiving themselves as different from both - other European units as well as India:

“We don’t call this ‘Europe’: we call this ‘Russia’. And also this ‘India’” (Int. 32, Russia)

Whereas, TMT members in Finland took very neutral position regarding other cultures, countries, or contexts:

“What is more related to values [...] religion, color of skin, etc. we don’t ...that’s just not on the topic [...]. It’s irrelevant. It’s not interesting [...] (we don’t) discuss it, don’t think of it, it’s not on the agenda” (Int.11, TMT member Finland)

In a similar manner, while sharing perceptions about other cultures, middle-management and operational level employees in Finland were focused on work-related issues (e.g., different means of communication, method of task delegation and receiving, etc.) rather than possible cultural differences. Whereas in Russia and India interviewees additionally were evaluating their counterparts by reflecting on their interest to engage in and care about outside-work issues, like understanding broader cultural background of the colleagues.

In India, cultural diversity was seen as natural. As a consequence, managers as well as employees were sharing their insights and ‘lessons learned’ on how to work with other cultures, stakeholder’s organizational cultures, etc. In Russia employees were eager to discover more about Indian culture in a broader sense and were frustrated with Finnish formal way of working (except one interviewee); nevertheless, Russians also expressed appreciation regarding a number of work-related issues observed in Finnish culture (e.g., Politeness at work); which was different from perceived typical Russian behavior. Whereas in Finland, unit members were not particularly interested to know and understand culture itself; they were mostly interested in practices (e.g., how to better write emails to counterparts in certain country) that allow preempting or solving culture-related problems at work. Moreover, most of interviewees in Indian and Russian units were differentiating their experiences of ‘Finnish culture’ observed in behaviors by TMT management in Finland and Global manager of *Project Siberia* versus the ‘rest’. Frequently positive aspects of experienced ‘Finnish culture’ were seen manifesting in the former behaviors, while negative – in the latter.

Overall, perceptions of being culturally different or perceptions of culture being irrelevant significantly affected individual behaviors and feelings while interacting with colleagues from other country units. Both Indian and Russian organizational members realized the need to learn about other colleagues, to interact with them at personal and professional level, imitate behaviors important in their counterpart’s culture in order to build better cross-cultural understanding, and, therefore, higher cohesiveness within global team. Russians spent time on explaining issues from their point of view, since they understood that they are different from others. Whereas Finnish colleagues, including higher-level managers, did not see the need to delve deeper into cultural practices, since they considered those irrelevant or available for rational distant learning. Such perceptions, manifested in their behaviors, affected relationships and attitudes within the global team. Indian and Russian colleagues perceived each other positively; while Finnish behavior backfired and played against the strategic efforts work as ‘One Corporation’:

“Indian colleagues are very friendly. [...] With Indian colleagues, if I don’t understand something in their decisions, I ask them and they explain it to me. It is easier, we are on one level. We understand, support each other.”
(Int. 33, employee, Russia)

“We have very good team in Finland, Russia. Especially if you see this Siberia, Russia’s that one guy Andrey (name changed) actually, he is the ...key guy [...] whenever the project are coming especially from Russia,

we're are always fear whether to take, or not. [...] But that guy, Andrey [...] he is almost here, maybe close to more than one year and he is putting his constant efforts. [...] You imagine that one foreigner is working on Saturday and Sunday, how much effort he made and now because of him, now we -- our team - can take any project from Russia [...] That confidence comes only because he is here" (Int. 24, middle manager, India)

"They (Finns) are not committed to work. They are just committed to the job and the job is for 8 hours. Hardly you find really people working there, nobody really comes (to India). You find Germans working for 6 months, 9 months in India to complete a job. You will not find a single Finnish working more than a week here. Not a single Finnish person. That's really bad. You find Italians. [...] But Finnish guy, he doesn't even extend a week... they don't work. It's not good. Whereas Indians go and stay there (in Finland) for 3 months, 6 months, 9 months, 1 year. They don't have a problem. The (Finnish) guy starts there on Monday morning, reach here (India) Monday evening, Tuesday they come on the job, Thursday night they leave, so Friday evening they are already at their home. So, they only work for 3 days. A week means 3 days for them (laughing)" (LMT member, India)

Negative effects of psychic distance on implementation of 'Working as 'One Corporation' were diminished once *longer cross-unit visits* were employed and one or few persons served as boundary-spanners. Yet, even if Indian colleagues were visiting Finnish unit, relationships in global work were not always getting better. Acknowledgement of cultural differences was necessary in order to build bond between the country units. Moreover, if individuals within Finnish unit were able to acknowledge cultural diversity and behave recognizing cultural differences, they were seen as highly successful in working according to the ideas of 'One Corporation'. The best example of this was Global project manager, admired by everyone in the *Project Siberia* and among MKMC management, who started the interview by this statement:

"It's been quite challenging I must say. [...] Working with colleagues in Russia with their culture and in India with their culture."

It is important to notice that almost all interviewees in all three units did not differentiate their perceptions between 'the unit', 'the country', 'the culture', or 'the individuals'. For them, individuals *were perceived* as representatives of certain culture and that culture belonged to certain unit. For example:

“But somebody from a new country [...] I don’t know how you are working [...] But if I know the Russian guy and couple of Russian guys, I know this culture”. (Int. 44, India)

Consequently, while ‘Working as ‘One Corporation’, attitudes and shared behavioral responses were always attached to ‘the Finns’, ‘the Indians’, and ‘the Russians’. So, for example, TMT concerns that expected corporate culture and values did not penetrate Finnish ‘organization’ seemed to be correct, since other units were able to observe differences in behaviors between TMT members and ‘the rest’; although, these differences were perceived as ‘positive’ versus ‘negative’ aspects of ‘Finnish culture’ instead of attributing observations to poorly implemented ‘organizational culture’.

9.3.2.2 Cultures of Doing Engineering

Culture of doing engineering was not defined as relevant entity in Table 13. However, from interview data it appeared to be highly important entity influencing individual behaviors and responses to the behavior of others while ‘Working as ‘One Corporation’. National cultures to certain degree shape many other ‘cultures’ (e.g., organizational or professional cultures) within a society (Van Muijen & Koopman, 1994). Interviewee reflections revealed that significant influence on experiences while ‘Working as ‘One Corporation’ had *professional culture* (i.e. established norms of cognitions and behaviors that originate from professional preparation (adapted from Watling et al. 2013)) within each country context. The professional culture in the dissertation is named ‘Culture of doing engineering’³⁴.

Culture of doing engineering could be defined as established norms of cognitions and behaviors that originate from professional preparation regarding the process of engineering, designing the drawings, naming technical issues, and dealing with esthetics of the drawings. This appeared to be significant differentiating factor among individuals; despite assumptions by MKMC management indicated that engineers across countries work on the same technical model with the same logics and there should be no differences in the technical work.

Interviewees *experienced* this entity differently: Finnish nationals frequently indicated to receive ‘different outcomes from their expectations’ and named these situations as frequent problem in working in global projects with other country

³⁴ The conclusions about this professional culture are based on individual level of measurement (individual reflections); thus, there is no data on the extent to which this culture is shared. Nevertheless, qualitative observations allowed the revealing of certain behavioral patterns that can be tested in further studies.

units. Indians observed differences in doing engineering, but considered it more as ‘a system of making the drawings’, which they needed to learn according to each country. Russian interviewees, who started working on global projects only recently, observed significant patterns in thinking about, organizing engineering process, and completing the drawings. Some Russian interviewees openly considered that these differences originate from the history and art history of the countries. Below are presented examples of the entity ‘Culture of Doing Engineering’ as well as insights on how it affected daily work of international engineering company and behavior of individuals within it while ‘Working as ‘One Corporation’:

a) Professional differences in approaching *process* of engineering:

“If you know how Indian office works. [...] they are trying to get into the, key points of phenomenon, and for them it is very important to understand ties between some small details. It's not productive at all to bring to them final aim, final target, give parameters of these targets [...]. You have to consider that they'll ask million questions, asking how this thing is connected to this thing. [...] Finnish people, they're also very sensitive to details, they want to know details from very beginning. [...] Finnish people, they must understand details for today, how to do this. [...] Russian people, they're coming from the general targets to details. If you're starting the project with Russian team and you start to overload your task with details, they will be irritated, they'll not work. They must understand final target (first), where are we going. (Int. 29b. employee, Russia)

Thus, the way country teams approached design making varied significantly. Capacity and need of individual within every country to receive amount of information about the project within certain period of time varied a lot.

b) Professional differences in the way *drawings* are designed:

“For Finnish people [...] They care about major idea, that it was correct. For Russian person layout is important. Layout must be arranged in a particular way. Drawing must be informative, beautiful, and clean. You took the drawing to your hands and it looks esthetically, like a piece of art. In West it is not like that. It may look even like a long sausage, but the technical idea is the most important. Esthetical function of the drawing is not necessary. Indians are closer to Russians, they care about details in the drawing, that stamp would be filled, everything would be made with details, and all instructions/descriptions would be written down. That

italics would be there, that specific fonts would be used. Indians love this detailed work for beauty of the drawing. [...] This comes from many centuries ago. They (Indians) had very developed architecture. For example, have you seen the architecture of Taj Mahal and the architecture in Scandinavia? Architecture in Scandinavia is based on usefulness, it is needed only if it is functional. The beauty details such as colons, pillars, etc. this is not needed. The most important is functionality. And so it happens that we face different heritages of culture. The problem is not only in communication or language. In Russian, we are used to see beautiful drawings and when I see such a drawing I consider/perceive it to be correct. This is the difference in perceiving. This means that, before we start working, we need to agree, how to do it". (Int. 29a. employee, Russia. Translated from Russian)

Engineers across the three countries gave different importance to technical and esthetical part of engineering drawings. For Russians, 'beautiful' initiated perception of being 'correct'; thus, they were ready to put efforts on making drawings neat and considered that foreign colleagues who do not put efforts in this, do not make a good job. Indians were accepting both: technical, modest Nordic style and detailed, demanding Russian style possibly because of their long economic history of outsourcing as well as high diversity within the nation. For Finnish, working with colleagues who demand details and esthetics of technical drawings were irritating, they did not see rationale for 'wasting time' on unnecessary details; some openly commented after the interview was over, that they will never work with Russians again. Thus, unspoken rules of how engineers across the cultures make designs, and what constitutes 'good work' in technical design, dramatically affected interaction within the global project team.

c) Professional differences in *cross-discipline* cooperation while designing:

"For example, we work in different way with (Ventilation) department in Russia, than we work with MKMC Finland. [...] (Differences) [...] in designing, delivering of work, how we put decisions together. [...] Our engineer, for example, in (Ventilation), takes more work on their shoulders, giving us the task with more details, more precise. Finnish engineers, they give general concept and then we should think by ourselves. (Int. 31, employee, Russia. Translated from Russian)

Engineers across countries had different expectations regarding the division of tasks between the engineering disciplines. Thus, if engineers in one country were used to work with certain amount of details and information from their functional

colleagues, they were likely to be uncertain, or feel unable about completion of their own share, once the expected information was not received.

To conclude, individual experiences while working with the same profession colleagues across the cultures were not always pleasant, because of different professional tradition of dealing with technical issues in the engineering drawings and their design process. Although these feelings and frustrations are described within Empirical World, they derive from actual culture-laden behaviors, visible in the extracts above. Thus, culture of doing engineering as enabling or inhibiting factor is placed within the Actual World.

The next chapter presents the 'Real', 'Actual', and 'Experienced' Worlds at the level of the Finnish, Indian, and Russian units while focusing on strategic processes meant to implement corporate strategy and its strategic goal 'Working as 'One Corporation'' in particular; and strategic goal manifestation in operational environment while working on the *Project Siberia* as well as within functional teams.

9.4 The Real, the Actual, and the Experienced Worlds in strategic and operational work environments within Finnish, Indian, and Russian units

This chapter continues presenting three differentiating environments within which individual cases were embedded. Thus, this section presents *strategic* (processes and practices intended, used, and perceived for corporate strategy implementation) and *operational* (functional team and global project work from local unit perspectives) *work* environments of MKMC units in Finland, India, and Russia discussing the Real, Actual, and Empirical Worlds within them. Both unit and individual level of measurements are utilized to describe unit level of analysis.

9.4.1 The *Real* and the *Actual* Worlds in *Finnish* Unit: *strategic* work environment

This section presents intended and actually available *strategic* environment in MKMC Finnish unit within which individual cases were embedded.

Strategy

Finnish unit, by MKMC members' terms called Finnish 'organization'³⁵, did not have separate strategy document. It was considered that corporate strategy is also Finnish unit's strategy, since Finland was considered to be the 'parent company' for the group. Finnish 'organization' had 8 functional lines within the unit. Out of 8 lines, 5 were the same as in the corporate level organization and were meant for business support (HRM, Finances, Marketing & Communications, etc.). These five lines were also headed by the same corporate level managers. Other three functional lines: sales (local & international responsibilities), office services (local responsibilities), and Project Operations (local & international responsibilities) were headed by upper middle managers, located in Finland. Largest functional line was Project Operations, which incorporated almost entire operational level activities within the Finnish 'organization'. Therefore, Project Operations' functional line was the main pillar manifesting unit's *actual* strategy. In fact, in global MKMC yearly target list for the year 2017, Finnish unit was equaled to Project Operations and, therefore, its targets applied to Finnish 'organization' as a whole.

Thus, as mentioned earlier, Finnish unit targets were focused on cooperation mainly between Finland and India and were working on utilization of cost-effective Indian resources. In addition, it occurred that entire target list of Project Operation's function, was based upon the targets set by the Board of Directors, rather than the official corporate strategy document. This explained extensive Finnish 'organization's' focus on profitability and efficiency, instead of three key strategic undertakings including 'Working as 'One Corporation''.

Structure

Finnish 'organization' consisted of one organizational chart 'on paper' and close to 10 actual offices around Finland, due to the practice of hiring experts, where they were physically available. All offices belonged to one legal organization. Offices worked according to organizational chart 'on paper', i.e. they did not have assigned

³⁵ Units in MKMC were referred to as 'organizations', e.g., Finnish 'organization', Indian 'organization', Russian 'organization'. Such term allowed reflecting structural complexity of the units. For instance, it was frequent that within the same country unit, drawn as one structure 'on paper', there has been several offices in different geographical locations; also, that when needed, own resources were supplemented by hiring other local partners, who worked together with MKMC local team. Thus, further in the Findings' text, term 'organization' will be used interchangeably with the term 'unit', in order to better reflect actual reality of MKMC units.

manager or administration in their locations; frequently, functional teams were spread across multiple offices and worked virtually with seldom visits by the functional line manager³⁶. Main office in City A had largest amount of employees (around 300); while other offices (in, for example, Cities B, C, D – relevant for this research) employed considerably smaller amount of people (less than 50).

Strategy Communication & Implementation Process

In the strategic year 2016, in City A and City C CEO presented the strategy; while in City B presentation was made by the Head of Project Operations. In the beginning of the year 2017, CEO and Head of Project Operations organized ‘middle manager day’, where all middle managers from Finland were invited to the main office in City A to participate in shared discussion about strategy and goals of different functional teams. Such event where middle managers could meet and discuss was organized for the first time; earlier middle managers were receiving the same presentation as all employees and were expected to reflect on strategy and apply it autonomously.

While selecting the key points to be included in the target lists, this process at TMT level was rather straightforward (e.g., based on Board of Director’s expectations or key strategic intentions noted in the first MKMC strategy slides). Yet, at lower organizational levels managers were selecting their points based on the entire strategy document (more than 15 slides) and other strategic updates, e.g., Organizational climate survey results. Thus, link between business intentions for the upcoming 3 years, organizational current needs for improvement, and corporate strategy were not always clear. Targets noted in the target lists at middle management level did not have words taken from corporate strategy part, e.g., ‘Working as ‘One corporation’’. Moreover, managers at times recognized that project structure and line organization do not entirely overlay and might have competing goals:

“Every project manager wants the best person in his or her team. [...] when I look at this person's CV, or discuss with the person, I notice that,

³⁶ For example, Finnish organizational members, participating in the project ‘Siberia’ belonged to Project Operations functional line and were located within two minor functions: project management and function V. However, actually they were located in three offices: City A (1 TMT member, 2 - Project managers), City B (1 - TMT member, 1 - employee), and City C (4 - employees). According to *line organization*, all Finnish interviewees were located in four offices. However, interviews and office visits were arranged only to three of them: City A, B, and C, because middle manager from City D was frequently travelling to City A, and TMT member from City D was partly located in Russian unit, where he was interviewed.

okay, you have not done this before, I don't want you. But Peter's (Line Manager's) role is (to promote competence development) -- then he says 'you shall do this project, because then you increase your competence, you grow'. (Int. 12, manager, Finland)

Despite ongoing debate among TMT in Finland whether development discussions are needed, the Head of Project Operations, year 2017 openly requested every middle manager to conduct individual development discussion with every employee in Finland while indicating clear individual yearly targets. This initiative was additionally supported by empowering every middle manager with limited financial pool, which had to be used only for financially incentivizing strategically performing team members, i.e. those, who fulfilled yearly individual strategic targets. Functional team managers travelling to the offices where his/her subordinates actually residing conducted development discussions. Every interviewee has gone through this process before meeting the researcher.

Unit Culture

In Finnish unit, interviewees acknowledged that working across borders is a norm in MKMC (10/15). As interviewees claimed, international setting 'spices-up' daily routines, brings various opportunities; and is by default known before individual even applies to a position in MKMC. Finnish 'organization', scattered among many geographical locations within Finland, had highly diverse organizational culture in each office what also resulted in diverse *manager-manager and manager-employee interactions* across the offices. All interviewees, located in City A, felt that culture is inclusive and open:

"MKMC is a good company, actually MKMC listens to employees and I can go and talk to my line manager and tell him not only on this development discussions, I can go anytime to him and tell okay, I think that I need this and that [...]. I can talk to Jukka Mikko (CEO) anytime without having an appointment before. Just knock on the door or catch him in the corridor and ask and tell something and he finds time to listen, not only him but many people here" (Int. 16. Employee, Finland, City A).

On the other hand, based on the 'Organizational climate and employee satisfaction survey 2016', Office in City A was large, and, therefore, part of its members felt distanced and dis-attached from the organizational values and strategy. Whereas, City C initially was an acquired unit with entirely different organizational culture. After the acquisition, part of the people located in City C were hired under newly

developed functions of the MKMC; thus, they did not belong to the old acquired unit culture; consequently, there was division between the two.

Culture in City B was significantly different. Office in City B was established due to the proximity to the University, which prepares needed professionals. Thus, many employees and managers in this location came to work in MKMC while knowing each other from the University days. Moreover, one senior employee was extensively interacting with people in the office and trying to understand issues that are happening in employees' personal lives. This resulted in managers being reported about employees who might have some family or personal challenges; thus, managers could assign tasks according to status of employee wellbeing, or change the task, when employees were ready for more challenges and responsibility. Furthermore, all MKMC members in the City B were of similar level of education, functionally belonged to the same or very similar engineering discipline; hence, were very cohesive in their thinking.

9.4.2 The *Real* and the *Actual* Worlds in *Finnish* unit: *operational* work environment

This section presents intended and actually available *operational (with focus on functional teams)* environment in MKMC Finnish unit within which individual embedded cases' were embedded.

City A comprised highest amount of top-level and other managers, who were easily approachable and ready to discuss strategic and operational matters. In the office in *City C*, there were located only two middle managers while majority of the members were non-management employees, who belonged to approximately five teams, spread around Finland. The two middle managers were taking care of administrative issues, if needed; however, actually everyone worked autonomously according to the needs of their virtual functional teams. Thus, even, if foreign colleagues were visiting the location, functional teams and visitors were mostly on their own and interacted only on the matters of work-related issues, if such occurred. Some informal interaction with foreign visitors might have been organized, but only within the functional team visited. This resulted in employees being exclusively focused on their virtual functional team tasks:

Interviewer: *“How do you feel about this distance that your line manager is away and another manager is here?”*

Interviewee 17: *“Well I don't see it has any problem, we have Skype and stuff like that. So doesn't really matter to me, because basically at the end of the day I don't really need to. All I need to know that where is my place*

to sit in when I come to work, so don't need to basically know most about what others are doing around other departments. (City C, Finland)

There were several line managers located in *City B*. Most of them were appointed to this position after having worked as employees in the team, or they moved to management position with some of their colleagues from the earlier job in the other company; accordingly, they had friendly, yet professional relationship with their teams. One TMT member, Head of Business Area A, was also located in the office. Despite of not having his own direct subordinates, this manager was actively interacting with everyone and uniting for internal and external cooperation, i.e. for 'Working as 'One Corporation''; consciously addressing employee concerns about the corporate strategy, and neutralizing opposition, when needed:

"In Siberia, I started to complain, (that) I have no time to work, because I'm sitting in the Skype from morning till afternoon and I'm talking with people. [...] So it's short meetings, five minutes, 15 minutes, and five minutes to half an hour, I'm giving them support. [...] And so, Hugo (Head of Business Area A) said: 'that's what you are hired for. Maybe you know a lot to support.' And then I said: 'okay, yeah. [...] I don't just say 'do like this'. I explained why you have to do like this so that they can do it themselves in the future and that takes a little bit more time, but in the long run they learn new things also'" (Int. 13. Employee, Finland, City B)

This has additionally strengthened the cooperation between the managers and employees and reflected on employees openly discussing with managers their interest to cooperate or not with other disciplines and countries; and at times even strengthened their willingness to work with others outside their country, office, or discipline.

9.4.3 The *Empirical World* in *Finnish unit: strategic and operational work environments*

This section presents *experiences* related to strategic and operational Finnish unit environments and consists of two parts. First, based on 'Organizational climate and employee satisfaction survey 2016' experiences at Finnish unit level of analyses are presented. Second, based on interview data, perceptions (unit level of analysis represented by individual level of measurement) regarding MKMC strategy and its implementation are discussed.

Organizational members in *City B* had highest motivation (4,22/5) in entire Finland (3,65/5), and in some specific issues, even in entire MKMC group (4/5 on

average), as well as very good understanding about, how individual work contributes to MKMC success (4,5/5). City B had highest scores related to line management in entire MKMC group (4,3/5 on average): meaning that relationship between line managers and employees were really good, employees trusted their line managers, could discuss issues freely and approach for solution, if problem occurred. However, evaluations on information flow from management to employees, and from employees to management; perceptions that company strategy and future outlooks were clear; and that cooperation globally worked well were even lower than at MKMC level (on average 3/5). In City A situation was somewhat similar, but with lower grades (below 4 and below 3 respectively). Finally, office in City C, on the contrary, had low grades for motivation, inclusion, leadership, efficiency in decision making (3/5 on average), and very low evaluations for information flow between management and employees, clarity of MKMC goals, cooperation between different teams, and ability of TMT to make right decisions (2,5/5 on average); however, relationship and work with line managers and work within own team had considerably good evaluations (4/5 on average).

Further text elaborates on how meaning of corporate strategy, strategy communication process, key strategic messages, and strategy implementation process was *perceived* by individuals within Finnish unit.

Meaning of strategy

In Finland, most of the interviewed employees and managers, were evaluating strategy through the lens of their *functional position*. Employees, who belonged to engineering-related functions, were interested to know about the strategy so that they could judge, whether MKMC is doing well and whether they will retain their job; what projects are coming and whether these projects will warrant the sufficient workload. Overall, corporate level strategy had little importance and meaning to them:

Interviewer: “*What's the reason that you want to know about strategy?*”

Interviewee 18: “*Well, it will be bad if like, I have to live in like, let's say in the dark to not know how MKMC is doing. If it's like, if they don't let us know that MKMC is doing bad that they might have to like, fire some people. So, that will be very bad because I wouldn't know about it but if they let us know, then I kind of like do some pre-emptive actions like start looking for another job and stuff like that so... of course it's important that we know (the strategy).*”

Interviewer: “And if they would say that MKMC is doing good?”

Interviewee 18: “*Don't have to worry about tomorrow*”. (Employee, Finland)

Interest to know the strategy decreased even more, if employee at work was motivated only by financial rewards and did not see intrinsic motivators (e.g., Case Interviewee 17). However, if employee in engineering functional position had motivation to develop the career and become a line manager, perceptions of importance of knowing the strategy significantly increased (e.g., Case of Interviewee 19). Similarly, employees in project management functional position, whose duties were based upon developing and managing a project plan, naturally accepted that there is a need to know corporate strategy, i.e. plan, and how they could contribute to it, but mostly they were interested to know only those corporate strategy aspects that they perceived to be related to the duties of their functional position. All interviewed managers (line and top) saw high importance to know the strategy for themselves and their subordinates, particularly in order to have guidance for right actions, behavior, and decisions. Thus, *functional position* and *motivation* seemed to be two *actual* entities guiding Finnish employee and manager perceptions about the meaning of corporate strategy.

Strategy communication

Both managers and employees in Finland mostly appreciated strategy communication tools, which allowed understanding the ‘why’ behind strategy and their role in the strategy. All line managers in Finland felt that ‘middle manager day’ was the best medium for them to know about and understand the strategy. Special dedication of time for strategy; possibility to meet their colleagues spread around Finland; possibility to discuss, how corporate strategy applies to every function were the reasons, that influenced the feeling.

At employee level both engineers and project managers were also consistent in their feelings that corporate strategy presentations and corporate newsletter were good tools to know about major strategic trends and overview; however, team meetings, where line manager made sense about strategy and explained, how their team can contribute to the corporate strategy, was the best tool for understanding the strategy. Nevertheless, in City C office that lacked overall presence of management, live corporate strategy presentations given by the TMT for some employees had additional meaning:

“I think it’s good that there is some leading role guy from the company who is coming. Maybe he cares what we think and he wants to come here.”
(Int. 20, employee, Finland, City C).

Strategic messages

It appeared that *actual strategy* for Finnish ‘organization’ had large influence on how managers and employees perceived key strategic goals. 8/11 interviewees below TMT in Finland named profit and growth as an overall key goal of the MKMC corporate strategy. One employee (Case Int. 13, City B) was sitting in the same office with Head of Business Area A, who was spreading around ideas about ‘working as ‘One Corporation’” referred to *real* corporate strategy and reported corporate strategy identically in line with the views of that TMT member. All employees in City C, who were virtually interacting with their line manager (located in City B) on the daily basis, reported and explained strategic goals in a very similar manner as their line manager. Finally, top and upper middle management perceptions about key goals of corporate strategy were significantly influenced by their function: Project management function – local high-quality services with efficient global cooperation; Marketing and Communication function – growth by expanding customer base; HR – ‘working as ‘One Corporation’” to support local high-quality services with efficient global cooperation; Project Operations – profitability.

To conclude, in Finland, *real* MKMC strategy and its corporate communication tools had little influence on perceptions about the key strategic goals. At the TMT and Finnish unit upper management level, functional assignments had the highest influence on what interviewees considered to be as the key corporate strategic goals. At the middle management and employee level understanding about the key strategic goals depended on individual social interactions via arranged strategic tools (e.g., manager-manager interactions: ‘middle manager day’, or line manager-employee discussions) or interactions with managers due to specific location (e.g., sitting in the room with the manager). Almost all the interviewees expressed strong support for current MKMC strategy and positive feelings about it; however, one employee, one line manager, and one top manager have raised the concerns that strategy is strongly business focused and gives little attention to people in the MKMC.

Strategy implementation process

The biggest gap in experiences about the MKMC strategy and its implementation was due to the actual *gaps between the strategic and operational work*. First, middle managers at lower organizational levels felt that their goals are less abstract and more work related; thus, they felt like having power to influence strategy implementation and behave strategically (e.g., Case 14, Finland); whereas more abstract goals of upper middle management did not feel that attractive. Second, strategic line organization in MKMC did not represent fluid structures of operational work environment; thus, strategy and its entire implementation process was lost in operational work:

“This is the project house, everybody is working on projects. All the people that you see in the line organization, they are not working with their (line) manager. They are always working in a project, that's all we do. And the project managers, they do not know the (target lists) of the teams, or the targets set in the (functional) teams (according to line organization).” (Int. 12, Finland)

“We were discussing with different disciplines heads in India and nobody was aware of what (target lists) we have in Finland, or what we are developing in Finland. They have no contact, or they have contact with the discipline heads in Finland, but it is only in operative level. How many hours in project, what kind of resources we will need for certain project, but no focus on the development itself, how the discipline and how the services should be developed.” (Int. 7, line manager, Finland)

The later was suggested to be solved by requesting line managers to devote separate time for strategic discussions in addition to operative work arrangements; however, these activities were not happening.

The gap between abstract MKMC strategy and actual operational work reflected at the operational level experiences, too. Even employees, whose strategic behavior was recognized and appreciated at all organizational levels, including TMT, were not confident, whether they are actually contributing to the strategy. The strategy was perceived as something ‘big’ in comparison to the ‘small’ efforts employee could make while implementing it:

Interviewer: *“How do you see your role in strategy implementation?”*

“The best I can do [...] I would seek for the new opportunities for getting extra work from customer, or even getting a new customer. [...] Well,

those things are not big in this company level, but I see that it could be the start at least" (Int. 19, employee, engineer, Finland)

"If you are really honest, when you are looking at those nice graphs in those meetings you think 'oh shit'. It's so high-level, so... how can I have some influence in these and how can I do this? It's a little bit I must say high-fly for the people, if you don't break it down to some more realistic, or not realistic, but something that everyone can see, that okay this is my contribution to this" (Int. 9, employee, project manager, Finland)

However, if employee had unique qualification within the functional team and was aware that no one else can do the job employee is doing (e.g., Case Int. 20, Finland), then feeling of ability to influence strategy implementation and feeling of behaving strategically was significant.

Further, although *target lists* were intended to be the main tool facilitating strategy implementation and guiding strategic behaviors, the role and importance of it were perceived differently. First, despite the long tenure in the MKMC, some managers expressed concern that there were no training on strategy implementation *process* until recently. On one hand, all managers agreed that target lists are helpful to set strategic focus and break strategy in more precise actions at all organizational level. On the other hand, the way target lists were *actually* made and used, caused critique and doubts about their effectiveness in guiding strategic behaviors:

"I think this year when we did this (set the targets) was the most clear, what to do next, how it is listed down. It hasn't been (clear) for me during the last 3-4 years. In my opinion, we must remember that the strategy we have and this (target list), there are something else in between also." (Int. 15, middle manager, Finland)

At employee level, targets in target lists were still perceived as too abstract in the light of their team's operational work, even, if all team members were given opportunity to discuss targets with the line manager and among the team as well as suggest their own inputs. Some employees felt that targets are hard to set and follow in service production. Moreover, that their individual targets are extensively influenced by the work of others and, therefore, cannot represent their own strategic behavior or contributions:

"So because we are selling heads actually in this company [...] it's brains who make them services. [...] It's difficult, if you have a computer or a machine you can set it on some certain target and then it's produce something. I think it (targets in target list) can be achievable, yes. But it's

a long... maybe it's starting from very beginning of the sales and so on. So it's a long chain of actions that can influence on the end results" (Int. 9, employee, Finland)

Furthermore, if MKMC management and line managers perceived *development discussions* as a tool via which employees receive guidance, how to apply MKMC strategy in their daily work; employees perceived development discussions as their 'personal development plan' and targets given were for their development rather than the support for strategic operations of MKMC (5/6 employees):

"We just set some new goals for next year and not much else. It was more about personal strategy. Development discussion... because we were focused on me in that so, not MKMC, just me. So it's also like a strategizing, how I should develop from here, what are my goals" (Int. 18, employee, Finland).

Finally, despite of having financial system to encourage and support strategic behaviors according to the set individual targets; many managers and employees (6) claimed that verbal *appreciation* is much more important and encouraging:

"The company needs also to appreciate your work and let's say, it's good work, now we have reached this target. Then if you don't get it, you feel that nobody cares about my project. [...] although not all parts in the project has been successful, still I think the management need to support for, because we have a big project here and we have maybe a customer that will come back to us" (Int.9, employee, project manager, Finland)

Thus, although appreciation from managers for at least partially reached targets was not included in initial set of entities that enable strategic behaviors; this entity is now included as entity in Table 18.

9.4.4 The *Real* and the *Actual* Worlds in *Indian* unit: *strategic* work environment

This section presents intended and actually available *strategic* environment in MKMC Indian unit within which individual embedded cases' were embedded.

Strategy

Indian unit was following the corporate strategy. Based on it, the Indian ‘organization’³⁷ had an execution role due to the lower costs of professional wages in comparison to European units. This fact that India is a ‘low cost’ unit was extensively discussed in MKMC corporate strategy. Due to the latter, Indian ‘organization’ was a key variable in global delivery model, which sought to have local expertise near the Western customers and global resourcing (largely meaning low-cost Indian resources). While discussing Indian unit strategy, MKMC members in Finland, at various organizational levels, few times used the word ‘cheap’, but mostly referred to ‘low cost’, and set priorities in target list to ‘shift work to India’ for reducing the overall delivery costs.

In India, word ‘cheap’ or ‘low cost’ was never used while discussing the strategy. Overall, local management team (LMT) referred to Indian unit as ‘implementing unit’; however, descriptions among higher-level Indian unit management varied, depending on the person. Interestingly, Indian unit role by LMT was frequently described with reference to longer time period. For example, by stating that *recently* unit lost strategic power, but *earlier* unit had larger influence in corporate management; or that Indian unit used to be a small ‘back-office’ of Finland, but over the years had grown organically and gained weight in the group. Whatever story about the unit’s strategy was told, some of the facts always were meant to emphasize size or importance of the Indian unit. Thus, despite having documented corporate strategy about India being unit for ‘cost-efficient’ operations of the MKMC group, this fact was accepted and described differently in the MKMC group. In Finland, this strategic intention was extensively elaborated verbally and in written plans as well as target lists; while in India it was intentionally swept under the carpet or embellished. In local Indian market, MKMC Indian ‘organization’ was employing different corporate HR management strategy in comparison to other foreign MNCs. MKMC offered slightly smaller salaries than average in the employment market, but offered long-term employment, whereas other foreign MNCs in the industry preferred offering higher salary, but short-term, i.e. project-based, employment.

³⁷ Units in MKMC were referred to as ‘organizations’, e.g., Finnish ‘organization’, Indian ‘organization’, Russian ‘organization’. Such term allowed reflecting structural complexity of the units. For instance, it was frequent that within the same country unit, drawn as one structure ‘on paper’, there has been several offices in different geographical locations; also, that when needed, own resources were supplemented by hiring other local partners, who worked together with MKMC local team. Thus, further in the Findings’ text, term ‘organization’ will be used interchangeably with the term ‘unit’, in order to better reflect actual reality of MKMC units.

Structure

Indian unit was the largest unit in the MKMC group by the number of people employed (over 500). It consisted of several locations in several states, with one office being named as 'head office'. Nevertheless, similarly as in Finland, India had a single country 'organization': line organization, which was not differentiated by physical location of organizational members³⁸.

Strategy Communication & Implementation Process

In Indian unit annually there was organized at least one (frequently two) large gatherings for all employees working in one geographical region, usually defined by the state. The purpose of the gathering was to review Indian unit and MKMC group performance, explain expectations of MKMC owners, and inform about the plan, i.e. strategy, how performance will be improved and expectations met. During the event in the first hour, Country unit Head and some LMT members were giving their statements; CEO of the MKMC group was presenting corporate strategy (Country unit Head, if CEO was not present). Later, employees at any level were expected to give questions and "*poke the strategy for understanding of the strategy*" (LMT member). Question-answer session in such event could last for around an hour. Additionally, after the strategy information event followed the celebration. Strategic updates in India unit were also placed in internal information system and followed by internal e-mail sent to everyone in the unit by the name of the CEO.

Strategy implementation in India, according to LMT, consisted of three steps: strategic plan for three years; target list for one year with divided goals to each quarter; and budget planning, built upon the strategy and yearly target list. These steps were followed from the establishment of the unit.

"So the employees knew, they have grown...especially all the MKMC employees in India...they have grown with this strategy-(target list)-budget, they have grown with this. So they are expecting (it) every year"
(LMT member, India).

³⁸ Managers, who were interviewed in this research, were located in two locations: the main office in City N and the other office nearby; while most of the interviewees at employee level were residing in the office nearby the main office. One interviewee at employee level was located in the office in the other Indian state; thus, was interviewed online.

Indian unit had strict rules with clear responsibilities in terms of the three-step implementation process for cascading the corporate strategy to every employee. Thus, once the country unit target list was complete, departments had to finalize their target lists and conduct development discussions upon them by the end of the first quarter. HR function was responsible for the process and closely followed line managers, who were reporting³⁹ to the HR about the process of handling development discussions and delivery of individual target lists. Moreover, middle managers in India have received instructions (presented by Global HR manager upon the request of Indian unit HR manager) on performance management process. The latter presentation content explained entire process of performance evaluation, competence development, expected performance levels, target setting, etc., and additionally provided supporting slides that explained connection between corporate vision, mission, key strategic goals, success factors, and performance indicators:

“In the end of the day whether this is happening as per what is being decided is taken care by HR as well as the management. So if this is not happening as per what we have decided, then HR gives an alarm to the management, local management that ‘see this is not happening, it should happen in this way’[...]. Then it comes from the management to the line manager or to the HR department [...]. So this is how these target cards are set where right from the employee till the top management everyone is involved directly, or either indirectly.” (Int. 22, LMT member, India)

The process of conducting development discussions was given significant importance not only because Global HR manager introduced it to the local middle managers; but also, because upper middle management created hype about the process by exposing certain behaviors. For example, managers were allowing subordinate to discuss own performance even if that opposed opinion of the manager; managers were showing extensive support to subordinates who wish to achieve better performance evaluation and established actions supporting individual improvement; managers were concentrating only on subordinate issues during the development discussion. Finally, despite of the large size of the Indian unit and corporate system that allowed choosing between individual and team discussions, every employee was given *individual* development discussion. These behaviors in Indian culture context were not typical, since subordinates, particularly at the non-management employee level, are typically given less respect and importance in the social and organizational hierarchy:

³⁹ Reported without having official reporting line in the organizational structure. HR was the owner of this horizontal process; thus, line managers were reporting to HR based on the process agreement rather than based on the actual unit structure.

“If once my line manager arranged my development discussion, then I will be automatically clear what are the targets of the organization. When the target came from top management it comes to him, the same target should come to me, then ways to achieve that target, what targets I need to delegate or give to down the line thing, I am aware. So that way development discussion happens. [...] (we) book these type of rooms there nobody listens to us other than we. So that we can freely say what you want to say and there we discuss [...] But then it should be mutually agreed together both the parties. Target should not be forced, those should be analyzed by both the party, these are the target which are really possible which are measurable and which are reasonable and which are reasonable to achieve by the person who is sitting away to you. [...] I need him to get motivated. To me if he (my line manager) say these are the two points which there you need improvement, I immediately accept it, absorb it and start working on that because he is helping you in the best line, he is putting the training, he is nicely putting the targets, or next time he is putting the action plan for you to you improve to get 10 out of 10. [...] I'm happy with my discussion is going on and I'm also happy when I discussed with the people for their thing [...] Even he is my line manager, he was taking my development discussion (as priority), his mobile phone rang and some client was calling him, he asked my permission, whether I can pick the phone in your development discussion ‘if you say no, no problem we will concentrate on only your talks’. That seriously it was!⁴⁰ And same was instructed to me that when I take development discussion for my team I should have only that person who is sitting ahead of me. By doing that only you will come to what your team is thinking [...] so it is good that here it is going very positively and seriously and you see these things will go seriously it will always do improvement for the department” (Int. 25, lower middle manager, India)

Every level of management (LMT, section heads within each discipline, team leaders) had monthly meetings to discuss ‘strategies’⁴¹. Thus, ‘strategies’ to reach the corporate strategy were discussed at least once a month at unit and middle management levels by sharing responsibility among the team. It was noticed by several LMT members, that LMT meetings on strategy were conducted by all managers *together* openly discussing their goals, plans, achievements and places for improvement; every LMT member could provide insights and suggestions for

⁴⁰ It is very common that meetings and discussions in India are distracted by various people or activities emerging ‘on the spot’. Thus, manager being entirely concentrated on individual without ‘taking in’ emerging activities shows huge respect to the employee.

⁴¹ The choice to use plural term ‘strategies’ is explained in Section 9.4.6.

the colleagues. The latter practice made LMT members “*equally responsible*” (Int. 21, LMT member, India) for issues within the entire unit, not only their function.

Unit Culture

Unit culture represented a mix of Indian and Finnish cultures. On one hand, managers were very strict and demanding to their subordinates; following performance in details; testing employee knowledge over the meetings; and maintaining hierarchical sequence order while handling issues in the office. On the other hand, organization was really ‘flat’ (comparing to typical Indian culture hierarchy) and was run on informal, open communication and friendly relationships. For example, employees were frequently referring to their managers by the first name; higher rank officials may be named by their job title, e.g., HOD – head of department; only seldom adding supplementary title ‘Sir’, common in India. Managers and employees were sitting on the same floor. In spite of managers having their small office cabins, they spent large amount of time walking around and discussing with, facilitating employees, instead of being near their own desk. Thus, cross-rank interactions were ongoing:

“We can approach our (Country Unit Head) anytime. Even first year, when I came for interview, Abdul Rahim (Country Unit Head) told me ‘I don’t know what is the culture you had in (your earlier company), but here it is a very open system. You can call me at anytime, or call anybody’. So that is really what I saw in my career these five years or so.” (Int. 23, India)

Unit culture largely shaped *manager-manager and manager-employee interaction* within the Indian ‘organization’. Employees viewed their managers more as mentors, seniors, who can guide them, rather than oppressive ‘bosses’. Indian unit members knew that they are welcomed to approach their managers by any question (work-related or personal) at any time. Although, everyone recognized the need to start enquiry from the bottom of the hierarchy, equally employees were aware that they might be redirect to higher-level official directly without lower-level manager having discomfort about this action. Operational level managers acted as ‘fathers’: they were deeply involved in every employee’s professional and personal issues and tried to handle high work load and demands while offering personal help and support. Finally, during the celebration part of strategy communication events, regardless of the rank, employees were welcomed to approach any official directly, even if it was the CEO of the group, Country Unit Head, or any other high-level manager. Managers and employees were traveling in

the same bus to the location, where the event was held. Such organizational culture was rather atypical to hierarchical Indian country context.

Furthermore, high emphasis was placed on giving respect to each other regardless the rank. For example, all managers followed strict rules to publicly elaborate on appreciations, while give negative feedback only in person. Thus, respect to any level employee was maintained without exceptions, even in the cases of bad performance. Employees were encouraged to bring suggestions and ideas to managers, even, if employee was fresh graduate, who just entered the company. Every suggestion was listened, discussed carefully, and manager, while taking in employee argumentation, made decision. If suggestion was not implemented, clear explanation with deciding facts was given to the employee or their group:

“There is no any boss culture here. Everyone can talk anytime and what about any new ideas. Definitely we will always take it as a positive. Current youngster, they have lot of ideas actually, if you see, when we have done our graduation, we are almost now 15 years back. And now these are hi-tech guys. So they know many things, what new things are in the market, because the education system is changing every decade. So we are asking them ‘you tell, what the things can be improved further here’. Or ‘what are the smart tools there, which we can further implemented’.” (Int. 24, middle manager, India)

“Leadership is a service. (Someone) said that ‘don’t think about the business, think about the people, people think about the business’. They will grow your business. So think about the people. Means, we have to take care of the people, take care of the employees.” (Int. 36b, team leader, India)

“Tremendous exposure to work technically, to work with such a great team, managers, section managers, working environment to have a discussion with clients also. So basically, it was a good experience at a basic stage, because MKMC is my first company. [...] we had a direct approach with our line managers, and with our team leads, with customer representative, - we had direct conversation. So we used to come to conclusion[...]rather than stretching up the problems, we had an immediate discussion of solutions, or whatever maybe that we should take up.” (Int. 43, employee, engineer, fresh graduate, India)

Pervasiveness of such organizational culture, explains why employees were feeling free to question even the top-level managers in strategy communication events. However, LMT also acknowledged that some employees were struggling with

integration in such organizational culture and followed more local way of working (e.g., obeying hierarchy without questioning, following the orders rather than bringing initiatives). Managers were aware of these challenges and were continuously working on member integration to MKMC India organizational culture.

Interestingly, despite MKMC India was not offering high salaries in comparison to overall industry level in the market, people were willing to work and remain in the MKMC India. Unit had slightly more than 10% attrition rate (20% average industry level) and unit celebrated the cases when employees were laid off during downturns and above 50% returned back, when economics got better. All these indicators showed high employee attachment to the MKMC India.

9.4.5 The *Real* and the *Actual* Worlds in *Indian* unit: *operational* work environment

This section presents intended and actually available *operational* environment in MKMC Indian unit within which individual cases were embedded.

While communicating daily tasks and strategic updates, managers in Indian unit payed a lot of attention to the *practices*, how it is done. Managers were not ordering/assigning to do some task, but kindly requesting their subordinates ‘for help’:

“I need some additional strength to achieve this target, so I go to the team members, then I say ‘guys can you please help me I need everyone's two hours of work for the day. Now it's 6:00 o'clock up to 8:00 o'clock [...] seven eight people are there, each one of you contribute for two hours, one-two work will be done’. And they say ‘yeah, so no problem’. So, means they leave whatever their plan for their home or like that maybe, it's like that. And no forcing, I just say can you – friends - can you please help me out, I need two hours of each” (Int. 37, team leader, India)

All middle managers and team leaders were aware that any negative news must be delivered in a softer manner and while sharing positive aspects. The best example, which manifested pervasiveness of those practices, was the way local management in the unit turned financial pressure to reduce cost into a story of willingness to address heavy overwork in Indian unit:

“I am not giving time to family maybe, most of the people demotivated about working so much. [...] Even we have now made one rule along with

the manager, this is strategic decision now. [...]that nobody will stay here after seven o'clock." (Int. 38, team leader, India)

The story about managers encouraging employees and their counterparts to stay at work no longer than up to 7pm so that they could go to spend more time with their families was recited by multiple individuals in the unit. Whereas in the interview with one LMT member it appeared that due to the pressure to save costs in Indian unit, air conditioning system, which generates large electricity cost, should be switched off for longer time. It was estimated that keeping AC system working when few people are still in the office during the evening is not cost effective; thus, the 'cost saving story' was turned into 'employee caring story', strengthening overall feeling about positive manager behavior at employee and middle management level.

Furthermore, managers in *manager-employee interaction* were putting large emphasis on individual responsibility and ownership of the tasks given and the company itself, while engaging in behaviors that encourage the dedication:

*"What we have seen is, if really people or a team puts lot of efforts. There are even lot of sacrifices which people will make, so that we have quality and on-time delivery [...] we were working **with our engineers** sometimes up until 10:00 o'clock, 11:00 o'clock in the night [...] from recent example also, we have one lady, she needs an operation [...]. She can take a decision. [...]she's leading one of the projects. She told that 'the doctor has given that it can be postponed, it is not an urgent operation'. She is telling 'I will not go till I complete this duty'. [...]one of our checkers, who is the main checker, his son was ill. He got admitted, but after doctor said 'it is okay, he will recover', he re-joined immediately. And we're surprised why he has joined office. [...]And this comes when everybody is working together as a team."* (Int. 23, middle manager, India)

Thus, such behaviors and feelings were cultivated by utilizing collectivistic approach, where *everyone*, i.e. both managers and employees, gives individual sacrifice for a common good.

9.4.6 The *Empirical* World in *Indian* unit: *strategic* and *operational* work environments

This section presents *experiences* related to strategic and operational Indian unit environments and consists of two parts. First, based on 'Organizational climate and employee satisfaction survey 2016' experiences at Indian unit level of analyses

are presented. Second, based on the interview data, perceptions (unit level of analysis represented by individual level of measurement) regarding MKMC strategy and its implementation are discussed.

Indian Unit had extremely high overall evaluations in Organizational climate survey. Almost all responses were above 4/5; while lowest overall evaluation was 3,84/5 regarding the recognition for good performance. Therefore, evaluations were as follows: motivation (4,39/5); having knowledge, competence and attitudes to accomplish the duties (4,66/5); knowing that own work contributes to company success (4,66/5); goals being clearly communicated (4,20/5); line managers having clear view of the company targets (4,37); multiple issues of relationship with line manager (4,2/5 on average); aspects of team work (4,3/5 on average). Even Global and cross-disciplinary cooperation was evaluated positively (4,19/5). Few lower evaluations were given for the aspects such as: knowing who is deciding on what (3,98/4); reasonable work load (3,9/5); company strategy being clearly communicated to employees (4,08/5); future outlook being clear (4,06/5); information flow between managers and employees being good (3,89/5 on average); and decision making being efficient (4,02/5). Thus, overall according to the survey, Indian unit was happy, motivated, was aware of the strategy and could have had only slight improvements regarding the information flow between managers and employees, workload, and good performance recognition.

Further text elaborates on how meaning of corporate strategy, strategy communication process, key strategic messages, and strategy implementation process was *perceived* by individuals within Indian unit.

Meaning of strategy

Meaning of strategy in Indian unit was significantly different in comparison to perceptions shared by Finnish or Russian interviewees. First, the emphasis regarding company growth was placed not on the strategy as such, but on the *leader*, who carries a vision:

“In India people look at the leaders (not strategy). [...] Right now you see that we have a new (political) leader. [...] he got elected because people didn't believe in that party, people believed in that person. It's very clear, if the leader is strong then it works, if leader is not, Indians will not support that, they're very clear with that, because that is how we have the culture. Infosys, for example, it's one of the top IT organizations in India. And when Mr. Murthy have resigned there because of his age, it was a big

problem that company was not able to go to the next level. They had to bring him back and now, when he is back again, then things are smooth. He is just there for the namesake. But still he is there. And once he is there, then everything is fine. [...] Any organization, your top people, your leader should be very strong, or Indians will not either support him, or take their own decisions what they want. But if organization has to grow that is the most important thing in India.” (Int. 35, LMT member, India)

Once people legitimized the leader, strategy was also considered as good and correct one; thus, was ‘respected’. Moreover, legitimization of the company leader meant that s/he is taking decisions for the good of the company and for the people working in it:

“We feel that MKMC is our own company, whatever they can put, it’s like our own company, that ownership is there and that is inculcated from the top from Jukka (CEO), from Abdul (Indian Unit Head), especially in India” (Int. 28, LMT member, India)

“Whatever the strategy decision is there, firstly we are respecting that [...]. Every strategy what has been made, definitely that is all for the benefits of the company only. [...] strategy and vision, these two points are like a God for us. Means, we have to respect them. Because strategy will make you improve in you, it will teach you lot of things. [...] because every time you know that you are towards the target, or away from the target.” (Int. 24, middle manager, India)

Overall, discussion about ‘strategy’ or ‘strategy making’ in India was highly attached to Indian culture, history, and metaphors deriving from them. The cult of the leader and leader following the ‘great traditions of management’ were given much more importance than the strategic goal itself:

“That is good, the initiative taken through by our section manager Aditya, because he has been appointed as section manager through grass root. [...] when Aditya started his career as a section manager, he made Navaratna -- I don’t know if you know -- Navratna means like -- This Akbar -- you know Akbar, great king Akbar. He has team of nine (people) with different specializations, Birbal and all. And he learnt this all business, all this kingdom through those nine persons. [...] So here, he (Aditya) has appointed some seven to eight guys, instead of taking all control himself he has shared his activities” (Int. 38, team leader, India)

Finally, within Indian unit at all organizational levels any plan was a labelled as 'strategy' and the terms were frequently used interchangeably:

"This (corporate) strategy has a second level as (target list). These (target lists) are further divided for each countries, which are then further divided for each departments, and further divided for each sections. So, each section has a strategy to reach the ultimate global strategy. So, if you go to document management system, you will see there are thousands and thousands of strategies or (target lists) which are actually working on a quarterly basis. People are really working to meet the strategy at the top. So, it's not that there is only one global strategy. [...] That is real strategy implementation." (Int. 39, LMT member, India)

"In news we're getting particular strategy for some particular project. So, some meetings, HOD's, our mangers they are arranging meeting and taking meetings for project. So, by that means also we're getting information (about strategy)" (Int. 47, employee, India)

Team plan/ individual development plan/ project plan/ list of quarterly goals/ corporate strategy document/ unit strategy were all considered to be 'a strategy', i.e. certain level of the main corporate strategy, but never something that is done without connection to the corporate strategy and MKMC goals, reflecting *holistic approach of thinking* traditionally dominant in India (Malik, 1998).

Strategy communication

In Indian 'organization', confirming the importance of leader presented above, all LMT members and middle managers, who were interviewed, described strategic information flow in almost the same way as it was described by the Indian Unit Head. The strategy communication process for them was clear-cut: strategy is made by the CEO/Board of Directors/Consultants, discussed with the Indian unit Country Head, who further discussed strategy with the Local Management Team comprised of function heads; Function heads explained strategy to discipline heads, and discipline heads together with the team leaders delivered strategy to every employee. In addition, managers were mentioning the yearly gathering, where strategy was presented for all local unit members, as a communication tool about strategy especially useful for management to connect with the 'ground level people'.

Team leaders and employees (in both engineering and project management functions) named many more sources on how they received information about strategy. Their list comprised corporate and local level newsletters, corporate magazine, internal information system and various sets of publications shared in it, yearly gathering where strategy was presented for everyone in the unit, and meetings with their line manager. However, many employees were also well aware of the entire process of strategy 'travelling from the top to the bottom' of the organization, since this process was explained to every new employee during the induction.

Out of 23 interviewees in India, 19 claimed that *discussion* with the line manager/superior/ project manager or in team meetings helped them best understand strategy and reasons behind them. Seven interviewees who also named yearly gatherings for strategy presentation as helpful tool to understand strategy, emphasized possibility to give questions and discuss strategy during the event, network with colleagues and managers, and understand, how individual efforts reflect in bigger picture of the corporate achievements. Only three interviewees mentioned that target lists help them to understand strategy. Thus, variety of tools to communicate about strategy were appreciated and served for raising overall awareness and trust that company is transparent with its members, but live *interaction* meant to explain and clarify strategy were seen as best for understanding the strategy and getting convinced about it.

This finding is somewhat surprising considering hierarchical Indian culture context, but less unexpected considering Intended corporate and Intended/Actual Indian unit cultures. Many Indian unit members were convinced about their capabilities to *question* even corporate level strategy and *debate* about it with line manager or in corporate company events, in addition to being explained about corporate and their function goals. This tendency was particularly visible in project management function and among senior employees in engineering functions, while juniors were more ready to give their suggestions on technical rather than strategic issues.

Strategic messages

In Indian unit, two issues dominated the list of perceived key strategic messages:
1) real corporate strategy described in the first page of the corporate strategy

document and 2) one operational level goal ('doing Y consulting projects'⁴²) set for that strategic year. Most of the managers mentioned at least two key Actions & Goals from the first page of the corporate strategy document, while some were comprehensively explaining almost entire first page of it. Out of all 23 interviewees, five mentioned 'Working as 'One Corporation'' as one of the key messages in MKMC strategy, two more referred to global-local way of working, and one mentioned Indian unit utilization for global cost efficiency. Interestingly, out of 23 interviewees, eight mentioned competence development as a key corporate priority. This has never been mentioned by Finnish or Russian interviewees. Many interviewees at employee level were also mentioning points documented in corporate strategy, but their major focus was more on a shorter term business-related goals: out of 11 employees, six mentioned 'doing Y consulting projects'. Out of those six, four employees mentioned it as the only key strategic message in MKMC.

Thus, while LMT and middle management in the Indian unit were reflecting more on the real corporate strategy, operational level priorities were dominant at employee level. Everyone in the unit directly or indirectly expressed their support for company's strategy, even, if some LMT members mentioned their discomfort about the way India is portrayed in it. Indian unit member felt uncomfortable about being named as 'low-cost resources' in the corporate strategy. This seemed to be illogical to them, because all Indian 'organization' members were highly qualified engineers, experts in their field:

"Cost is important, but when you are working, you also need those people who understand the quality that Europe is demanding. [...] So you can never get the low cost thing. Thus, it is not always good to compare India as low cost. Because that is something people don't like back here. [...] This mistake people every now and then make. Especially from Europe. They always think this is low cost. It doesn't really add value" (Int. 39, India)

"(We are) consultants. It means that you have to give the solution, which customers don't have. That's why they (customers) come to you. [...] Everyone is treating you as an expert. When they're coming, they surely know, that there is a better solution from you. Same like a doctor, when you go to any doctor you are confident, that 'when I go there, I will be treated here'." (int. 24. India)

⁴² specific name of the strategic goal is changed due to confidentiality requirements; however, main idea of the goal is preserved

First page of the documented corporate strategy, to which interviewees in India were referring mostly, did not differentiate India as a unit with cost-effective resources, only mentioned that *all* MKMC units should work and deliver the expected as one team. This might have been the reason of their focus on general goals instead of discussing the role of Indian unit or further pages of the corporate strategy document, which specified Indian unit role in the group. Some middle managers referred to ‘working in smart way’ for increasing efficiency, instead of talking about the need to keep the costs low in the unit, possibly using the same practices to focus on positive issues, described earlier.

Thus, perceptions of strategic messages were noticeably shaped by *actual strategy implementation and communication process within the unit* aligned with local context. Indians, at all organizational levels, understood strategy very well, but deliberately chose to diminish or bypass certain parts, that made them feel uncomfortable. Instead, they were wishing to be respected counterparts, while ‘Working as ‘One corporation’; thus, Indians chose to interpret strategic statements in a way that maintained their self-respect as experts and gave emphasis on the strategy parts, where India is equal to other units in the group.

Strategy implementation process

Strategy implementation in Indian unit was perceived to be as shared responsibility at all organizational levels. With minor variations, all interviewees in India agreed that it is important to know at least the major points of the corporate strategy. These ideas were frequently enforced by sharing examples of certain expected behaviors or telling metaphorical stories, which should have ascertained shared believes:

“Yes, I think it is important. [...] I will just give you a small example. [...] you know the Taj Mahal in India right? [...] So the story goes like this. There is this man, who is trying to cut a stone, a marble. He is asked to cut the marble in a particular shape. So when he is framing that thing, he hasn't been told for which purpose this stone is going to be used. And he is just doing. And then there is another person, who has being given a similar stone and he is asked to create the similar kind of an art piece like this earlier person, but then this guy is told that ‘you are making it for the Taj Mahal, which is going to be one of the seven wonders of the World’. So, I think definitely this other person is going to put in more efforts. Because he knows, that his piece of work is going to be utilized for a vision that is so great. So, I think when we communicate this to employees and

if they are made to understand this quite well, so they feel that they are a part of this big strategy and vision that the company carries. So I think it is very important that they feel important and connected to this global strategy that we have” (Int. 27, LMT member, India)

Extensive strategic emphasis in Indian unit was placed on member competence development and in-task learning. Thus, large amount of interviewees claimed that they are inspired by possibility to grow, learn, develop, realize their interests, and get support from their colleagues, when challenges arise. Many unit members shared stories, how they are trained with internal resources and exchange knowledge across departments, when there are no projects to work on. Consequently, interviewed employees (7/11) perceived *development discussion* as a tool to align individual competence with company needs. Only one interviewee who joined MKMC India very recently (one year ago) claimed that development discussions are mostly about him individually; however, there were significant linguistic challenges during the interview, that might have affected the answer. LMT members and middle managers perceived development discussion as both: a tool to deliver strategy to employees and a tool to arrange individual competence development in a line with corporate needs.

Interviewees were also assuring that individual motivation to implement strategy was significantly supported by *appreciation on the good work*; however, one interviewee openly revealed, that it would be very demotivating, if increments for good performance would not be paid just because of some strategic decision (assumingly to save costs). At least locally, LMT members saw a clear link between employee performance evaluation and rewards and increments. One case, literally with the tears, shared the story, how he received public appreciation from management for the project completed and that made him ultimately committed to any goals given by the manager. Several middle managers were sharing stories, why and how they share appreciation with the team and use it to motivate them and be committed to strategy implementation:

“We share what appreciation came to us and why that appreciation came to us. That appreciation came to me, because I’m the one point contact officially as a work flow, but [...] that doesn’t mean appreciation came to me! Appreciation came to the organization, appreciation came to the each and every individual part of the organization, who played that role in that particular task, what was appreciated. That needs to be transferred down the line, so people feel very nice. They feel their efforts have been recognized, somebody is looking at their efforts, somebody is appreciating their efforts, somebody is monitoring them, somebody is

taking care of them, somebody is not using the appreciation for individual's progress, it's the whole team, and they should get benefited."

(Int. 25, middle manager, India)

Connectedness among all what was done was pervasive in Indian unit. Interviewees in India at all organizational levels had strong belief that they have the role in strategy implementation and could define what that role was. Middle managers mostly saw their role while doing 'work with people', i.e. development of team competences, team communication and way of working; applying learnings and development to daily work; knowing team members and allocating them effectively according to the tasks; listening to team members at the 'bottom of the organization' and making their voice heard at higher organizational levels. Employees in engineering function considered that daily duties they do are directly related to strategy implementation. Thus, they claimed that being aligned with the team; delivering task assigned on time and in desired quality; and development of own competences according to company needs represents their role in strategy implementation. Some employees who had managerial roles in the projects, additionally referred to the issues mentioned by Indian line managers. Employees in project management function saw themselves as a link between the company and the customer; thus, their role was to know the strategy well, so that they could share right information with both parties.

In similar manner, there was a strong agreement on the general role of manager in strategy implementation process. The perceptions about the ideal manager, who is capable to lead strategy implementation, echoed Indian unit actual organizational culture and managerial practices. Interviewees at all organizational levels considered that manager should: listen to subordinates and encourage their input while working on intended strategic goals; should make efforts to organize competence development for team members or guide them in daily duties, when needed; should inspire and motivate by sharing good and encouraging news while softening the bad news; and, finally, should trust the team and their sincere commitment to reach the goals. Unit members perceived that manager who behaved like described above would successfully achieve strategy implementation.

Therefore, despite the main tool for strategy implementation at MNC level and even among few LMT and middle managers was considered to be the target list, most of the interviewees, who commented on the issue, claimed that implementation is driven by aspects related to *manager-employee interaction*: manager behavior with employees, open and respectful atmosphere created by managers, and management attempts to balance people and strategic needs. Whereas target list was perceived as very useful technical tool to break strategy in

smaller, doable short-term actions, document shared agreement on what needs to be done over the upcoming period, and monitor the progress.

9.4.7 The *Real* and the *Actual* Worlds in *Russian* unit: *strategic* work environment

This section presents intended and actually available *strategic* environment in MKMC Russian unit within which individual cases were embedded.

Strategy

Russian unit followed the key issues of the corporate strategy; however, there were minor exceptions due to the unique unit's role in the group. All other units in the MKMC group were intended to grow organically by simultaneously serving global projects and the local market. In Russia, the unit currently was expected to remain small (with possibility to grow in the long-run) and served only global projects oriented to Russian market. Unit was not expanding and competing in the local Russian market. Thus, Russian unit was more a center of local expertise guiding the MKMC group and helping the group to serve non-Russian customers, who needed to deliver to Russian market. This meant that implementation of corporate strategy statement "Working as 'One Corporation'" for Russian unit was vital not only strategically, but also financially.

Strategy for Russian unit was written in a separate document (11 pages) designed by Russian unit Head. It consisted of first key slides taken from the MKMC corporate strategy document; and the rest being written in a format proposed by strategy consultants, who reviewed group strategy some years ago. The second part of the unit strategy was detailing the role of the unit, its deliverables to the group and for the counterparts, the way global collaboration should have worked, naming exact customers and financial details over the period of strategic plan. Thus, corporate goal "Working as 'One Corporation'" in the document of Russian unit strategy was extensively scrutinized and documented. Furthermore, goal "Working as 'One Corporation'" also strongly reflected in *actual* strategic goals of the unit and was supported by unit head. Russian unit head was supporting the corporate and unit's strategy, despite corporate strategy having statements, which from the Russian perspective made little sense (for example, Indian unit prices were not considered as 'cost-effective' from Russian unit's perspective).

Structure

Russian unit was very small (around 20 employees); thus, it did not have middle managers. Unit head was one and the only manager taking care of global and local issues. Consequently, despite of being a unit within the MKMC global group, unit reminded a small, entrepreneurial company. Within the unit's official structure resided four teams. Largest team of engineers and project management team were participating in the *Project Siberia*.

Strategy Communication & Implementation Process

Strategy for Russian unit was made upon the corporate strategic plan and the Board of Directors approved it. Despite of ability to participate in strategy and target list making, Russian unit felt as the 'receiver' of the strategy, which was landed from Head office in City A, Finland. Strategy communication and implementation scheme in the unit was rather flexible. Employees were involved in strategic discussions only, if they were not booked with the projects. Development discussions happened every now and then, since it was perceived that personal targets almost do not change. Once a year unit manager was presenting budget, company results from the previous year, strategy, and target list. Other administrative issues were shared via email. Target list for Russian unit had equal amount of targets focusing on 'Working as 'One Corporation'' and on profitability as well as local financial results (each having three targets). Thus, most of the actual implementation happened via manager-employee interactions on daily basis.

Unit Culture

Unit manager was Finnish national who spent almost two-thirds of his working time in Russian unit; while the rest of the time he was residing in the office in City D in Finland. Unit head have been working in Russia for around 20 years and had family members from Russia; thus, was entirely adapted to the local environment.

Office in Russia was small. In the main corridor, which connected all the rooms, were hanging three posters: one for MKMC Russia, one for MKMC Finland, and one for MKMC India. No strategic slogans or other corporate communication material was visible. Office was male dominated, employees who were doing sales and project work were more interacting with Unit Head in comparison to other

employees. Women were interacting directly with Unit Head almost only during the development discussions, since they were not engaged in any strategic work and during informal interactions (e.g., over lunch), despite being invited, they stayed in the office, while all men with Unit Head were having lunches outside the office. Regardless of this, atmosphere in the office felt friendly and inclusive. Unit Head attempted to maintain Finnish values of equality, moderate power distance, and freedom for autonomous work; yet, retained several strict rules about working time, place, and gave clear expectations on the deliverables.

9.4.8 The *Real* and the *Actual* Worlds in *Russian* unit: *operational* work environment

This section presents intended and actually available *operational* environment in MKMC Russian unit within which individual cases were embedded.

For Russian unit working as ‘One Corporation’ with Indian unit due to having ‘cost-effectiveness’ in global projects as described in corporate MKMC strategy seemed illogical:

“It was for five years[...]advantage, because of the price level. [...]I mean, Indian was third of the cost of the Russian at that time. Now things has changed a lot, and now from the local Russian organizations we are getting basically the same price level as we are getting from India on hourly level, hourly cost level. The difference is that Indians need a lot of support to do the design for Russians, the Russian institutes they don’t need a lot of support to do the design. So now we have here a problem.”
(Int. 32. Russia)

While working with Indian unit in global projects due to the scope of operations within similar functions that large Indian unit was able to offer to small Russian office, looked much more logical:

“Here in our (Russian) office, there are not big resources to complete big work. We should use other offices, other resources to be competitive in the market. Because MKMC gives a very good possibility. Possibility to provide good work in short time and with very high level of details and quality, because I understand in this design, (Siberia) project, there are no any big mistake was done. It was very good.” (Int. 31, employee, Russia)

Russian interviewees observed large differences in operational work practices between the units, described in the section on ‘Culture of doing engineering’. In

addition, unit was *distanced from the customer* and had weak influence on MKMC-customer relationship, regardless of the unit's role to guide other units while searching the best solution for the customer. Moreover, despite customer was buying expertise of Russian market from MKMC, customer was frequently inflexible and preferred own decisions over MKMC expert suggestions; and Indian unit, who hosted the customer's representatives, backed such behaviour. Situations like this caused tension while 'Working as 'One Corporation'', because *one MKMC unit worked 'for the customer', while the other for 'the best solution for the customer'*:

"When you are sitting in (Russia), you are thinking maybe you don't understand something. [...] When you really see something, you cannot be quite (sure) [...] there are a lot of parties. For example: Indian colleagues, like engineers, is one party; over them, there is (Customer), who is taking major decisions in its (home country), and it's very difficult, when we don't agree with their decisions. [...] We send to India (our comments), India is very much against it, because they consider what (Customer) said, it must be done like this, and we must do like this. And I say 'That it's not correct'. We are sending (comments) to India, they don't answer for a very long time, 'no, we will do...', and when you start convincing them, that this is not correct, then they are sending to (Customer). Then (Customer) discuss it for a very long time again. There were several issues, that they agreed with us, but that happens seldom, mostly they (customer representatives) say 'Do like this' and that's it. [...] To discuss something, is very difficult. Because there are a lot of undefined (structures)". (Int. 33. Russia. Translated from Russian)

Due to the situation described above, Russian office was not capable to fulfill its strategic role while 'Working as 'One Corporation'', i.e. to be a guide to the local market. As a result, Russian unit members faced challenges while approving MKMC drawings at local Russian authorities (what was one of the last steps in project delivery to the MKMC customer). The later deepened the tensions between the MKMC units, because Russian unit was demanding to complete drawings 'in Russian authority-way'. Completing drawings meant to be approved in Russian market in 'Russian way' was necessary due to the pressure from local Russian institutions and legal responsibilities that MKMC Russia unit was obliged to carry in local market:

"(Government) experts, they're not young, usually these are old people from old Soviet epoch and of course, all this new items, they're not very okay for them. [...] Because in Russia technical requirements are based on

national technical norms and standards. They are based on GOST (national standards), on our requirements. We have around 17 million technical normative acts! In the Soviet Union it was very much developed. Now, they broke entire old system, but new is not existing yet. And then it happens, that some of the old technical acts are still valid. So the system is very complicated. We don't understand it completely ourselves. There is no logics sometimes. Sometimes normative acts are written in such language, that they may have double interpretation/meaning. Sometimes, there is for example entire paragraph written about something, I am native Russian, I read it, but I cannot understand it. [...] In such conditions, they (governmental experts) are treating the matter in a way they are used to do it. They don't need to go forward, they don't care that technical things are developing. There happens the collusion between the designer and the inspections. [...] if drawing was completed in Finland, for example, Russian inspections consider it unusual. [...] For example, the same elements, but composed in a different manner. 'No, I won't confirm it, it's not according to GOST'. 'What is there not according to the GOST? Please look at the main idea, everything is there' 'No, I will not confirm it'. This is unusual, and what is unusual, I am afraid about it.' (Int. 29, employee, Russia. Partly translated from Russian)

However, despite being explained about the situation, other MKMC units remained more concerned about satisfying the customer, rather than clarifying rationale of MKMC Russia suggestions to the customer representatives.

Furthermore, while working on a shared *IT tool* in which model of the object was designed, units had challenges to track the changes and monitor the latest version of the model:

"The most unpleasant moments were connected to the method of work. This is the global problem in the company. We are talking about 3D designing, designers are doing it in (software), but Finns don't understand that we need special management in 3D. There is even profession '3D manager'. He is organizing the work of designers in 3D model. He is analyzing who is working in which programme, how is information exchange going on, put in and writes minutes/reports, we don't have this link. And it happens so, that we are trying to find these links by ourselves. In the conditions when we have tough deadlines, this is impossible." (Int.31. translated from Russian)

This created a need for having a unique *functional position* in the MNC that was not addressed.

9.4.9 The *Empirical World* in Russian unit: *strategic and operational* work environments

This section presents *experiences* related to strategic and operational Russian unit environments. ‘Organizational climate and employee satisfaction survey 2016’ in which experiences at MKMC unit level of analyses were observed was not applicable to Russian unit. Russian unit did not participate in Organizational climate survey, since it was small unit and management informed HQ that issues were taken care at once on the spot. Thus, no information about Russian unit level experiences is available. Consequently, further text elaborates on how meaning of corporate strategy, strategy communication process, key strategic messages, and strategy implementation process was *perceived* by individuals within Russian unit (unit level of analysis represented by individual level of measurement).

Meaning of strategy and Strategy communication

Despite not strictly following the intended strategy communication and implementation system, Unit Head in Russia engaged in continuous *manager-employee interactions* in which he put extensive efforts to ‘make sense’ of strategy for employees in different contexts. With sales team, strategy and targets were followed up every week, while discussing them in the context of the daily sales work. With engineers, ‘making sense’ happened by the time of starting every new project. In the project kick off, manager explained: a) why the project/customer is important (reminding about MKMC preferences of key customers), b) what has been agreed, c) why customer has chosen MKMC (reflecting on competitive advantages, including ‘Working as ‘One Corporation’’), and d) what the team should deliver. Thus, almost all interviewees in the unit had belief that strategy reflects in their daily work and that they know strategy parts, which are important for completing their work well. Employees also believed that knowing strategy is needed in order to have meaningful working time, not just pretend working and filling the hours. In relation to the above, employees perceived clear link between their work and the global MKMC strategy. Also, they accepted the idea that corporate strategy to them was ‘translated’ via the tasks given by their manager:

“We are fulfilling tasks of our management. And our management is working with the strategy of our company. Of course, for us it is important, that strategy would be successful. Because, if our company is successful, we will have work. But we are doing technical work, so I don’t take part in general strategy. In my level, I am given technical tasks and I am trying to do it well and on time. What is in my powers to do well...it’s

not always happening, but you are trying your best. You understand, that if you do it well and on time, that is a plus point for our general strategy. This will be good for our company and myself, for everyone. We are shaping the image of the company with our work.” (Int. 33. engineer, employee, Russia)

Nevertheless, interviewees acknowledged that they receive information about the strategy from other means, too. Strategy additionally reached employees through: Unit Head’s strategy presentations (which, according to employees, were hard to understand); corporate strategy slides, which illustrated certain strategic aspects; corporate newsletters; and various informal discussions with the Unit Head. Yet, *Unit Head’s interactions* via which he reminded about strategy while discussing project work were perceived as the most effective, since employee could easily relate to the messages shared.

Strategic messages

Out of 5 employees, 4 of them, who have been working with both Finnish and Indian units, named working as one team or global resourcing and local representation as a key strategic goal. When these four employees were describing their feelings about the strategy, they were extensively referring to working/sharing competences/knowledge/cooperating with *Indian* unit; also, describing Russian unit’s role to support *Indian* unit. One employee, who was only engaged in working only with *Finnish* unit, did not mention idea of global delivery model or ‘Working as ‘One corporation’” in any sense, but referred to ‘good quality, efficient work’ as a key. Thus, it seems that personal relationships established between the Indian and Russian units through the *longer-term country visits*, especially by Andrey, strongly influenced perceptions on MKMC global strategy and salience of strategic goal ‘Working as ‘One Corporation’”.

On the other hand, the fifth employee, who did not mention global cooperation as a key strategic goal, offered an interesting case. Employee was of an old age and claimed to be not interested in company strategies, since “*I think the same strategy is in another companies. No difference. Work more, results better.*” Yet, from the descriptions of own actual behaviors at work (e.g., sharing calculations with Finnish colleague and helping each other), it was obvious that the same employee was enacting ‘Working as ‘One Corporation’” as expected. Such behaviors likely derived from interviewee’s wish to oppose *isolated economic and cultural environment in Russia*. During the interview this employee spent extensive amount of time reflecting on the admiration of Europe, family ties with

international companies, and leisure trips to Europe. The same employee where possible provided comments on how bad situation in Russia was, and how isolated Russia was from the World. So working with other units, particularly in Europe, seemed as individual strategy to escape from the environment that seemed to unacceptable to this person. Such individual behavior coincided with MKMC expectations regarding individual behaviors working as ‘One corporation’ with other units.

Because of Russian market having little economic integration with other countries (except with some of ex-Soviet countries); glocal way of working was initially uncommon for MKMC Russian unit members and remained little known for the broader society:

“From the beginning we had doubts that it will be working from India. How that is possible? I mean, even my friends...I'm explaining that ‘Oh, you know that we are doing project for Siberia, which is in Russia, in India’. ‘How? Where is connection?’ Yeah that seems really... I don’t know, strange or what for them, but for me, I already know that it’s working” (Int. 30, engineer, Russia)

Due to specific, partly closed environment of Russian market, global strategic communication on ‘Working as ‘One Corporation’ was possibly hard to relate with. Consequently, global project work was received with certain level of surprise and lack of preconception on how things ‘should work’:

“What is interesting when he (Andrey) went there (to Indian unit), he was exactly like all other Russian designers in MKMC Russia. He didn't trust anyone there. But now he tells that they are great. He enjoys working with them, he really loves them and they like him and then, so he found this way to communicate, he now understands their mentality.” (Colleague from Finland)

Subsequently, experiences gained over the *Project Siberia* execution shaped individual perceptions and feelings regarding strategic goal ‘Working as ‘One Corporation’’. Two (Int. 30 & 34) out of five employees openly acknowledged negative perceptions about Russian market isolation, while four out of five said that they themselves and colleagues in the office are eager to ‘explore’ different way of working, different thinking than in Russia:

“Because in Russia we kind of delayed due to this Soviet Union heritage. [...] Even now we are talking about Russian standards, they're trying to develop them. But they are still somehow not on the same level as

European standards. And for me, I guess that for team also that is kind of good that they can develop themselves” (Int. 30, employee, Russia)

Even employee who remained neutral while commenting about normative issues, together with other colleagues agreed that possibility to work across the borders is a developmental opportunity.

Strategy implementation process

Since Russian unit did not have middle management; strategy implementation process had only two organizational levels: head of the unit, who also belonged to TMT, and employees. The Country unit Head with some inputs from the sales team made decisions at the unit. Every unit member had specific functional position. Consequently, when asked, how do they saw their role in the strategy, employees frequently responded by describing their *functional position* and referred to the *unit’s role* guiding other MKMC units in Russian market. Employees also believed that they can always suggest inputs for defined areas of MKMC development. The explanation about ‘why’ certain strategic decision was taken, was perceived to be more important than knowing ‘what’ strategic plans were.

All of the employees agreed that development discussion reflects on individual performance and development, but four (those who were working with both Indian and Finnish units) out of five employees considered that *development discussion* is also the tool to link personal goals with company intentions:

“I think development discussion is needed because I’m here, I’m working, when I feel perspectives for my personal development. [...] of course, money, money is very important, without money we cannot function, but unfortunately money is only a tool. [...] this is like football match. [...] I have to understand my personal position. [...] If he (employee) understands his place in the strategy, then he will be motivated, he will be stimulated and very good prognosis that he will do this. [...] If he doesn’t understand his place, he came to some social team, everybody is playing, everybody is doing something, but he cannot understand his role, he is depressed, he cannot act, he cannot take some smart decisions.” (Int. 29, employee, Russia)

This most likely have been a result of the *practices* utilized by unit head to ‘set the rules of the game’ in line with strategy (as it was described above) while giving assignments for operational work.

9.5 Individuals in the *Project Siberia*

The theoretical foundations of this dissertation have extensively argued about the importance of individuals and their characteristics in formation and reconstruction of a social system such as MNC. Thus, this section elaborates on individual level entities that characterize individuals studied within the *Project Siberia*. First, several behaviors relevant for both managers and employees that specifically support strategic goal ‘Working as ‘One Corporation’ are described. Second, individual characteristics, important for manifestation of the later strategic goal are presented. Finally, other important individual-level factors that inhibit or support strategic behavior in line with strategic goal ‘Working as ‘One Corporation’ are presented.

9.5.1 Individual behaviors that enabled or inhibited ‘Working as ‘One Corporation’

When interviewees were describing what makes them feel that they have ‘good bonding’ with their foreign colleagues in the project, or asked to explain, why they feel that TMT and other organizational members support and work according to ‘One Corporation’ strategic goal, they always named at least a few from the *three specific individual behaviors*: a) giving equal treatment and respect to all colleagues at any organizational level, b) being available and open to be approached or discuss with others, and c) sharing the knowledge. Vice versa was also true: when individuals were not seen as demonstrating these behaviors, interviewees felt that their colleagues were not willing to work as one team. Extracts below illustrate these points and the same theme is visible in many other extracts shared earlier:

Interviewer: *“What gave that feeling that he (Andrey) is ‘your own nature’, as you said?”*

Interviewee 50: *“Andrey, he was the person, when I talked to him, I never feel like that, okay, he's from different country or he is having some barrier. You know, he was very open. And anybody, anybody in our office, any engineer, anybody could go to him and talk to him and get the solution. [...] He was treating everybody with same, intensity and same level. So he was very nice. And he was sharing his knowledge with all our colleagues here and all the designers. So it was very good. And actually bonded with him” (employee, India)*

“Even high level management can be easily approachable, that is what I am talking about. For instance Jukka Mikko (CEO), I have met him

several times and so on. I mean that is possible and that is good; but sometimes inside MKMC, there was no feeling like we were working as one, because their (Finnish) managers, they didn't want to be involved in these minor-minor things as per their understanding" (employee, Russia)

Interviewer: *"So what's your strategy for having this feeling that everything works well and I am fine and I am comfortable (to work with Indian or Russian colleagues)?"*

Interviewee 19: *"Well, if you want something that someone does to you, you cannot rush the situation that just tell what you want; but I need to hear, what they have to say; and if they have some system or they want something so maybe that's how I start. I start with asking it more, not straightly telling detail. (I also ask) how do they feel, if we could do it like this." (employee, Finland)*

Although, above are the impressions; data provides evidence that individuals, who were perceived as collaborating and working according to the ideas of 'One Corporation' were actually exhibiting these behaviors in the project. Consequently, the three individual behaviors are allocated in Table 18 under individual level of analysis within the Actual World.

9.5.2 Individual characteristics that enabled or inhibited strategic behavior 'Working as 'One Corporation''

This section introduces individual characteristics considered to be important in cross-border collaboration while working in line with strategic goal 'Working as 'One Corporation''. Below is presented interview data from three country individuals in which most of the statements about certain knowledge, skills, and abilities (KSA) were related to particular situations where such KSA was observed as needed or considered to be insufficient. That is why these entities are located under the Actual World at individual level of analysis.

There were seven major KSA-related entities that occurred in all three countries as enabling or inhibiting behavior in line with strategic goal 'Working as 'One Corporation''. These were: tolerance of diversity (including willingness to learn about diversity); attitude towards and (dis-)trust in others; technical knowledge; language skills; communication skills; experience spent on diverse global projects; empathy and individual approach to team members. However, these entities had slightly different content, interpretations, and importance in each country. That is why these entities are presented within separate country contexts.

9.5.2.1 Individual characteristics observed by Finnish interviewees

Diversity among the colleagues in Finland was the major perceived factor to influence successful cooperation; while *tolerance of diversity* can be considered to be the *actual* entity at individual level of analysis that influenced individual experiences when 'Working as 'One Corporation'.

Within the Finnish unit, appeared to be two groups of individuals that exposed two different capacities to tolerate diversity. First group of individuals were interviewees who considered cultural diversity as difficulty while working as 'One Corporation':

"We can't assume that they can do something if we can't give any training for them. [...] But if we don't have this training, then we don't have these designers who can make this work and of course, if project manager (in Finland) knows that we have some new designers for this H. tasks (in India), etc, he can think that they can do this. [...] But if it takes five or six years here in Finland to learn these things, it will take at least same time in India or more time to learn these things. We have some very demanding design tasks that we cannot put these in India." (Int. 14, line manager, Finland, not directly involved in the *Project Siberia*, 2nd unit of observation)

This first group of interviewees perceived that Indian counterparts abroad need detailed instructions to perform the work well and deliver outcomes as expected. For example, one manager explained the need for instructions due to hierarchical Indian culture; whereas the other assumed that Indian counterparts might not have the needed knowledge. Whatever was the reason, the Indian way of doing engineering was perceived to be wrong, unless they learn doing the way Finnish managers expect them to. Some employees within the 1st unit of observation similarly reflected on the not acceptable 'Russian way' of doing engineering. Thus, *tolerance of diversity* in this group of interviewees was rather low.

The second group of interviewees were able to tolerate diversity. They recognized that cultural diversity might be a challenge, but if appropriate coping strategies are applied, it becomes an advantage for the project:

"And then we also have people that still need some learning, but I believe that in Indian resources and I believe they have big potential. That the person themselves, and they're young, they're active, just they need to be guided in the right way and then they do. [...] The same thing, but show it in a different way." (Int. 16, PM, employee, Finland, 1st unit of observation)

“Well, if you want something that someone does to you, you cannot rush the situation that just tell what you want, but I need to hear what they have to say and if they have some system, or they want something. That's how I start. (Interviewer: So you enquire them first about their opinions and suggestions and then you will move on with your suggestions?) Yes, like that.” (Int. 19, engineering, employee, Finland, 1st unit of observation)

The second group of individuals realized that solution proposed by their colleagues might looked differently, but technically it would have been sound and valuable. Also, they realized that discussion on different ways of doing the same task was needed in order to work successfully as ‘One Corporation’.

In Finland, major perceived barrier to work as ‘One Corporation’ at individual level was *language skills* (accents, level of proficiency, technical language skills, using and understanding language based on one’s mother tongue) (5/12). To overcome this barrier, interviewees suggested: a) making notes during the meetings and sharing minutes of meetings afterwards by email; b) learning, how each nationality use English in spoken or written communication (e.g., that email to Russian colleagues must be addressed to a particular person, otherwise it will not be replied; whereas in Finland using general ‘hi!’ in a group email means that person responsible for the issue will answer it); c) re-confirming during the meeting what was understood by summarizing and re-stating conversations; and d) utilizing international experience and colleague network to learn about the ways communication can be improved. Thus language skills is added as the actual entity at individual level of analysis influencing enactment of strategic goal in question.

In terms of language of Finnish interviewees, offices in City A and City B were located in multilingual regions; thus, many interviewees grew up in the environment where at least two local languages were used simultaneously. They recognized that mother tongue can influence the way English is used, that native tongue may allow better to connect with local customers, etc., but were comfortable with switching the languages. Office in City C, where most of the interviewees at employee level resided, was located in the area dominant by single Finnish language. Thus, interviewees felt easier when using their mother tongue, Finnish, at work in both personal and professional conversations. Those who had larger international experience felt more comfortable about using English, but still at times, felt that using English was challenging and made things slower.

Half of the interviewees (6/12) at middle management and employee level mentioned that *technical knowledge* in the field is significant for working as ‘One Corporation’. *Communication skills* (including English, ICT communication, ability to handle conversation) (4/12); cross-cultural competences (3); and cross-

disciplinary knowledge (1) were also perceived as important. *Having willingness to learn new things, and having interest in problem solving as individual features supporting the cooperation were mentioned once each.*

Middle managers and project managers valued *relationships* with local and foreign counterparts as well as line managers (5/7) within the company as a resource, that is likely to help them while working as ‘One Corporation’:

“I have never been in India. So knowing the culture, what people expect [...] you cannot do anything, or how you behave and impact (influence), that is having huge role. Then I would say for example that being five years in my own role in this company and not meeting my counterparts single time in India, is not making at least the things better. So that this kind of personal relationships and that's quite important.” (Int. 15, middle manager, City B, Finland)

“So you can have somebody to discuss within and see that ‘how do you see this?’ [...] I think we have utilized our Russian ‘organization’, yes for those type of research for some certain area. [...] So to have a network is very important. [...] I have been working for some time now, but for new guys then it's who to contact and who knows what...it can be sometimes difficult, you can imagine.” (Int. 9, project manager, Finland)

These relationships were considered to open up the knowledge about expected communication, managerial behavior, culture, conflict management, etc. Thus, *being able to build relationships across functions, units, and cultures* can be considered an important individual characteristic enabling behavior in line with strategic goal ‘Working as ‘One Corporation’.

9.5.2.2 Individual characteristics observed by Indian interviewees

In Indian unit interviewees perceived *cross-cultural communication skills* (10/23), *language skills* (4: pronunciation; differences in using terms; proficiency in shared language English), and *attitude* or lack of trust (2) as three major barriers negatively affecting interaction with other units in the project:

“In our India, if I want to say ‘I can't do’...different things are there. It is more important that if they understand what exactly this mean. Otherwise, Finland will say that ‘We had a talk with them and they said anything’. But actually, he said. So these are some of the things, which are

more important, that can be improved...when they will come (to) us, we meet together, we understand each other.

I'll give one example, in 2000. You know in India the rainfall is very heavy. So sometimes because of this heavy rainfall outside all the trains and all they are flooded and they are blocked. We are telling: now we can't do the submission because many guys are on leave and this is a flood situation, so maybe two days we will deliver'[...]They get too much upset. They are understanding that, we are just telling them lie means we have not done that work. When they started visiting the India, when they have seen the rainfall outside, how it is heavily pouring, then they understand 'yes, there is always problem' and then they went in the trains and then they understand how the crowd and how the population. Then now slowly, slowly they are accepting that yes this is a problem always in the rainy season." (Int. 24, middle manager, India)

General *communication skills* (13/23) and a) cross-cultural communication (3), b) English language (4), c) convincing skills (1), d) ability to listen and show inclusiveness (1) more in particular were significantly valued by a largest number of interviewees at all organizational levels.

Even if not all interviewees in India were fluent in English, using English as a common language seemed natural and needed for several reasons, according to interviewees. First, higher education in India is provided in English; thus, employees of any rank were exposed to English at least in their professional education, if not from the first year of their schooling. Second, multilingualism and multiculturalism is common in India. Thus, even within one office located in one geographical area there were employees with different mother tongues, cultures, and religions. Additionally, diversity was widened by operating in virtual teams comprised from members located in several offices across several Indian states. Consequently, official meetings at all organizational levels were always held in English, unless it appeared that all participants have one mother tongue. Later, managers might be giving instructions to separate employees in their mother tongue to make sure, that messages were grasped correctly. Third, managers spoke at least three languages (two local languages and English). They were also actively encouraging employees to develop English language 'for their good'. Therefore, even in the cases when Indian unit members were speaking 'Indian English', or only starting to express themselves outside professional terms, all of them accepted the obligation to communicate in English, as shared professional and personal language, naturally and with comfort.

Knowledge and competence (14/23) by Indian interviewees were perceived as the second most important factor, which facilitated working as ‘One Corporation’. Knowledge and competence comprised: a) expertise in own area of operations (4), b) having cross-disciplinary knowledge (4), c) practical experience in engineering project work (2), d) knowledge, how to behave with foreign colleagues and customers (3), and e) knowledge about pluses and minuses as well as way of working of colleagues (1):

“Experience, site knowledge, good at communication, English communication – he cannot speak Finnish words in between. He has to be very good English communicator. He has to have very good understanding of the project, the issues. He must be a decision maker, very important thing! He cannot be a guy who is a postman. If I ask you a question: ‘Ausrine, should I make this as technology structure?’ You say, ‘OK, I write it down, I pass it’ [...] It will never work! You should be a person, who should give decision back here. [...] This is very important. If these things are lacking, it doesn’t work. Attitude of the guy, sitting there, should be that he wishes that this work is done in India. If he doesn’t have this attitude, then he always thinks that ‘Shit, this Indian guy will never do this job’. [...] If you believe it works. Any relations work, only if you believe that it could work together!” (Int. 39, LMT member, India)

Relationships and network with local and foreign counterparts as well as managers were named by five interviewees. However, this entity had slightly different meaning than in Finnish unit. Finnish interviewees valued relationships in order to obtain needed knowledge and make right decisions; whereas Indians emphasized building personal relationships (knowing the colleague, his/her hobbies, personal capabilities, and knowledge the colleagues possess). Finally, a set of *individual attitudes* such as trust in foreign colleagues (2), having willingness to learn (2), empathy (1), and belief in shared goal of doing ‘good engineering’ (1) were perceived as important by interviewees in India while implementing strategic goal ‘Working as ‘One Corporation’.

Similar to interviewees in Finnish unit, Indian interviewees perceived *individual diversity* (8/23) as a major factor making it difficult versus easy to carry out the behavior in question. However, (18/23) were convinced that individual diversity or other similar challenges while working as ‘One Corporation’ can be tackled and suggested the methods for making such behavior easy. Thus, *tolerance for diversity* in Indian unit can be assumed to be high. General cultural diversity, diversity in views about working, and the way individuals give and receive

information were named as challenging factors while working as ‘One Corporation’.

9.5.2.3 Individual characteristics observed by Russian interviewees

Language skills (1), according to Russian interviewees, were affecting collaboration only in short period of time. It was considered that barriers related with understanding others’ pronunciation, speedy talk, or similar linguistic differences diminish after some interaction. Russian unit official language was English and all interaction with the Unit Head happened in English; whereas, employees among themselves were using only Russian. Many engineers had very limited English skills, whereas project managers and sales team were rather fluent. Interestingly, those with weak English, did not feel discomfort and claimed to solve all issues by sharing and showing the drawings; however, interviewees with stronger English skills, emphasized that it is easier to express themselves in mother tongue and it is difficult to conduct meetings in Russia, where people lack English proficiency.

Individual attitudes about others, especially in terms of capabilities and necessity of involvement of other units (2) as well as *individual work habits* (1) were mentioned to be extremely difficult to cope with:

“In (Siberia) project, one guy came, who worked only on (Customer’s X) project. And it was kind of joke or proverb already ‘In Customer’s X projects, we are doing like this’ and several times he brought it. I don’t know, ‘I don’t care how you are working with (Customer’s X). So you can do whatever you wish there, but here it is my project and in Russia I would do so and so” (Int. 30, engineer, Russia)

All six interviewees in all functions agreed that *practice* of open communication and *individual approach to team members* at all organizational levels, functions, and countries, is the only way to build team member willingness to work together as one team:

“Project manager, of course, he must know some general items general items regarding different offices, Indian office, Finnish office, Swedish office, maybe Bulgarian office, or Serbian office. [...] He must understand, how it works. [...] But from very beginning, he must be very careful to each person to understand what does HE mean [...] And the most important work, not to work with technical means, the most important work in my approach, to work with people.” (Int. 29, employee, Russia)

These qualities were perceived as specifically needed for the project manager functional position, since they were guiding global teams.

Out of six interviewees in Russia, four emphasized empathy (*tolerance for diversity*), in other words, skills to understand other kind of people and attitude to be willing to understand other kind of people, as key individual feature that supports working as ‘One Corporation’. The ‘otherness’ was defined by referring to: a) culture (1), b) culture of doing engineering (1), and c) overall different behavior exposed by other people (2). For some interviewees in Russia, colleague inability to observe and acknowledge ‘otherness’ was even a demotivating factor at work:

“It's really upsetting, when people are...just stupid...when you try to explain them, but they don't want to listen to you, that is very dangerous. (Things) always can be discussed and decided properly; but you always need to listen; especially if you don't know whether you need to take this position or not. It can be very hard engineering discussion, we had bunch of them, but always we can come to some conclusion. if they [...] can't take our positions that it is really dangerous. I mean they can't understand what they're worrying about, [...]we can make bad soup and nobody will like it, but is our structure fails, man, it would be disastrous, that's why we need to be serious” (Int. 30, engineer, Russia)

Finally, *technical knowledge and competence* (expressed by knowledge in doing engineering and practical experience) was significantly valued by four interviewees as well.

9.5.2.4 Individual exposure to global work environment, motivation, and commitment

Many individual level factors enabling or inhibiting individual behaviors according to the strategic goal ‘Working as ‘One Corporation’ were already presented in the earlier sections while analyzing and comparing entities at individual level of analysis, mentioned during the interviews. Also, individual cases’ profile was presented in Appendix 3. However, there were several remaining initially expected entities at individual level of analysis that deserve additional attention. This section sequentially presents individual exposure to global work environment, motivation, and commitment (summarized in Table 19) as important individual level factors enabling or inhibiting individual behavior in line with the strategic goal ‘Working as ‘One Corporation’ and explains why they were included in the analysis of findings.

Table 19. Individual's within 1st unit of observation exposure to cross-border operations, motivation, and their commitment

Organizational role of the individual	Location	Exposure to other units	Motivated by:	Commitment to:
TMT member and project manager	Finland	Extensive, virtual.	possibility to work internationally with many different people and cultures	business development (started professional career by running own business in engineering, later moved to hired positions); doing good, innovative engineering tailored to each customer
Global Quality Manager	India	Extensive, virtual. Short visits in different country units	environment in MNC, which is supportive to individual growth and development; 'flat' communication style across MKMC organizational hierarchy	company growth , because 'if company is growing, then every person in it is growing, too'
Section Manager	India	Extensive, virtual.	possibility to work and develop in the field of own interest; transparent, friendly, supportive, open for knowledge sharing atmosphere in the MKMC	doing good engineering , because that field of engineering he is working on is his passion and he was committed to work in that specific area from the times while entering higher education
Design manager	India	Extensive, virtual. One three-month visit to Finnish unit during the time of the <i>Project Siberia</i> .	possibility to work and develop in the field of own interest; appreciation from customer; knowing that project is moving as expected and team is satisfied with project outcomes	company growth ; learning new technical things; working/learning extra, if things do not go as planned
Design manager	India	Extensive, virtual.	different opportunities and responsibilities given by the MKMC; 'flat' communication style across MKMC organizational hierarchy and free knowledge sharing within MNC	company growth , because 'if company is growing, then every person in it is growing, too'; overcoming challenges and learning from them
Assistant Design Manager	India	Extensive, virtual.	trying out new things, crossing the disciplines, learning new issues at work	doing good engineering , because 'working is not only for the company, but for yourself, too: if you

				know you are doing bad, you will feel bad, and vice versa'
Team leader	Russia	Moderate, virtual.	possibility to develop professionally; ability to support family financially (the only person supporting 5 member family)	doing good engineering ; management instructions
Senior Project Manager	Finland	Extensive, virtual. Short visit to India	achieving milestones that lead to accomplishment of the project; appreciation received from management	doing good engineering ; searching for needed expertise & solutions wherever it is available
Project Manager	Finland	Extensive, virtual. Two months visit to India on earlier projects. Deeply familiar with Russia due to personal background.	possibility to learn while doing multidiscipline design in multicultural environments; freedom to make decisions regarding the design while being in a position of project manager	doing good engineering adapted to market where projects are delivered; learning & deepening own expertise
Project Manager	India	Extensive, virtual.	possibility to work and develop in the field of own interest; good influence from seniors; appreciation from seniors and customers	doing good engineering to satisfy each customer; 'while working all things should be done in a right way'
Project Manager	India	Virtual.	possibility to work and develop in the field of own interest; trust and appreciation from seniors and customers	doing good engineering , because every project is 'my own', 'we don't do it only for customers'
Project Manager	Russia	Extensive, virtual. One short visit to Indian unit	understanding the need of work in human's life; team & work environment in MKMC	the functional role of project manager , i.e. doing good project management, finding ways to facilitate team members to deliver their best
Engineer, project manager	Finland	Extensive, virtual	searching for best technical solutions; ability to support family financially (the only person supporting 4 family members)	doing good engineering; problem solving in short time & estimating all possible technical problems in advance (the latter gained due to earlier work experience)
Senior Engineer	India	Virtual.	possibilities to deepen technical knowledge; knowing that project is moving as expected	doing good engineering by having continuous improvement in the work process and output quality

Senior Engineer	India	Extensive, virtual.	freedom given by the company to work on issues and develop skills of own interest as well as managers working on combining company needs and employee interests	developing skills and knowledge needed for great engineer
Senior Engineer	India	Extensive, virtual.	creating ways of working that allows omitting mistakes; knowing that project is moving as expected and there is enough time for knowledge sharing	company growth , because 'if company is growing, then every person in it is growing, too'
Senior Engineer	India	Virtual. Longer visit to Finnish unit in the very beginning of tenure at the MKMC.	facing new challenges at work, so that work would not be a routine; appreciation once the hard work is done or at least feedback on how the work was done regardless the task was large in its scope or minor	maintaining the trust given by the company to its employees, i.e. from the start of the tenure while working as expatriate in Finland he experienced that honesty and taking responsibility for own task is the key expectation in the company
Senior Engineer	India	Moderate virtual.	friendly and supportive work atmosphere in MKMC and 'flat' communication style across MKMC organizational hierarchy	Not possible to identify (very scarce comments during the interview, only short answers to the main questions)
Senior Engineer	India	Virtual.	achieving project goals on time, efficiently, and at high quality; appreciation from management	making international career , i.e. settling in the European country; doing good engineering , because every project is 'my own baby' and work is a learning process
Engineer	Finland	Virtual	payday	do the work as good as possible
Engineer	Finland	Virtual	appreciation from customers about the work done well; flexibility of working hours	doing good engineering/ 'quality designs'; learning new skills
Engineer	Finland	Virtual. Served in peacekeeping military mission abroad before starting the job. This shaped the understanding that 'people think different. Efforts needed to listen &	freedom to search for good engineering solutions and discuss with customer; overall flexibility given by employer	doing good engineering/ 'searching for best, innovative solutions that suit customer needs'

		understand each situation, person'		
Engineer	Finland	Extensive virtual. Worked as expatriate on special managerial assignment in India for one year with earlier employer	team he is working with (similar age, interests; everyone is hardworking, ready to help);	doing good engineering by fulfilling the unique technical role in the team and taking responsibility for it
Engineer	India	Virtual. Some visits between Indian offices in different states. Short visit to one earlier Finnish customer company.	belief that challenges at work can be overcome	doing good engineering , i.e. with right quality and on time delivering output to customer. This creates brand value for company and employment for engineers
Engineer	India	No virtual. Some interactions with foreign colleagues in Indian office	possibility to work and develop in the field of own interest; work environment where managers are easily approachable, kind and everyone is ready to share knowledge; receiving financial appraisals for hard and well-done work	engineering , that is his passion
Engineer	India	No virtual. Some interactions with foreign colleagues in Indian office	large learning opportunities available in the company; team and managers who are friendly and supporting	developing skills and knowledge needed for great engineer
Engineer	Russia	Extensive virtual. Short visit to Finnish unit. Long-term visit to Indian unit	relationships with team members; connecting with others as same human beings	doing good engineering adapted to market where projects are delivered, because it creates safety for the final users
Engineer	Russia	Moderate virtual. One short visit to India	possibility to learn new things every day	doing good engineering because it shapes company image and creates safety for the final users; management instructions
Engineer	Russia	Moderate virtual	'going against' own age: being active, working, travelling while being of a relatively high age; the need to support family financially	searching for best, most correct solutions , because that is very interesting activity; getting closer to European way of living by various actions

Individuals within the 1st unit of observation were all exposed to cross-border collaboration. This was supposed to be the factor that created similarity among them. After delving deeper and analyzing what *kind of* exposure in cross-border collaboration individual cases had, several important issues were revealed. First, it became evident that individuals were exposed to cross-border operations mostly virtually. Some of them had a chance to travel to other country units, or even serve as long-term boundary spanners. However, absolute majority has never visited other country unit or that country more generally. Yet, individuals, for example, from India, on the *Project Siberia* were designing an object to be built in the climatic conditions of Siberia in Russia; while the project was supposed to be in line with Russian norms and regulations and approved by Russian authorities. Many Finnish interviewees, who were supposed to coordinate work in India and Russia, have never visited the unit or the country, too. Thus, individuals at operational level of an MKMC were asked to work as ‘One Corporation’ while having relatively little understanding about actual climatic, cultural, normative, and other kind of environments within which their colleagues were embedded in.

Further, individual motivation⁴³ was expected to serve as differentiating factor, influencing individual behaviors. Individual motivation at work was indeed a differentiating factor as initially expected. Nevertheless, all interviewees (except one, who was also not very actively exposing expected strategic behavior) had one shared feature among their motivation. They all primarily had non-financial motivation, or expressed both financial and other than only financial motivation at work. Reasons for interviewee motivation varied, but in general, all individuals had some kind of insights about what ‘drives’ them as individuals at work, mostly related with interest to activity itself. The single case in Finland, motivated by only financial means, during the interview openly expressed lack of the interest in strategy and other issues outside the direct job duties. This observation was also aligned with insights and comments provided by some interviewees in India:

“So when you stop learning, you stop growing. [...] Office leave time is 5:30, (some) are waiting for 5:30. If you get them work at 4:35, they say ‘It’s half an hour to leave, why this work now?’ [...] So if you are not keen on your job and money part is what matters to you, then you stop growing and you turn into ‘dead wood’”. (Int. 48, employee, India)

Finally, while analyzing interviewee reflections emerged understanding that every interviewee was committed to some specific issues. These *commitments* were not

⁴³ Strategically aligned behavior in some studies is considered to be a function of the ability, opportunity, and motivation (e.g., Colvin & Boswell, 2007).

named directly, but rather could be guessed by analyzing the topics interviewees were bringing by own initiative: for example, when discussing actions that interviewee has initiated by himself/herself; topics that interviewee was bringing to the conversation within and outside the given questions; and various issues that individuals emphasized, when talking about the situations at work and outside of it.

Considering initial observations from interview analysis regarding individual commitments, subsequent literature analysis revealed that such 'guess' is likely to be valid, because: "it has been repeatedly found that when individuals are committed to a situation, they tend to develop attitudes consistent with their commitment and their committing behavior (Kiesler, 1971; Salancik, 1977). [...] Commitment binds an individual to his or her behavior" (Salancik & Pfeffer, 1978: 230-1). The, additional analysis of the interviewee CVs was performed, one more time confirming the observations. Consequently, individual commitment to different targets (profession-, job-, career-related, or non-work commitment) that emerged from the interview data as a new entity was added. As explained in section 8.2., this entity was later revealed to be one of the two major mechanisms guiding individual strategic behavior.

10 DISCUSSION

In addressing the under-researched area of strategy implementation in MNCs, this dissertation investigated how the corporate strategy of a loosely coupled MNC become strategic behaviors of its managers and non-management employees across organizational levels. In addition, this study investigated what enables and what inhibits individual strategic behaviors at different organizational levels of the MNC.

One Finnish MNC was studied while analyzing the implementation of the corporate strategic goal ‘Working as ‘One Corporation’ within three MNC units, the HQ in Finland and the MNC’s foreign subsidiaries in India and Russia. The empirical study comprised 50 interviews with top-level managers, middle-managers, and non-management employees connected by one global project; and a large set of secondary data consisting of MNC strategy, structure, and other documents describing the MNC’s management system, data on the global project, as well as CVs to provide individual profiles of the interviewees.

The findings of the study illustrated how three realities (the Real, the Actual, and the Perceived) of the MNC interplay, creating the environment in which individuals perform their strategic (or not) behaviors. The entities identified in the findings did not cause the strategic behaviors. This thick description of the environment within which strategic behaviors were performed facilitated analysis within observable or partly observable realities and allowed the evaluation of various *biased* angles, to *infer rational unobservable mechanisms that cause the phenomenon* in question.

Although two key mechanisms—commitment and reciprocity—causing the strategic behaviors in question were identified, it must be acknowledged that the entities identified as related with the strategic behavior served as enablers (i.e., they supported and facilitated the behavior), or as inhibitors (i.e., they made the behavior more difficult to perform). Thus, these entities should not be disregarded and are likely to provide useful guidance for MNCs that aim to create an environment that is more favorable for the occurrence of the strategic behavior ‘Working as ‘One Corporation’.

Nevertheless, since theory resides within the Real World, this section will focus first on theoretical mechanisms and entities within the Real World that seek to provide the answers to the research question; then, implications related to enabling and inhibiting entities will be discussed. Figure 20 derives from the heuristic framework (Figure 6, presented in section 7.1.2.) and illustrates the *theoretical* process through which the corporate strategic goal ‘Working as ‘One

Corporation” of a loosely coupled MNC becomes strategic behaviors of its managers and non-management employees across organizational levels:

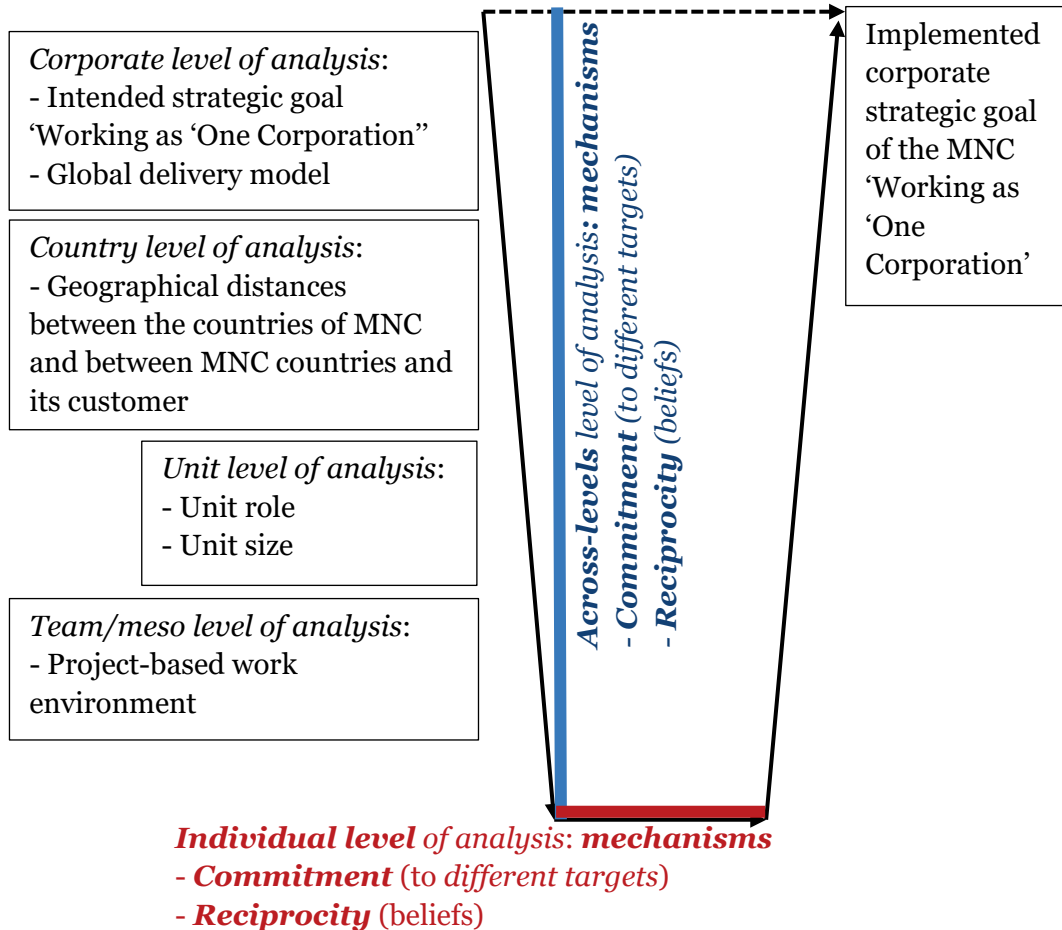


Figure 20. Theorized process via which the corporate strategic goal ‘Working as ‘One Corporation’ of a loosely coupled MNC become strategic behaviors of its managers and non-management employees across organizational levels (the Real World)

Interpreting Figure 20 above, it can be assumed that theoretically, within the Real World, several structures exist that create conditions for two theoretical mechanisms to act. The structures identified in Figure 20 are necessary conditions for strategic behavior in line with the strategic goal ‘Working as ‘One Corporation’ to occur; yet, the presence of these structures does not indicate that occurrence of the strategic behavior will always be successful.

Thus, theoretically, if an MNC wishes to have the strategic behavior ‘Working as ‘One Corporation’ performed by every manager and employee, that MNC should first state such a goal in its corporate strategy. In addition, MNC operations should be structured around the idea of a global delivery model, where units cooperate across-borders and disciplines to produce MNC products or services. Second, the MNC should acknowledge the geographical distances between its units and between its units and its customers. The smaller the distances are, the more cost-efficient and more frequent face-to-face interactions between the parties involved can appear. The entity geographical distance created significant challenges: in the Actual World a number of events were observed that occurred due to this entity. Moreover, in the Empirical World this entity caused multiple negative perceptions of the behavior in question. Geographical distance as an entity is MNC-specific since indigenous firms are usually able to avoid such challenges and have shorter distances between its units and customers. Third, unit role and unit size were both the entities that created structures interacting significantly with the mechanisms identified. These two entities were the cause of multiple perceptions related to possible unit contributions, capabilities, power in the subsidiary network, etc. Fourth, the project-based environment was the entity that altered the entire corporate strategy implementation system. It also provided the system via which individuals ‘lived’ the corporate strategic goal in question. Commitment—the entity observed at the individual level of analysis—was also a mechanism, that together with the second mechanism (reciprocity), were mostly driving the strategic behavior (see Section 8.2 for detailed explanation).

The two mechanisms inferred are not MNC specific. The logics of their effects are grounded in organizational behavior literature (e.g., Cropanzano & Mitchell, 2005). However, because the mechanisms had content that was context-dependent, once they interacted across the country units, they produced MNC-specific processes and outcomes. For example, it was clear that within the three units, reciprocity between organization–individual and individual–individual had entirely different meanings and therefore expectations regarding behaviors. Accordingly, once the same mechanism with three different contents were juxtaposed within the global project working environment, a considerable volume of misunderstandings and diverse perceptual responses emerged that inhibited collaboration in line with the strategic goal ‘Working as ‘One Corporation’.

While indigenous organizations create their systems, structures, and processes in less complex contexts within which reciprocity and commitment are likely to be more similar, MNCs face multiple logics and must create systems that facilitate dialogue between rather different contexts and logics within them. It is not possible to create a system that is personalized and addresses all logics of

reciprocity and commitment, but systems that acknowledge the existence of these two mechanisms behind individual strategic behavior and create space for calibration between their meanings are likely to lead to expected individual behaviors, especially if employees and managers share the same or similar commitment as the MNC's espoused corporate vision and mission. These findings are discussed further in the light of the perspectives on theorizing about the social phenomenon, the six views of the MNC, and the Multilevel view of the MNC in particular.

10.1 Theoretical implications for the perspectives on theorizing about strategy implementation in MNCs as a social phenomenon

The theoretical multilevel review of the six dominating views of the MNC in IB presented earlier suggested that the majority of the dominant IB theories advocate the overarching power of established management systems in the process of corporate strategy implementation, and MNC management more generally. The established structures, management systems, and corporate values are considered to be the *mechanisms* driving expected behaviors within the MNC and therefore, they are applied with the same logics to the entire MNC network, or unit-specific logics differentiating subsidiaries.

Therefore, the process of strategy implementation, according to the theoretical assumptions of such theories, is considered to be rather straightforward: the establishment of relevant systems directly influence individuals; and if systems are designed correctly, the expected individual behavior will be performed. Such theories are largely grounded in Positivism and consider the MNC's reality to consist of a 'single truth'.

Even if differentiated logics are applied to different subsidiaries (e.g., Ghoshal & Nohria, 1997), it is expected that a) individuals within the subsidiary will be affected in a consistent way and therefore will behave as expected; b) differentiated subsidiary treatment will not be problematic in cross-unit collaboration due to shared MNC values. Figure 21 below illustrates the process of strategy implementation and occurrence of individual strategic behaviors under the O-level theorization about this social phenomenon.

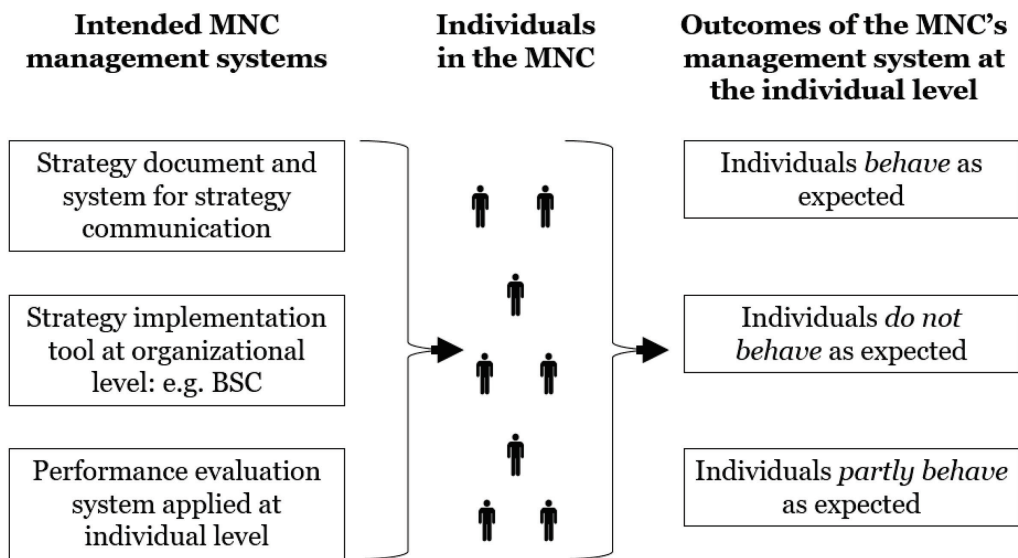


Figure 21. Transition of corporate strategic goals to individual strategic behaviors, according to O-level theories and Positivist point of view

However, as the findings in this dissertation illustrate, there is more than one truth in any MNC. The MNC management system ‘on paper’ is perceived and actually applied differently even by those who created it, let alone MNC members on more distant organizational levels and/or units. Operational work in actual and perceived realities bring in the other significant sets of entities that are related to individual strategic behaviors. Moreover, the interpretations of the same systems or intentions, such as corporate strategy, vary across units and have different logics once applied in the country unit context.

Consequently, the process of transition of corporate strategic goals to individual strategic behaviors from the perspective of A-level theories and the critical realist point of view is rather complex and contingent due to the acknowledgement of system–individual and individual–individual interactions. Moreover, individual behaviors and perceptions within the same corporate management system and within every subsidiary are likely to not be consistent because of nested arrangements within the MNC due to which every individual faces multiple embeddedness. Figure 22 provides a simplified illustration of that process.

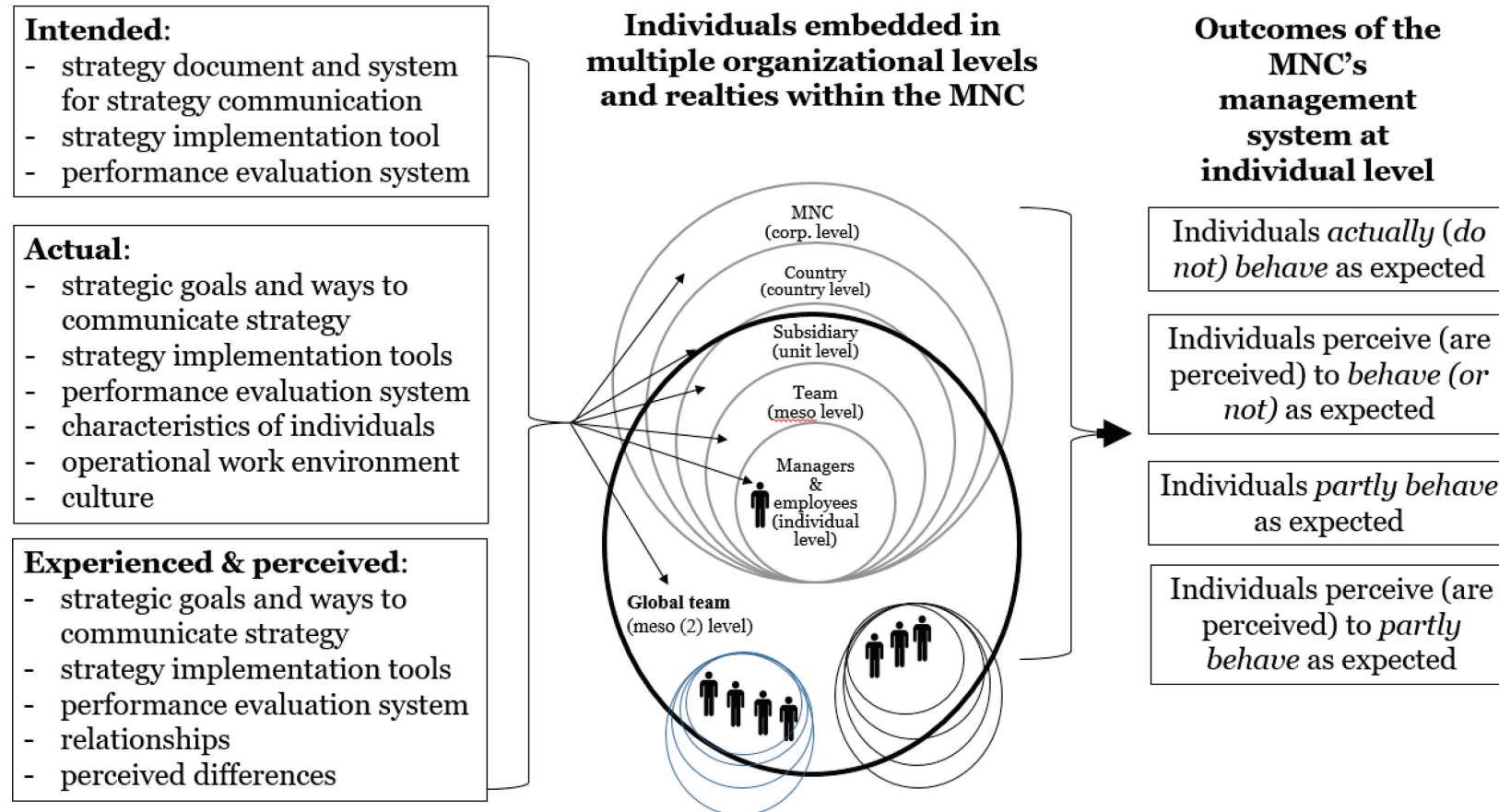


Figure 22. Transition of corporate strategic goals to individual strategic behaviors, according to A-level theories and Critical Realist point of view

Therefore, while developing and extending theories on a particular phenomenon with the latter perspective, the focus should be to understand the *mechanism* driving the phenomenon and the *contingent powers* that interact with it. Once the latter is revealed, it becomes possible to retroduce certain tendencies to similar settings, or to explain why a phenomenon did not occur as expected. This also allows the explanation of anomalies observed but not explained earlier. For example, there is an awareness in IB literature that in certain situations, the variance between the units in a single country might be higher than between the units in two different countries (Rousseau & Fried, 2001: 2). In that case, the country context would not be as powerful as the unit or team context within which individual cases are embedded. The findings of this dissertation suggest that in such cases managerial practices used in manager–employee interactions, team working practices, or overall manager presence in a certain office are likely to serve as enablers or inhibitors of strategic behaviors within the same country ‘organization’.

Consequently, while building explanations on which context is likely to influence individual behavioral responses at a given point in time (Minbaeva, 2016), it is essential not only to identify the variables that are related to those responses, but to analyze the underlying mechanisms that cause the behavior, the content of these mechanisms, and the contingent powers that alter the strength of those mechanisms. Once the mechanisms are inferred, it is easier to define what the specific issues are and how they affect individual behaviors residing in the same or different contexts. This is essential while studying MNCs that operate in volatile and uncertain environments and deliberately choose loosely coupled structures to address everyday challenges. Therefore, the Multilevel view of the MNC introduced in Section 5.3. has significant potential to provide theoretical and methodological guidance while further investigating MNCs of the twenty-first century.

10.2 Theoretical implications for the Multilevel view of the MNC

The six dominant theoretical views of the MNC have largely considered the individual within the MNC to be either the obedient recipient (e.g., Dominating, Coordinating, Designing, Politicizing view of the MNC) or active creator of the system (e.g., Knowing and Politicizing (focus on agency) view of the MNC). However, system–individual interactions have not yet been extensively considered in IB theory, particularly in the midst of theorizing about strategy implementation within MNCs. This dissertation undertook the empirical attempts to engage in

studying an MNC with a multilevel view when focusing on system-individual interaction.

While introducing the Multilevel view of the MNC, it was indicated that IB has only several emerging theorizations with such perspective⁴⁴. However, empirical work investigating cross-level effects in strategy implementation are rapidly emerging. It was also suggested that new theories are required to explain cross-level interactions. Theoretical insights from theories outside of IB are likely to be helpful in this process.

Theorization with multilevel perspective requires investigation of at least two levels of analysis and the theoretical mechanism that would be capable to explain why the levels *interact* the way they do (Devinney, 2013). Moreover, A-level theories acknowledge the power of lower levels, whether assuming their varying influence on higher levels of analysis (multilevel), or fixed bottom-up influence (microfoundations) (Felin et al., 2015). Thus, if theoretical mechanisms are capable to fulfil these requirements for A-level theorizing, they are likely to be useful in development and extension of multilevel theories. However, as noted in section 2.2., which compared MNCs and indigenous organizations, the significant contextual variance across MNCs must be considered while developing theories suitable to explain the phenomenon within an MNC. Therefore, theories or/and (their) mechanisms that are able to fulfil both A-level theorizing criteria as well as incorporate multiple logics within an MNC are capable of supporting the development of Multilevel view of the MNC.

In the course of inferring the mechanisms behind the strategic behavior of ‘Working as ‘One Corporation,’ various (fallible) theories have been considered (see section 7.2.4. explaining the theorization process in a critical realist case study). None of the theories (i.e., a systematic explanation of what causes a certain phenomenon, under what conditions and with what timing certain phenomena would occur or not (Sutton & Staw, 1995)) as a whole were able to explain demi-regularities, and the interaction of entities observed in this empirical study. However, theoretical mechanisms (i.e., causal powers of objects “whether physical, human or social” (Welch et al., 2011: 748)) within several theories appeared to be useful when explaining the empirical data. Since the same causal mechanisms, according to critical realism, can produce different outcomes even if conditions seem to be similar (Sayer, 2000); it is unlikely a single theory exists that would facilitate defining how a multilevel MNC functions. Nevertheless, it is much more reasonable to identify essential causal mechanisms that could facilitate explaining demi-regularities and anomalies within an open system (Wynn & Williams, 2012).

⁴⁴ Microfoundations of Knowing and Politicizing MNC.

Accordingly, an explanation of the functioning of mechanisms in the open-system stands for the theory grounded in critical realism.

Building on the findings of this empirical study and their abductive exposition to multiple theories, two mechanisms were identified: commitment and reciprocity. Both of these mechanisms play essential role in social exchange theory (SET), which fulfils A-level theorizing criteria (particularly in its theorization about individual-organization exchanges), but downplays the contextual aspects essential to IB (see e.g., Cropanzano & Mitchell, 2005; Presbitero et al., 2019). To address the contextuality observed in the findings, Institutional logics approach was deemed to be helpful and, which appeared to be suitable for A-level theorizing, too. Finally, the findings on how the two identified mechanisms function to a certain degree appear relatively close to the arguments within Person-Environment environment (PE) fit theory. Consequently, it can be suggested that the three theories—SET, the Institutional logics approach, and PE fit theory—are likely to be helpful while developing the Multilevel view of the MNC. The following sections elaborate on why these theories were considered useful and the limitations of their applicability.

10.2.1 Social exchange theory for multilevel theorizing in IB

Social exchange theory (SET) addresses interactions that produce relationships between interacting individuals (e.g., leader-member exchange), or the individual and organization (e.g., organizational commitment (Cropanzano & Mitchell, 2005) or the psychological contract (Robinson, Kraatz, & Rousseau, 1994)). The choice to utilize mechanisms from SET in this study was motivated entirely by empirical observations. Moreover, these mechanisms were not applied directly, but rather defined and explained from data by recognizing their contextuality, while also referring to SET theory as a background that helps describe the logic of the mechanisms' functioning.

It was not possible to utilize SET theory mechanisms directly, because SET (Cropanzano & Mitchell, 2005) as with many other organizational behavior (OB) theories (see e.g., Johns, 2006; Presbitero et al., 2019) downplays the importance of context, which was found to be significant while theorizing from the unique context of the MNC. Context can spur an entirely different meaning (Johns, 2006) as we also observed in this empirical study where theoretical mechanisms as well as entities acquired different definitions because of the country context, but moreover collided to produce unexpected outcomes once exposed to an MNC setting, and the global project environment in particular. Consequently, as suggested by Roth and Kostova (2003) not only could IB researchers benefit from

considering OB theories in their research, but also OB researchers are likely to discover entirely new avenues while theorizing from the MNC context.

Moreover, major theoretical mechanisms of SET are not well understood, since the bulk of the focus while studying SET has been on various antecedents and outcomes (see reviews by Cropanzano & Mitchell, 2005; Cropanzano et al., 2017). Reciprocity in general is only one among many possible mechanisms for social exchange (Cropanzano & Mitchell, 2005). Accordingly, SET is likely to advance the development of the Multilevel view of the MNC, however it must be applied with caution, because at the moment it lacks a recognition of context (Johns, 2006), offers scarce understanding of the mechanisms per se; and is open to criticism for its lack of theoretical precision, availability of large amounts of overlapping constructs, and its weak predictive capabilities (Cropanzano et al., 2017). The last three points in the SET critique, however, are not problematic from the critical realism point of view; which naturally expects to have a variety of constructs interacting in a demi-predictable way in an open system; since the major importance is assigned to understanding the theoretical mechanisms and their behavior within multiple contexts.

Under the heading of SET, and building on the findings of this study, two theoretical mechanisms—reciprocity and individual commitment—are discussed in more detail, observing the possibility they can contribute further to developing of understanding of the strategy implementation phenomenon in the Multilevel view of the MNC.

10.2.1.1 Individual commitment as mechanism driving strategic behaviors in MNCs

One of the driving mechanisms that activates overall system–individual interactions in the process of strategy implementation was found to be individual commitment. Commitment, in the context of the dissertation findings can be defined “*as an individual’s perception that they are bound to a given target*” (Wright & Kehoe, 2008: 9) *that may or may not relate to a particular organization*. Commitment is therefore an individual level characteristic that comprises individual interests, upheld (not espoused) values, and needs (non-work or professional) (adapted from suggestions by Werbel and DeMarie (2005: 251)). Consequently, the findings suggest that the target of commitment that is driving strategic behaviors is not necessarily an organization per se.

Commitment is not a new theoretical mechanism known to drive individual behaviors. For example, commitment is known to stabilize individual behavior, to

make individuals become attached to their behavioral choices and find justifications for the actions they perform (Salancik & Pfeffer, 1978: 230-1; Liou, 2008; Carlopio & Harvey, 2012). The importance of commitment as a variable for strategy implementation has also been recognized in various studies (see review in Li, Guohui, & Eppler, 2008). However, commitment as a variable in strategy implementation studies has been analyzed only from a perspective relevant to the organization (e.g., organizational commitment and commitment to strategy (for a review relevant to the MNC setting see, Presbitero et al., (2019))). Since definition of commitment in this dissertation emerged from the empirical data, it revealed new perspective on how individual commitment acts as a theoretical mechanism in the transition of corporate strategy to individual strategic behaviors.

The findings suggest that individuals enter or exit the MNC with a set of their own commitments (i.e., beliefs of being bound to certain interests, values, and needs) believing that the corporate strategy of the MNC, or the MNC leader, or the MNC as an organization in general will allow them to fulfill their commitments, whatever those commitments are at that moment in time. Commitment might be aligned with organizational strategic goals, for example, if the individual is interested in pursuing organizational growth, but equally so, commitment might be entirely personal, such as when the individual is primarily interested in developing the skills necessary to be a great engineer. Similar suggestions have been made in the attraction-selection-attrition model (Schneider, 1987); however, that model also relies on the consistency of individual goals within one organization, in that the same organization is likely to attract individuals with very similar personal goals. This empirical study suggests that within the same organization individuals may or may not share the same commitments, simply because of stratified reality within which intentions, actions, and perceptions co-exist providing different interpretations of and about the same organization. In line with Wright and Kehoe (2008), the findings also suggest that one individual may have multiple commitments of varying strength, which might therefore compete with each other. Moreover, commitment appeared to have diverse contextual meanings; thus, the same commitment may have diverse definitions among individuals within the MNC.

The strong commitment acts as a catalyst to activate system–individual interaction. If individual commitment is aligned with the corporate context, as when there is a personal commitment to become a great engineer and a corporate strategy to deliver great engineering products via a global delivery model, then the individual will behave in line with corporate intentions, even if the individual may not know the exact requirements of the corporate strategy. If individual commitment and corporate strategy are not aligned, then the relationship becomes

contingent and other entities and mechanisms are likely to modify it. These observations echo empirical evidence in a study by Martin and Eisenhardt (2010), which demonstrated that unit managers were unlikely to engage in cross-unit collaboration that is complex and misaligned with established organizational structure, unless doing so was driven by self-interest, for example if that cross-unit collaboration was likely to be a useful conduit to realizing their own commitments or goals, such as increasing the performance of their own business-unit.

The MNC is an open system with a number of issues listed under its corporate strategy. Accordingly, any investigation of the implementation of a specific part of the corporate strategy (as in this dissertation) must identify contingent entities at multiple levels of analysis within the other two stratified realities (the Empirical and the Actual) that inhibit the transition of the corporate strategy to individual strategic behaviors. This is essential, because even if certain entities are not material (i.e., real), they might have significant effects on the behavior of individuals. This can be illustrated through the metaphor of the tooth fairy: the fairy is not materially real, but has a significant influence on children's behavior (see, O'Mahoney & Vincent, 2014: 7). Once the influencing entities at multiple levels in all three realities for a specific corporate strategy are defined, then it is possible to establish certain tendencies.

Applying the same principal to commitment, it is possible to retrodict (i.e., demi-predict to a similar context) that even if commitment supports implementation of the corporate strategy 'Working as 'One corporation'', individual language skills, a 'culture of doing engineering', or actual financial flows and expectations of unit financial performance are likely to affect the contingent individual-system interaction that was expected to lead to specific strategic behavior. Therefore, instead of looking at the surface correlations between functional roles, or strategy commitment, it is important to understand individual commitment per se; to what extent it is aligned with the organization's corporate strategy or the entity that represents corporate strategy (e.g., a leader in India), and how the commitment-system interaction is likely to be affected by other entities within the stratified reality (and the competing commitments of the individual). While looking at these aspects, the researcher or manager is able to build explanations for how specific corporate strategy transitions into individual strategic behaviors within the MNC.

The insights above suggest we take a different view of the MNC as an organization per se. The six views of the MNC have predominantly theorized about the MNC as an organization that has power over the individual via a hierarchy, social system, or the like; or where individual agents have exclusive power to shape the MNC. The Multilevel view of the MNC and the findings on commitment as a mechanism

driving strategic behaviors suggests that neither the MNC as an organization nor the individual has complete overarching power. Rather, it is an individual who makes a choice to be or not to be in the organizational system of the MNC and who sees an MNC as a medium to fulfill his or her current commitment(s). Nevertheless, the MNC as a structure is equally powerful and, thus, via the interaction between an individual with his or her own set of commitment(s), and the MNC as an organization with its own set of strategic goals and commitments, the entire system is produced and re-produced. That is what can be summarized as being the microfoundations of strategy implementation in MNCs (see elaborated discussion on microfoundation logics in Felin et al, 2015). Finally, system–individual and individual–individual commitments are continuously recalibrated via the second observed mechanism, reciprocity.

In light of such changes of the theoretical perspective on the MNC, it is much more reasonable to conduct studies following the suggestions of Bowen and Ostroff related to the human resource management process (Bowen & Ostroff, 2004; Ostroff & Bowen, 2016). Such studies could consider how to establish MNC corporate strategy and its implementation system so that it would send strong signals to the prospective employees of the MNC, and produce as consistent interpretations of the MNC intentions as are possible even within a stratified reality, and attracting individuals with individual commitments that in one way or another align with the MNC's strategic goals.

Moreover, there is a need to enhance the understanding of what happens once an individual enters the MNC. It is clear that job and profession commitment even adjusted due to their contextuality act as strong unifying forces while driving the strategic behavior 'Working as 'One corporation''. This observation may suggest that commitment to something proximate and better defined, that is, a job or profession, might be easier attained than a commitment to something more distant and less defined, such as an MNC; nevertheless, system–individual interactions were largely shaped by the reciprocity. Reciprocity beliefs were greatly supported by a large MNC scope and its complexity enabling desired behaviors. The discussion on reciprocity below provides some initial guidance in understanding what happens once an individual enters an MNC and the further developments needed to enhance the Multilevel view of the MNC.

10.2.1.2 Reciprocity as mechanism driving strategic behaviors in MNCs

Reciprocity as a mechanism that shapes societal and organizational lives has been recognized in both organizational and IB literature (e.g., Robinson, Kraatz, & Rousseau, 1994; Kogut & Zander, 1993, 1993; 2003; Cropanzano & Mitchell, 2005;

Van Breukelen, Schyns, & Le Blanc, 2006). This study observed two types of reciprocity beliefs: belief in “reciprocity as interdependent exchanges”, that is, interdependent interactions in which “outcomes are based on a combination of parties’ efforts” and beliefs in “reciprocity as a norm” defined as a “cultural mandate, in which those who do not comply” receive negative evaluations and are in a way rejected or punished (Cropanzano & Mitchell, 2005: 876-7). Reciprocity, as with commitment, guided both system–individual and individual-individual interactions. Moreover, reciprocity beliefs in the global project work environment were found to be as powerful as acts of reciprocity themselves, since reciprocity beliefs continuously produced certain acts of reciprocity that eventually re-enforced or diminished reciprocity beliefs.

When individuals were able to create valuable knowledge or resource exchanges with other individuals in the MNC, or when they perceived such reciprocal transactions were possible, regardless of obstacles, individuals behaved in line with the strategic goal ‘Working as ‘One Corporation’’. The reverse was also true. However, the content of this reciprocity varied across individuals embedded within different countries. Consequently, individuals’ cultural backgrounds shaped their own definitions of reciprocity as a norm, and those individual definitions differed from many other understandings of ‘reciprocity as a norm’ among other MNC members. Exposure of these diverse definitions of reciprocity in global work setting within the MNC resulted in multiple outcomes and significantly affected relationships and work with international colleagues.

Furthermore, reciprocity enabled system–individual interactions and allowed for the alignment of individual–organizational commitments. If the organizational systems and managerial practices utilized created an environment within which the individual felt reciprocating, strategic behaviors were enacted. From the bottom-up perspective, if an individual had a similar commitment to organizational corporate goals and organizational systems as well as managerial practices were able to invite for realization of such individual commitments, strategic behavior was enacted. Nevertheless, within each MNC unit these reciprocal relationships were culture-laden in that they were based on reciprocity as a norm within each MNC unit. Once these different norms of reciprocities were exposed to corporate level intentions, a number of varying outcomes occurred. Moreover, colleagues within the global project evaluated each other’s behavior referring to their own cultural understanding of reciprocity. Consequently, within the global project norms of reciprocity collided creating challenges for the manifestation of the corporate strategic goal ‘Working as ‘One Corporation’’.

Therefore, corporate structures and strategic intentions can only be applied and unite all units of an MNC if the corporate system invites dialogue between the understanding of different kinds of reciprocity. This specific finding regarding reciprocity makes it possible to address a major criticism of Evolutionary theory in IB (Kogut & Zander, 1993, 1993; 2003). The findings of this dissertation illustrate that the guiding principles of reciprocal relationships of every ‘community’ (e.g., an MNC unit) are likely to be different; thus, there is a need for a very specific set of guiding principles that encourage integrating diversity, if the MNC as a social community needs to be united and to reciprocate globally.

The above also suggests that SET alone is likely to be insufficient in developing further Multilevel view of the MNC, since it downplays the importance of contextuality. Therefore, in addition to two relevant mechanisms deemed useful, differences in institutional logics within which individuals reside need to be incorporated and addressed. The next section elaborates on how the Institutional logics approach can help address the shortcomings of SET and its mechanisms while developing the Multilevel view of the MNC.

10.2.2 Institutional logics approach for multilevel theorizing in IB

Within the IB research domain, in which cross-country, cross-institutional logics frequently becomes a ‘*raison d’etre*’ for the field (Foss & Pedersen, 2019: 1614):

“the emphasis is on how macro contextual features need to be taken into account and dealt with. Scholars with such a starting point for their scholarship may be skeptical of microfoundational arguments because these may seem to highlight individual action, and it seems that context washes out the effect of any individual’s actions anyway. In this case, it makes sense to focus on structure and context and not bother too much about individuals” (Foss & Pedersen, 2019: 1614).

The observation above concisely explains why (as established in the literature review of this dissertation) until recently the IB research domain was dominated largely by O-level theories. The findings presented in this study illustrate well how macro-level entities (e.g., country culture, professional culture, and corporate structures) co-existed and interacted together with micro-level entities (e.g., individual commitments, meanings of strategy for individual, and a number of individual characteristics). Moreover, these interactions were explained via theoretical mechanisms that were also contextual, that is, they were affected by, but not entirely defined by, macro-level entities. Consequently, the empirical study revealed individual level variance while also observing individual level similarities

shaped by macro-level entities; while a number of individual level actions and interactions influenced macro-level structures.

Therefore, it is fair to suggest that the *Institutional logics approach* (see review by Thornton & Ocasio, 2008) rather than traditional Institutional theory utilized in IB research (e.g., DiMaggio & Powell, 1983), is likely to be helpful in revealing the black boxes comprising explanatory mechanisms behind various phenomenon in IB. One of the most essential differences between the two, is that Institutional theory diminish the power of individual rationality and focuses on “mindless behavior in response to cultural rationalization” (Thornton & Ocasio, 2008: 100). Whereas, the Institutional logics approach bridges macro (institutional) and micro (individual) level processes and considers how institutional logics affect rational individual behavior that also has some power to alter and shape institutions via individual actions (Thornton & Ocasio, 2008). The latter processes were observed in this empirical study as well. One of the most prominent examples was the subsidiary culture in the Indian unit that was a derivative of Indian and Finnish national cultures, as well as individual managerial practices applied at individual and team levels of analysis.

Furthermore, considering individual–individual and system–individual interactions it was also evident that institutions (“underlying differentiated belief systems of higher-order societal institutions” (Tan & Wang, 2011: 374) have a significant influence on the mechanisms driving individual behavior, particularly in shaping the meanings that guide behavioral responses. These were discussed in detail in the earlier sections on commitment and reciprocity. In conclusion, the Institutional logics approach is likely to be useful when developing the Multilevel view of the MNC and inferring theoretical mechanisms within microfoundational thinking.

10.2.3 Person-Environment fit theory for multilevel theorizing in IB

While trying to bring microfoundational thinking into IB theories, many scholars suggest adding individual level characteristics to existing models (e.g., Vahlne & Johanson, 2019). Nevertheless, such additions neither enliven the requirement to consider the processes in cross-level system–individual interactions (Devinney, 2013; Felin et al. 2015) nor consider the multiple embeddedness of the individual within the nested realities of the MNC in which influence of more distant and more proximate contexts are likely to vary (Mindbaeva, 2016; Foss & Pedersen, 2019).

Building on the empirical findings presented in this study, it was evident that certain individual level characteristics are likely to be more favorable and act as

enablers in the process of implementing the corporate strategic goal ‘Working as ‘One Corporation’’. Nevertheless, these entities served only as a part of the story and were relevant and meaningful only while placed at a certain level of analysis within a certain context. Thus, system (model)–individual characteristic fit did not automatically lead to the desired outcome.

Building on the suggestions of Gottschalg and Zollo (2007) and Colvin and Boswell (2007) who theorized that *alignment of individual interests* (comprising various types of intrinsic motivation) with certain organizational systems is essential for achieving competitive advantage and strategic behaviors respectively, this study also recognized that some form of intrinsic motivation was present among all individuals who performed the strategic behavior in question. Therefore, intrinsic motivation was an important factor that enabled occurrence of strategic behaviors; however, intrinsic motivation was one among many individual level enablers of the behavior studied.

Not one single individual level entity, but rather a ‘set of certain individual characteristics’-‘system at specific level of analysis’ fit facilitated the studied behavior. Moreover, the fit interacted via the two observed mechanisms and was significantly altered by managerial practices utilized within each studied context. Therefore, PE fit theory is correct in its assertion that individuals must be aligned with the context; however, once an individual becomes embedded in nested arrangements within the MNC, such fit becomes rather complex and can be affected by many entities.

Consequently, neither studies on strategy-as-practice (Jarzabkowski & Spee, 2009), nor those on interest alignment (Gottschalg & Zollo, 2007; Colvin & Boswell, 2007), or managerial consensus (e.g., Floyd & Wooldridge, 1992) alone are likely to help explain the processes of strategy implementation in MNCs. A more useful approach is likely to be an acknowledgment of nested arrangements (Hitt et al., 2007) and the combination of person-environment-practices of interaction; such an approach should provide a meaningful way to develop the Multilevel view of the MNC and enhance our understanding of strategy implementation in MNCs specifically. The following sub-section provides an example illustrating the importance of looking at PE fit in the nested arrangements of the MNC as well as the suggested person-environment-practices interactions.

10.2.3.1 Individuals across organizational levels of the MNC

This dissertation has looked at the MNC from the perspective of different levels: levels of theory, levels of reality, and organizational levels. While previous sections

discussed the theoretical implications arising from the analysis on the level of theory and of realities, this section elaborates on the theoretical implications derived from analyzing the MNC from the perspective of organizational levels. While considering the importance of person-environment fit in extending the Multilevel view of the MNC, such discussion is essential, since without it scholars are likely to miss a number of key observations.

Depending on the MNC type (model) its structural complexity will vary and, therefore, the need to create connectivity and integration among the units will be different too (Kostova & Roth, 2003). The most complicated MNC model is considered to be that of a *transnational* MNC, in which tangible and intangible resources are expected to flow both ways, where transactions are hard to predict, and the interdependence of units is very high (Kostova & Roth, 2003: 299). Nevertheless, while there has been an acknowledgement of the existence of such complex transactions, there has been little attention paid to the individuals across the organizational levels who participate in such transactions. The findings of this dissertation revealed that *individual exposure to a global work environment* is one very important aspect that is likely to significantly influence academic thinking about the various challenges and opportunities involved in the strategic management of the MNC and product/service development within it.

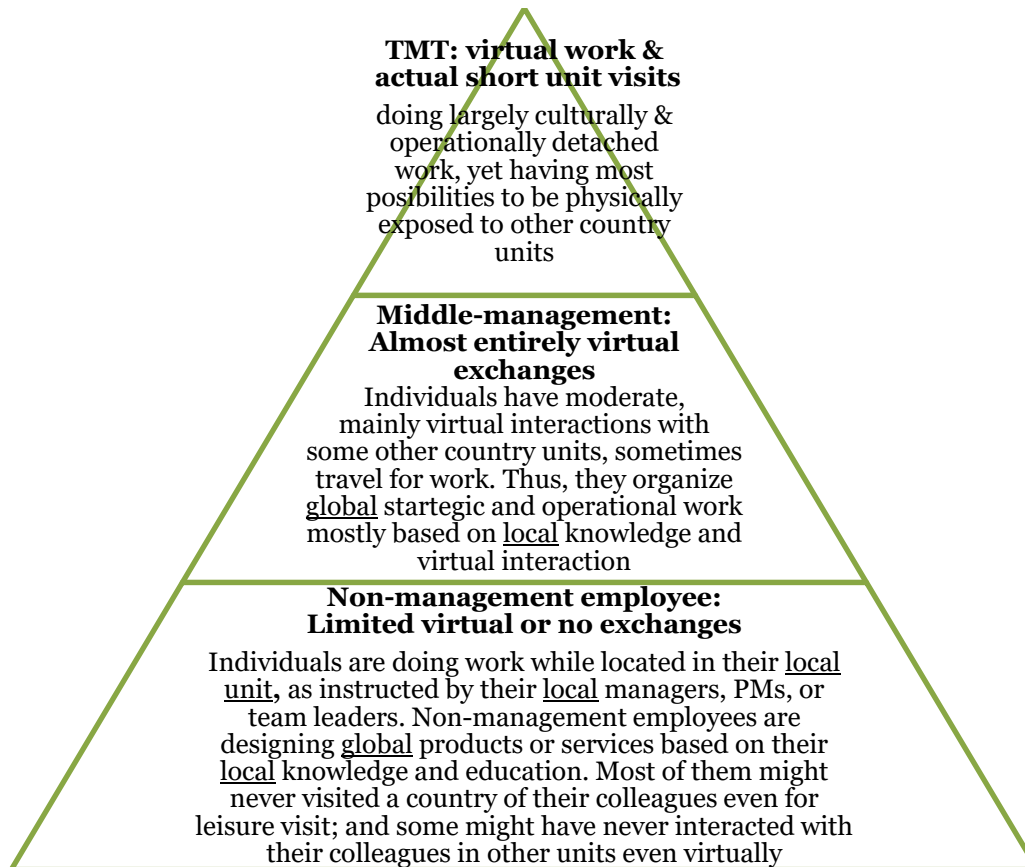


Figure 23. Exposure of individuals' across the organizational levels to the global work environment within the Transnational MNC model

The figure above illustrates the type of exchanges that actually happen in the transnational MNC model. This figure does not deny the complexity of exchanges, or the fact that exchanges are frequent or unpredictable. The issue the figure illustrates is the *almost total lack of exposure to multinationalism of most of the employees who are creating global products or services* and implementing the MNC's corporate strategy.

To what extent are employees, white-collar workers, experts in their field, working across the organizational levels of the MNC capable of relating to MNC's corporate strategies if their work environment remains mostly local or only virtually global? The essential role of boundary-spanners has been recognized in MNC management (e.g., Ancona & Caldwell, 1992; Birkinshaw, Ambos, & Bouquet, 2017). However, IB researchers might wish to consider how and to what extent boundary spanners affect the effectiveness of global product/service development and the quality of the global project itself, if the large majority of MNC human resources remain exposed mostly to the local context even in MNCs providing

expert services and consulting. What practices would be needed to overcome such a PE misfit, since it is impossible to actually expose the majority of the MNC's workforce to the global work environment due to geographical distance and the associated travel cost. The other question to consider is what are the effects of boundary-spanning activities across organizational levels. Are there any specific practices that enhance such effects within the operational and strategic environments of the MNC? This seem to be an entirely untapped research domain on which PE fit theory and the addition of a person–environment–practices approach could shed some light while developing the Multilevel view of the MNC.

10.3 Theoretical contributions

This dissertation contributes to the IB literature in several ways. First, building on the assessment of dominant IB theories against social meta-theories, this dissertation advances the Multilevel view of the MNC. This theoretical development in the under-researched domain of strategy implementation in the MNC contributes by emphasizing the microfoundations of MNC strategy implementation, and the complex interactions between individual agency and the multiple social systems in which they are embedded.

Adopting the Multilevel view of the MNC allows IB scholars to better theorize about and empirically study complex twenty-first century MNCs that must address great opportunities and challenges arising from digital, social, and environmental realities while utilizing individual knowledge and cross-border collaboration synergy. The Multilevel view of the MNC is capable of incorporating an analysis of both strategic and operational environments of the MNC and simultaneously exposing where the two collide, and where the two support each other. Moreover, the Multilevel view of the MNC can explain how and why designed systems are likely to be received, interpreted, and enacted by managers and non-management employees across organizational levels. Accordingly, the Multilevel view of the MNC reveals not only cultural diversity, but also significant other forms of diversity relating to individuals within the MNC; yet it can also reveal what bottom-up processes are likely to unite these diverse individuals while seeking unified corporate goals. Therefore, the Multilevel view of the MNC suggests a shift in the way IB scholarship theorizes about the MNC as a social organization. Instead of having polarized arguments that only a MNC management system (e.g., hierarchy), or only individuals (e.g., agents) drive the way MNC achieves its organizational goals, this view incorporates recent theoretical developments that can reveal the interaction of both. Adopting the Multilevel view of the MNC should

enable IB scholars to better reflect the nested realities of the MNC and, therefore, create better theories to explain how this complex organizations functions.

To uncover the usefulness of the Multilevel view of the MNC, this dissertation tapped into one specific phenomenon: the corporate strategy implementation of MNCs. First, the dissertation has provided a conceptualization of an under-researched area regarding corporate strategy implementation in MNCs. The extensive review has resulted in clarifying the elements of CSI under the six dominating theories in IB; revealing different mechanisms that drive CSI under each view; and comprehensively comparing their similarities and differences so as to provide helpful guidance for further studies on the topic. Then, the review and conceptualization of the CSI phenomenon in line with social meta-theories (O-, I-, and A-level theorization) facilitates establishing the most efficient and meaningful way to research CSI in IB. Such a multilevel evaluation of IB theories against the perspectives on theorizing about the social phenomenon revealed the strengths, weaknesses, and explanatory power of theoretical mechanisms utilized in the IB research domain, suggesting that the multilevel perspective, and microfoundational thinking in particular, is capable of reflecting an MNC's CSI realities and revealing the processes via which the CSI of an MNC transitions into individual strategic behaviors.

The above approach contributes to the IB literature not only by conceptualizing the eclectic phenomenon of strategy implementation that will support better informed studies on this topic in the future, but also by tapping into entirely unknown bottom-up processes behind this phenomenon. To illustrate, the empirical investigation revealed two mechanisms—commitment and reciprocity—that explain complex cross-level interactions between strategy actor agency and their multiple forms of embeddedness in different contexts, which are fundamental to explaining how corporate strategy transitions into the strategic behaviors of individuals. Moreover, the discovery of those mechanisms and the explanation of how they function in cross-level and cross-country environments led to the suggestion of three theories outside of the IB research domain that are likely to be helpful while enhancing the Multilevel view of the MNC and developing the understanding of strategy implementation processes within MNCs in particular.

As Roth and Kostova (2003) noted, relatively few studies in the IB field choose to theorize from the unique context of an MNC. Nevertheless, there are occasionally concerns expressed over the persistent search for the “big questions” in IB (Buckley, 2002; Griffith, Cavusgil, Xu, 2008) and that IB is exhausting its research agenda (Buckley, 2002). This dissertation suggests that the Multilevel view of the

MNC produces numerous amounts of new big questions in the field of IB and, therefore, encourages scholars theorizing from the unique context of an MNC as well as supports them in producing significant theoretical contributions. This is because the multilevel view problematizes academic thinking about the existence of a single power that guides the behavior of MNC systems and the individuals within them; as well as recognizes system's influence on agents, giving hope to managers and scholars not only to observe, but also learn to influence their actions. Moreover, as illustrated by the empirical study in this dissertation, the multilevel view shows that even theoretical mechanisms that make it possible to explain cross-level interactions might be contextual. Therefore, to entirely understand the functioning of the mechanisms in the corporate strategy implementation process as well as in/within multiple other phenomena within the MNC, will require a considerable volume of future research on the emerging big questions. Such research should be ready to engage in the complex organizational life of the MNC in which diverse individuals interact with closer and more distant strategic and operational environments.

To be able to analyze the multiple contexts and embedded individuals within the MNC in which both interact will require not only an acknowledgment of different views on power relationships within the MNC, but also a shift in underlying scientific philosophical assumptions. Consequently, this dissertation contributed by explaining why microfoundational thinking would not be most revealing if applied with the positivist point of view, and why Bhaskar's (2008) critical realism would be a suitable philosophy of science while developing the Multilevel view of the MNC.

While calling for the importance of multilevel, and microfoundational, research in the field of IB, and the need to consider underlying theoretical mechanisms that allow for system–individual interaction (e.g., Foss & Pedersen, 2019); IB scholars have remained with the Positivist point of view that traditionally focuses on building variable-centered, rather than mechanism-centered, explanations (Morais, 2011). Among other reasons noted (see Foss & Pedersen, 2019) this misalignment is possibly one of the major reasons why there has not been significant progress made since the first calls (e.g., Foss & Pedersen, 2004) for such research in IB. This dissertation has exposed and argued for the Critical Realism philosophy of science congruence with microfoundations and explained how CR could be applied while building the study on the heuristic framework grounded in the principles of Coleman's bathtub (Coleman, 1990).

Critical Realism is widely recognized for its utility but is rarely used in empirical work (e.g., Morais, 2011; Welch et al., 2011; Saka-Helmhout, 2014). Nevertheless,

as this study reveals, CR is capable of supporting researchers seeking to differentiate between what is only perceived, what is designed and expected, and what has actually happened. In other words, the acknowledgement of the stratified reality of the MNC equips the researcher with tools to observe systematically rational and irrational human agency within the intended and enacted MNC systems. If IB theory considers only the regularities and expects consistent behavior of all (or at least most of) the human agents within an MNC; then the MNC should consist of very similar individuals who think and act the same. If that were the case, it would undermine the core reason for an MNC's existence, that is, the utilization of diverse markets, knowledge, and individuals to enhance profitability. On the other hand, if we remain with the position that an MNC is driven by individual agent power alone without being able to establish systems that could alter an agent's behavior, we possibly question the need for the international management discipline to exist. Consequently, CR enables dealing with the diversity of individuals, with agent irrationality and powers, while theorizing, but leaves the rigorous researcher with the hope of producing sound, rational theories on how systems could be made more functional. The extensive discussion on the philosophy of science and its application in the development of the Multilevel view of the MNC provided in this dissertation is expected to guide IB scholarship in the production of better theories in which the core reasons for the existence of the MNC are brought forward more than ever before.

In this particular empirical study, the application of CR enabled defining important entities that were real, actually used, or only perceived, but were of significant importance to the studied behavior, since they were inhibiting or enabling the strategic behavior in question. These entities can bestow on IB scholars and MNC managers an entirely new understanding of how to interpret corporate data and how to design better systems that would support expected individual behaviors. It was noted that an MNC corporate system should invite the recalibration of diversity while fulfilling operational and strategic assignments and that correlations from corporate level data may sometimes be more misleading rather than helpful in revealing the driving powers behind the specific behaviors of organizational members.

Nevertheless, most importantly, the application of critical realism enabled explaining the reasons for the different organizational outcomes from strategy implementation efforts within the same corporate systems. It was evident that there were differences in implementing strategic behavior across country units and across projects in the studied MNC. The inference of the two mechanisms and the explanation of how they interact with enabling or inhibiting entities prompted suggesting why a corporate system produced different outcomes in the three

country units. Clearly CR and mechanism-centered explanations can be of great help to explain various other anomalies observed in IB, such as the situations when within-country variance is higher than cross-country variance.

Last, but not least, building on the CR case study, the current dissertation also developed an empirical method that facilitates researchers applying CR and multilevel thinking in empirical studies within the MNC. This method facilitates systematic planning of empirical studies, and later comprehensive and systematic analysis of the data while considering both individual interpretations as well as other rational and irrational characteristics of individuals, with rational, rigorous methodological procedures such as aligning the level of measurement with levels of analysis, incorporating and interpreting organizational statistics, or searching for frequencies in the form of demi-regularities.

10.4 Limitations and suggestions for future research

This dissertation has several limitations that must be acknowledged. First, the extensive systematic literature review on the topic was conducted only within the research domain of International Business. Research within other disciplines has been extensively read, but not systematically analyzed, or presented in this dissertation. Researcher relied on available comprehensive reviews and analysis such as Hitt et al. (2017). In addition, studies that cover topics related to strategy implementation, such as studies on organizational structure and culture, or subsidiary initiative, have not been systematically analyzed, but read and considered. Having done systematic analysis of these topics might have revealed additional insights on the issues related to strategy implementation or strategic behaviors. It is highly encouraged to return to the thick case descriptions with various theoretical frameworks and re-consider interpretations provided in this dissertation while searching for a better logical explanation of the observations.

Second, there have been a number of challenges in the empirical study. The data are cross sectional, thus, long-term observations and analysis were not available. For a study that investigates 'transition', that is, a process encapsulating how corporate management systems become individual behaviors, a longitudinal approach would have been beneficial in several ways. It would have facilitated making a more informed inference of the mechanisms, since longer observations and repeated interviews at several points in time would have provided a more accurate understanding of the Actual and the Empirical worlds. It would have been possible to identify other powerful entities that alter the activity of mechanisms, but that are only available in certain moments in time, such as at the beginning of

the work on a global project. In general, time as an entity is rarely considered in strategy implementation studies from a non-positivist point of view and therefore deserves closer investigation. That would drive a better understanding of the process of transition and the activity of mechanisms in various important periods within the strategic and operational work environment.

Third, the data were collected in three culturally diverse environments, and despite the researcher's best efforts to immerse herself culturally and interpret data in relation to the context; that aim might not have been entirely achieved. It was evident when collecting and interpreting data that greater proficiency in Finnish and local Indian languages would have been a significant advantage.

Furthermore, although the method of mapping the realities presented in Table 12 seemed to be relatively clear and systematic, its empirical application was more challenging than anticipated. For example, data that represented all levels of analysis while having the same level of measurement was not always available (team/meso level of analysis within the Actual and Empirical worlds; or the country level of analysis data within the Empirical world, for instance). Consequently, the conclusions drawn on these issues might be questionable or should be tested in further studies while triangulating the data from relevant levels of measurement. Then, it must be moreover acknowledged that separating interview data regarding project and strategy, as well as allocating it to three realities at multiple levels of analyses was very difficult and some issues might have been missed or misinterpreted. To tackle this limitation, the researcher attempted to provide an extensive amount of data within the *Detailed Findings* section, so that the readers would be able to arrive at their own conclusions.

Future studies should direct more emphasis on three things that this dissertation attempted to bring forward and suggested as essential for the development of the IB research domain: a) strategy implementation issues in an MNC; b) critical realism for studying an MNC, and c) microfoundations in an MNC. Those issues are still at its infancy within the IB literature; although they would seem to have the potential to prompt a number of new and valuable discoveries for academics and practitioners. Suggestions for research on strategy implementation in MNCs were discussed extensively in sections 4, 5, and 10. In Section 7.1.3. this dissertation presented and explained a method suitable for empirically studying MNCs as well as other organizations with a critical realist philosophy of science and further in the text demonstrated its application and value. The proposed method could be further utilized and amended, and other methods could be developed to drive a better understanding of organizational life within stratified reality at multiple levels of analysis. Such understanding should stimulate better

conclusions about the organizational realities; while managers can make decisions that are more informed. Then, microfoundations as methodological thinking is increasingly gaining recognition within the IB field and is continuously applied in newly emerging studies. This should continue, as microfoundations allows scholars to ultimately reflect the complexity of reality and understand system-agent interaction without having dichotomous views about the power of one or the other.

Last, but not least, more research is needed where strategic and operational settings are juxtaposed, since this juxtaposition across-borders is one of the most unique settings for theory development that an MNC is able to offer. In addition, academics in IB may wish to pay attention to the calls for cross-disciplinary research (Cheng et al. 2014) since it seems to provide significant opportunities for theory development.

10.5 Practical implications

The empirical findings of the current research suggest a number of practical implications for MNCs with interdependent structures that are striving to implement their corporate strategy based on a global delivery model, such as 'Working as 'One Corporation.' This section discusses these implications one by one.

First, the descriptions of the case provided in this dissertation expose the three 'Worlds' of the MNC. Traditionally, when managers are interpreting data about the organization, they would only address one 'world'. This should be re-considered, because various sources of data are representative of various 'worlds'. Managers should acknowledge that the existence of a process, strategy, or organizational document is not necessarily the lived reality in the organization. Most organizational processes and strategies remain 'on paper'. The situation is similar with perceptual data, in that it is not representative of organizational life; it describes only a fraction of it. Accordingly, organizational surveys, for example, must be interpreted with caution, when looking for deeper explanation in terms of what causes individual perceptions and feelings that were exposed in survey results.

Moreover, managers must be aware of their own considerations and knowledge about the organization: each manager's perception is influenced by three realities, and therefore, it is important to differentiate situations where a manager is aware about the issues 'on paper'; where a manager is aware of the issues that actually happened; and where a manager is only interpreting and perceiving a situation, or

building his or her explanations on the perceptions and feelings of others. In short, a critical realist stratified reality is not merely a philosophy of science; it actually exists in everyday organizational life and, therefore, must be taken into account when making decisions, when designing managerial tools and organizational structures or processes; while reflecting on organizational success, or failure, and while dealing with managerial challenges involving implementation.

When evaluating organizational structures and their role in strategy implementation it is important to observe what ties they actually create in both strategic and operative organizational environments. The empirical data in this dissertation exposed that having similar targets does not lead to natural collaboration across units or functions. Organizational structures and processes should simultaneously take into account strategic and operational processes while managers should observe the amount of time they and their subordinates spend discussing issues from both environments. For example, it might seem that cross-border management discussions about resource allocation between the two country units is already an enactment of the corporate goal 'Working as 'One Corporation''. On the one hand, indeed, such operational-level discussion does reflect the strategic intention, but on the other hand, it does not address the strategic developments needed to enact such a goal. Thus, managers should spend time looking at more strategic issues as well, for instance, how the resource allocation process between the units could be made more efficient.

Then, if managers wish to create a system, structure, and processes that facilitate implementation of the strategic goal 'Working as 'One Corporation,' the issue defined in Table 18 must be taken into account, but most importantly, managers should consider how these defined entities interact. Established systems and processes matter, but a significant influence on emergence of individual strategic behaviors was the way such systems or processes were actually used. Moreover, managerial practices (that might or might not be related to the structures or processes) by which they interact with each other and their subordinates are also essential enablers or inhibitors of the strategic behaviors in question.

There were a number of practices discussed in the sections on empirical findings. It is essential to understand that a) these practices are important because they served as a medium for reciprocity, and b) because they were aligned (or not) with the context of the individuals and personal commitments in particular. As a result, it is impossible to list practices that will be relevant in every context; it is however extremely important to consider the context in which the practices are observed and their relevance to that context when trying to interpret and apply those findings to another organization.

For example, this dissertation comprehensively discussed a number of practices that are likely to be relevant to project-based organizations operating in the Finnish, Indian, and Russian business environments. Nevertheless, when applying the practices described in their own organizations, managers must remember that contexts interact and accordingly the practices described in the Indian unit of MKMC may not be entirely applicable to a unit that is located in India with an organizational culture largely grounded in Indian local cultural practices. That is simply down to the MKMC Indian unit culture being significantly shaped by both individual-focused managerial practices atypical in the Indian local culture and the Indian country culture. General advice could be to search for the practices that support creating a feeling of reciprocity in the context of the unit the MNC is attempting to conduct these practices in.

Moreover, MNC management system creators should reflect on what kind of systems supporting MNC corporate and operational management would foster creating the space for a dialogue about the diversity of meanings regarding commitment and reciprocity. Standard project management processes usually start with defining the agreement with the customer and setting the plan for the project teamwork. However, between those two steps, an additional step could be added, which would enable a global team to expressly discuss and calibrate their understanding of the issues central to that specific project. In the context of a global engineering project that was analyzed in this dissertation, the discussion could focus on a) the understanding of the customer's interpretation of 'good engineering'; b) the understanding of the interpretation of the various country unit team members of 'good engineering' as well as the 'culture of doing engineering' of the team members involved; and c) making a team decision on which 'culture of doing engineering' the team should follow due to the requirements of the customer, the content of the project, the context in which the project is being delivered, and the needs of project management. That decision would enable teamwork principles to be aligned with the selected 'culture of doing engineering' that was chosen to be most relevant for this particular project. The approach would foster calibrating the diversity of meanings related to personal commitments and reciprocity before actual work started, thus avoiding a raft of problems related to working as 'One Corporation' and the consequent challenges that hamper the strategic behavior in question.

Both team members and unit managers working in cross-unit teams should be aware of the expectations relating to individual behaviors arising from the strategic unit role and unit size. Therefore, the HQ unit or the unit adopting the network/team coordinator role should not refrain entirely from operational duties and tasks. Such distancing in individual behaviors creates significant barriers to

working as 'One Corporation', because team members who are creating a product or service are likely to work with corporate and project management most productively if they can relate management issues to their direct operational tasks.

Corporate level managers should remember that the strategic intentions of the MNC within different country contexts might be interpreted with varying logics. It was evident that in Finland corporate strategy had little meaning for individuals, in Russia it was treated more from a bureaucratic perspective, while in India, a CS document was automatically accepted, if the unit leader was legitimized. Moreover, the terms to describe CS in the global environment matter; for example, discussing the utilization of a certain unit due to its *cost-effective resources* might not seem logical for all MNC units, or acceptable while referring to the work delivered by experts with high qualification. The language that corporate managers use is interpreted differently in different country contexts; so for example, term 'resource' traditionally used in Western countries to refer to both human, intangible, and tangible resources might be interpreted and accepted with large surprise and considerations of insult in other than Western countries when referring to humans. Corporate strategy as such might have an entirely different level of importance in different country contexts.

Then, motivation literature would argue that incentives (especially, in terms of monetary incentives which are largely promoted in strategy implementation models to tackle the *human factor*) has little influence on individual satisfaction and willingness to contribute (Osterloh, Frey, & Frost 2001; Osterloh, Frost, & Frey, 2002). In order to create internally motivated actions on the part of individuals, several conditions should be fulfilled: a) individuals should be interested in their activity; b) personal relationships and communication should be facilitated via team-based structures where individuals of different status establish connections and are engaged to active participation; and c) there should be overt commitment to and engagement with the activity by the top management (Osterloh, et al. 2001). Interviewee responses about their motivation at work confirm these earlier findings.

Accordingly, management should carefully consider the effectiveness of offering financial incentives for reaching strategic goals in the strategy implementation process. Managers, project managers, and team leaders should engage in behaviors that facilitate team interaction, a mutual feeling of understanding and reciprocity, and bring forward personal commitments. Appreciation conveyed for even partially implemented goals significantly motivates subordinates to continue to improve and to perform the required strategic behaviors. Moreover, management would be wise to remember that organizational members motivated

by factors other than the purely monetary incentives are likely to be more eager to know about or implement strategy. While individuals whose personal commitments are aligned with the corporate vision and mission are likely to exhibit strategic behavior even without entirely knowing or understanding the strategy of the MNC.

Finally, it must be acknowledged that functional position has a strong influence on strategic behaviors and individual perceptions about the expected and performed behaviors. Some positions require additional attention and support if certain strategic goals are to be delivered. Examples of such roles might include global roles at the employee level such as project managers who face significant challenges in trying to coordinate work across disciplines and country units; or more isolated functional roles such as engineers within a specific discipline who are not used to interacting across disciplines and who might find cross-border collaboration challenging to accept. Middle managers, who have more strategic responsibility without party to cross-border operational work might find it difficult to understand the value of concepts such as ‘Working as ‘One Corporation’ and may be more resistant implementing it; or they might not have sufficient understanding of how to organize working towards such a strategic goal. At TMT level, it is important to remember that strategic information is received by individuals via the filter of their function, that is, the person must acknowledge that his or her perceptions about the key strategic issues are likely to be function biased. Therefore, while delivering global messages, TMT members (the CEO, unit heads, global function heads) should ensure they have incorporated broader perspectives via discussions with their colleagues in other global functions, since they might be behaving under the influence of their functional position alone. Last, but not least, some non-managerial functional positions (e.g., project managers) have a significant influence on team working at the operational level; thus, these positions can be largely utilized while ‘translating’ corporate initiatives into operational work and language, which will help with engaging non-management employees in corporate strategy, understanding it, and obtaining their buy in.

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Appendices

Appendix 1: Methodology of the literature review on empirical studies on strategy implementation in MNCs

Literature review followed these steps:

Literature search was conducted in the two main databases for business studies and social sciences:

a) *EBSCOhost Business Source Premier* database (search by abstract; 1970-2018⁴⁵; academic articles, peer reviewed; Scholarly (Peer Reviewed) Journals)

Search terms:

- [(implement* strateg*) OR (executi* strateg*) and (multinational* corporation*) OR (multinational* enterprise*) OR mnc OR mne]

- [(strateg* change*) AND (multinational* corporation*) OR (multinational* enterprise*) OR mnc OR mne]

b) *ABI Inform* database (search by abstract; Peer reviewed; Scholarly Journals; Document type: Article; Language: English; no date limitations)

Search terms:

- ab((implement* strategy*) OR (execute* strategy*)) AND ab((multinational* corporation*) OR (multinational* enterprise*) OR mnc OR mne)

- ab((strateg* change*)) AND ab((multinational* corporation*) OR (multinational* enterprise*) OR mnc OR mne)⁴⁶

⁴⁵ up until the 1980s, there were no studies on strategy implementation (Pettigrew et al., 2002, p. 8)

⁴⁶ *Search terms for 'strategic change'* are included in the search for the following reasons: a) "organizational change cannot be separated from organizational strategy, or vice versa" (Burnes, 2004, Van Rieley and Clarkson, 2001, as cited in By, 2005, p. 369); b) in many studies the terms *change management* and *strategy implementation/execution* are used interchangeably without any distinction or explanation of how the two differ (e.g., Heracleous and Barrett, 2001; Sonenshein, 2010; Waweru, 2011; Payne and Frow, 2006), and c) Nutt (1986) considers "Intervention tactics for strategy implementation" to equate to or at least be inseparably similar to the change management approach. At the same time, change management literature names one of the change management stages *implementation* (e.g., Lewin, 1951; Vrakking, 1995) and Sullivan (1987) argues that

Table 1.A. Results for search terms on strategy implementation-execution:

Database	Hits from key word chain	No. articles after reading the abstract	No. articles after reading the paper
EBSCOhost Business Source Premier	135	63	12
ABI Inform Complete	148	46	10 (4 overlaps with EBSCO implement)
Total amount of articles after removing overlapping results:			18

Table 1.B. Results for search terms on strategic change:

Database	Hits from key word chain	No. articles after reading the abstract	No. articles after reading the paper
EBSCOhost Business Source Premier	268	41	8 (1 overlaps with EBSCO implement)
ABI Inform Complete	179	33	10 (3 overlaps with ABI implement; 3 with multiple searches)
Total amount of articles after removing overlapping results:			11

Articles on strategy implementation after combining results from both searches (overlaps removed): $18+11 = 29$

Additional search within leading⁴⁷ (grade four and three) IB journals (ABS 2015 ranking) was conducted (to find any article that has been missed):

Search terms: (implement* strateg*) OR (executi* strateg*) OR (strateg* change*)
– in title or abstract

Table 1.C. Results for the search within the leading IB Journals:

Journal	Hits from key word chain	No. articles after reading the abstract	No. articles after reading the paper
Journal of International Business Studies	25	8	2 (1 overlaps with other searches)
International Business Review	3	2	2 (1 overlaps with other searches)

“implementation cannot be interpreted as a deterministic model of change.” He claims, “Implementation has neither a starting point nor implied hierarchy” (Sullivan, 1987, p.109).

⁴⁷ *Journal of Common Market Studies* was excluded since it focuses on issues of EU integration; *African Affairs* journal concentrates on regional social, political, and historical issues; while *Asia Pacific Journal of Management* mainly focuses on determinants of firm’s success in Asia region and *Management and Organization Review* focusses on China rather than the operations of MNCs more generally.

Journal of World Business	8	2	0
Management International Review	6	1	0
Journal of International Management	22	3	1 (1 overlaps with other searches)
Total amount of articles after removing overlapping results:	2		

Articles on strategy implementation after combining results from all searches (overlaps removed): **31**.

Final results of the comprehensive literature review are provided in Table 9.

Appendix 2: Integrated behavior model and its application in this study

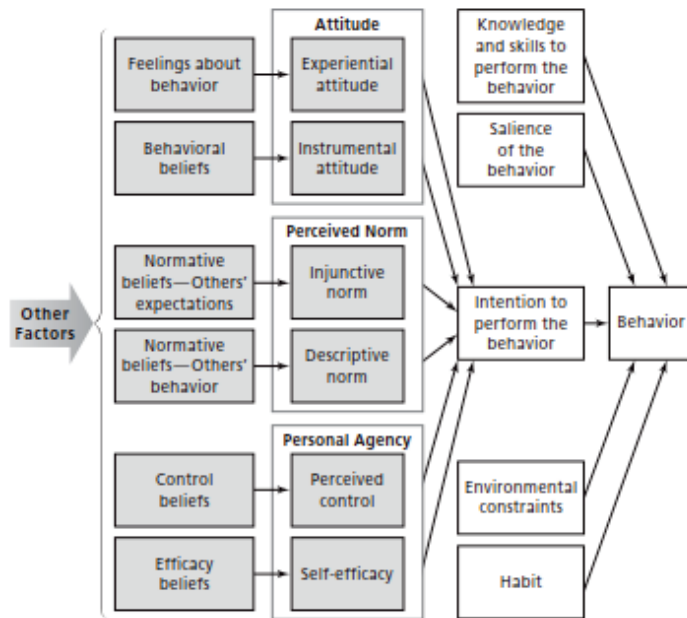


Figure 2A. Integrated behavior model (Montano & Kasprzyk (2002: 77))

Definition of variables within the model:

Attitude to perform behavior (“overall favorableness or unfavorableness toward performing the behavior”):

- **Experiential attitude:** “the individual’s emotional response to the idea of performing a recommended behavior”
- **Instrumental attitude:** “beliefs about outcomes of behavioral performance”
(Montano & Kasprzyk (2002: 78))

Perceived Norm to perform behavior (“social pressure one feels to perform or not perform a particular behavior” (Montano & Kasprzyk (2002: 78))):

- **Injunctive norm:** “normative beliefs about what others think one should do and motivation to comply”
- **Descriptive norm:** “perceptions about what others in one’s social or personal networks are doing”

Personal Agency to perform behavior (“one’s influence to bear on one’s own functioning and environmental events”):

- **Perceived control:** “one’s perceived amount of control over behavioral performance, determined by one’s perception of the degree to which various environmental factors make it easy versus difficult to carry out the behavior”
- **Self-efficacy:** “one’s degree of confidence in the ability to perform the behavior in the face of various obstacles or challenges”
(Montano & Kasprzyk (2002: 79)

IBM application in empirical research consists of two parts: qualitative and quantitative. Qualitative part is used to explore entities and their context for a specific behavior within certain context at the given time (Montano & Kasprzyk, 2002). Quantitative part of the IBM model, built upon initial qualitative study, is meant to *predict* behaviors and design systems of intervention based upon the strongest observed regularities within the specific context (Montano & Kasprzyk, 2002). In this regard, only qualitative part of the model is relevant for the empirical research in this dissertation grounded in critical realism. The dissertation aims to uncover causal mechanisms (based on retrospective analysis of events and individual interpretations) rather than to predict future behaviors. Thus, in this dissertation, only the qualitative part of the IBM model is utilized while constructing empirical study.

Montano and Kasprzyk (2002) provides guidelines, how to construct interview questions related to perceptual entities considered to be relevant for individual behaviors. Table 2B presents, how these suggestions were applied while adding questions to the Part 3 of the interview guidelines.

Table 2A. Elicitation questions to obtain data on individual perceptions that comprise intention to perform certain behavior (adapted from Montano & Kasprzyk, 2002: 83)

Construct	Elicitation Questions suggested by IBM Model (Montano & Kasprzyk, 2002: 83)	Questions adapted to this study Behavior: working as ‘One Corporation’
Experiential attitude	How do you feel about the idea of behavior X?	How do you feel about idea to work together and cooperate with other MKMC countries?

Instrumental attitude	What are some advantages/disadvantages of doing behavior X?	In your opinion, what are the advantages and disadvantages of working in this way, i.e. organizing projects globally?
Normative influence	Who would support/be against you doing behavior X?	What do you think other people in your working environment think about cooperating with other MKMC countries? In this company who supports and who may be against having this kind of way of working? why?
Perceived control	What things make it easy/difficult for you to do behavior X?	What things make it easy for you to cooperate with other countries? what things make this cooperation difficult?
Self-Efficacy	What kind of things would help you overcome any barriers to do behavior X?	What things would help you overcome any barriers to work hand in hand with other units on the same projects?

Appendix 3: Profile of the individual embedded cases

Table 3A. Profile of individual embedded cases within the 1st unit of observation

	Organizational role	Role in the Project Siberia	Location	Tenure at MKMC	Years of other similar work experience	Length of the interview
1.	TMT member and Project manager	Team leader	Finland	10 years	8 years	2 hours 2 minutes
2.	Global Quality Manager	Project quality manager	India	9 years	8 years	1 hour 24 minutes
3.	Section Manager	Technical expertise	India	5 years	13 years	1 hour 47 minutes
4.	Design manager	Local project manager	India	9 years	around 4 years	1 hour 28 minutes
5.	Design manager	Team leader	India	10 years	-	1 hours 42 minutes
6.	Assistant Design Manager	Project coordinator	India	10 years	4 years	1 hour 27 minutes
7.	Team leader	Team leader	Russia	5 years	13 years	1 hour 8 minutes
8.	Senior Project Manager	Global project manager	Finland	14 years	16 years	(No=2) 1 hour 14 minutes & 26 minutes
9.	Project Manager	Project manager for subcontractors	Finland	9 years	4 years	1 hour 27 minutes
10.	Project Manager	Local project manager	India	9 years	6 years	1 hour 24 minutes
11.	Project Manager	Project lead	India	7 years	12 years	1 hour 21 minutes
12.	Project Manager	Local project manager	Russia	9 years	25 years	1 hour 30 minutes
13.	Engineer, project manager	Design engineer	Finland	2 years	around 28 years	2 hours 13 minutes
14.	Senior Engineer	Senior Engineer	India	1 year	14 years	49 minutes
15.	Senior Engineer	Team leader	India	10 years	1 year	1 hour 19 minutes
16.	Senior Engineer	Design engineer	India	12 years	n/a	35 minutes
17.	Senior Engineer	Design engineer	India	12 years	7 years	1 hour 27 minutes

18.	Senior Engineer	Design engineer	India	1,5 years	around 10 years	27 minutes
19.	Senior Engineer	Senior Engineer	India	2 years	around 9 years	1 hour 50 minutes
20.	Engineer	Design engineer	Finland	5 years	-	1 hour 1 minute
21.	Engineer	Design engineer	Finland	1 year	1 year	40 minutes
22.	Engineer	Design engineer	Finland	6 years	1 year	1 hour 9 minutes
23.	Engineer	Design engineer	Finland	1 year	n/a	1 hour 15 minutes
24.	Engineer	Design engineer	India	6 years	7 years	54 minutes
25.	Engineer	Design engineer	India	2 years	3 years	1 hour 8 minutes
26.	Engineer	Design engineer	India	2 years	-	33 minutes
27.	Engineer	Technical expertise	Russia	3 years	6 years	2 hours 4 minutes
28.	Engineer	Technical expertise	Russia	5 years	around 25 years	1 hour 9 minutes
29.	Engineer	Design engineer	Russia	2 years	around 27 years	46 minutes

Table 3B. Profile of individual embedded cases within the 2nd unit of observation

	Organizational role	Location	Tenure at MKMC	Years of other similar work experience	Length of the interview
1.	CEO	Finland	13 years	around 18 years	(2) 1 hour 12 minutes & 1 hour 22 minutes
2.	Global HR Manager	Finland	10 years	12 years	2 hours 11 minutes
3.	Global Marketing and Communication Manager	Finland	9 years	12 years	1 hour 16 minutes
4.	Head of Project Operations	Finland	1 year	17 years	1 hour 8 minutes
5.	Head of Project Management Function (Finland)	Finland	10 years	-	1 hour 17 minutes
6.	Head of Process Engineering Function (Finland)	Finland	5,5 years	10 years	1 hour 6 minutes
7.	Team V Line Manager (Finland)	Finland	1,5 years	15 years	1 hour 24 minutes
8.	Russian Unit Head	Finland/ Russia	10 years	14 years	1 hour 55 minutes
9.	Indian Unit Head	India	13 years	around 8 years	1 hour 12 minutes

10.	Indian Unit HR Manager	India	9 years	4 years	(2) 1 hour 13 minutes & 16 minutes
11.	Indian unit Communication and Marketing Manager	India	13 years	1 year	1 hour 14 minutes
12.	Head of Project Management Function (India)	India	13 years	9 years	1 hour 5 minutes
13.	Head of Civil Engineering Function (India)	India	10 years	12 years	1 hour 23 minutes
14.	Section Manager	India	12 years	3 years	1 hour 32 minutes
15.	Team S Manager	India	11 years	4 years	1 hour 10 minutes

Appendix 4: Interview guidelines with managers and non-management employees in Finland, Russia, India

General

1. Could you share few words about your professional background and **your experience with MKMC?**
2. Which **language** you mainly use at work every day? **How do you feel about it?**

Part 1: (based on Table 13)

3. **In which ways you get to know about strategy** of the company?
 - a. **for managers:** are you somehow **involved in strategy making** process? how?
4. **How do you feel** about current strategy? Why?
5. Which of the **ways help you best to understand the strategy and reasons** behind it? Why?
 - a. **how helpful development discussion** was for understanding strategy and its implementation plan?
 - b. **how helpful are the target list** to understand strategy and follow its implementation? do you make your own target list?
6. Maybe you remember what are **the key messages of current company strategy?**
 - a. **what these key messages mean to you?**
 - b. **Why**, in your opinion, particularly these **points are the important** for the company?
 - c. **what these key messages mean in your work?**
7. Do you **find important that your work would have the link with strategy?** why?
8. **With whom and how often you discuss strategy?** formally and informally, virtually and face-to-face?
 - a. **do you discuss strategy** with your subordinates? in what circumstances?

9. **For managers: Maybe you accidentally remember competitive advantages⁴⁸ of the company:** what they are and why they may be important for the company?
 - a. **what these competitive advantages mean in your daily work?**
 - b. do you think you could **somehow contribute** to them? how?
 - c. why you **do not see that you could contribute** to them?
 - d. **do you explain** to your subordinates **what these competitive advantages mean? How?**
 - e. **do you explain** to your subordinates **how they could contribute** to enact these **competitive advantages?**
 - f. **what helps you to explain strategy and competitive advantages** in particular for your subordinates best?
 - g. **How you expect them to behave** according to these **competitive advantages? How do you check** that they have understood your expectations?

10. Do you think **employees need to know what the strategy** of the company is? **Why?**

Part 2: Implementation (based on Table 13)

11. **How do you feel** about current **strategy implementation process?** Why?

12. How do you see **your role** in implementing strategy?
 - a. do you **feel motivated to implement** the strategy? why?
 - b. What are the **tools that you use** to implement strategy? how effective you feel they are?

13. In your opinion, what should be the **role of managers** while implementing strategy?

14. The **way daily work is organized** in the company, **do you think it supports or hinders strategy implementation?** why you think so?

15. **Has company managed to implementation its strategy? why?**
 - a. what are the **things driving strategy implementation and competitive advantages** in particular best?
 - b. **things, which create most obstacles while implementing strategy** and 4 differentiators in particular?

⁴⁸ selected behavior 'working as 'One corporation'' was considered to be among the competitive advantages of the MKMC and was communicated to the organization by using this label, together with several other competitive advantages

16. For managers: how do you see **the role of target list** in corporate strategy and **competitive advantages** implementation?
 - a. Could you tell how the process of making and following **target list** for which you are responsible happens?
 - b. How do you select key steps to be included in target list of the year?**
 - c. **How is target list helpful** while implementing strategy? please share some examples
 - d. are there any situations **where target list creates problems** or challenges while implementing strategy? please share some examples
 - e. company has line organization and then project-based teams: have there been any situation when target list overlap because of this reason? what happens then?**
 - f. what is the **system to follow up**, what has been achieved in the **target list**? (control & feedback)
 - g. How implementation of **target list is linked with your performance appraisals**? (control & feedback). How important for you is that there would be such link?
 - h. **how and to whom you communicate about results of target list implementation?**

17. How do you see **the role of development discussions** in corporate strategy and competitive advantage implementation?
 - a. how does this process work? who is requesting it? is it obligatory practice?

18. Are there **any rewards for reaching strategic goals**? what are they?
 - a. **how important these rewards** are for you?

19. Is there anything **you would like to improve in strategy implementation process** in your company, unit, work role? what and why?

Part 3: Intentions to behave according to ‘One Corporation’ (applied from IBM model; issues noted in table 13)

20. How do you **feel** about idea to work together and cooperate with other MKMC countries?
 - a. what do you like and what do you dislike about it? maybe you can share any examples?

21. In your opinion, what are **the advantages and disadvantages** of working in this way, i.e. organizing projects globally?

- a. What **outcomes** company can expect, if work is organized while sharing responsibilities across units? In your opinion, are these expectations valid?
22. What do you think **other people in your working environment think** about cooperating with other MKMC countries? In this company who supports and who may be against having this kind of way of working? why?
23. **What things make it easy** for you to cooperate with other countries? what things make this cooperation **difficult**?
24. **What things would help you overcome any barriers** to work hand in hand with other units on the same projects?
25. In your opinion, are there **any specific knowledge, skills, capabilities, or resources needed for cooperating among MKMC countries**? Does your organization have them, or they need to be developed?

Part 4: Ending questions:

26. What **motivates you at work**? what **demotivates** you?
27. Is there anything else that you would like to share?