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Augmenting Local Managerial Capacity Through Knowledge Collectivities: The Case of Volvo Car China[☆]

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ABSTRACT

The investigation of socialization as a conduit of knowledge transfer and development (KTD) to subsidiaries in emerging economies is still in its infancy. This paper aims to discern empirically and theoretically the underlying mechanisms of interpersonal-level micro-foundations of socialization as a conduit of KTD in emerging economy subsidiaries. This study draws on a four-year longitudinal in-depth qualitative case study of Volvo Car China. The observational unit is the subsidiaries' temporal dual management constellations referred to as matched pairs (MPs). The study illustrates how the MPs acted as a means of temporal socialization, conducive in the creation of knowledge collectivities that aided in the development of local managerial capacity. A grounded model with four overarching theoretical dimensions is developed and discussed to illustrate the theoretical insights derived from this study. The main overarching disclosure is the prevalence of recursive interrelatedness between competence and competency of the individual, context-, and the expansion of managerial capacity. Findings of the case study opens up for a more nuanced view on transferring- and developing tacit and explicit knowledge in a context with less dense social capital. The study contributes to research on knowledge transfer and development, managerial capacity development, and internationalization of multinational corporations.

1. Introduction

Scholars agree that competing within and outside of emerging economies require approaches and choices that differ from those prescribed in traditional models of multinational corporation (MNC) behavior (e.g. Luo and Tung, 2007; Aulakh and Kotabe, 2008; Hoskisson et al., 2013). With regard to vertical intra-firm (headquarters-subsiidiary) knowledge transfer and development through socialization, this is especially true. Socialization, as a conduit of knowledge transfer and development (KTD), is an important tool for the multinational company to disperse knowledge within its internal network of business entities (Edström and Galbraith, 1977; Gupta and Govindarajan, 2000; Minbaeva et al., 2003; Björkman et al., 2004). Concurrently, the arguments for socialization as a powerful means for successful KTD within the MNC is well established, whether such success is defined based on the degree to which transferred knowledge is absorbed and internalized in the recipients (Kostova, 1999; Minbaeva, 2007), the degree to which knowledge is replicated at the recipient end (Kogut and Zander, 1992; Szulanski, 1996), the knowledge is integrated into existing knowledge bases (Grant, 1996), or “new” knowledge that is developed (Gnyawali et al., 2009).

Even so, our understanding of MNCs' organizing approach when using socialization as a conduit of KTD to emerging economy subsidiaries is in its infancy (Corredoira and McDermott, 2014; Williams and Lee, 2014; Khan et al., 2015). Studies on KTD to

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emerging economy subsidiaries have traditionally assumed that the presence of any type of human capital and socialization can alone fully account for such transfers, given the platform for knowledge flow provided by the MNCs' internal network (Williams and Lee, 2014). However, it should not be assumed that social interaction and the platform for knowledge flows provided by the MNCs' internal network automatically results in KTD (Gupta and Govindarajan, 2000; Li et al., 2007). Emerging economies often have limited ability to provide MNCs with experienced local managerial resources that possess the required competences, knowledge, and developed skills (Björkman and Xiucheng, 2002; Cooke, 2012). Experience and prior knowledge are crucial aspects of knowledge transfer and development success since managers with overlapping experience and knowledge are in a better position to absorb and draw benefits from knowledge transfer and development (see Minbaeva et al., 2003). Therefore, how the MNC actively organizes and manages employees with different experiences, competences, knowledge, and skills locally in the emerging economy has a more critical role to play than previously believed in MNCs' quest for managerial capacity (Williams and Lee, 2014).

Managerial capacity (i.e., the valuable competence of an organization's managerial resources in terms of knowledge, skills and abilities, social behaviors, and attitudes existing at any given point in time) is a key resource for exploring resources and coordinating resources effectively on a global level (Penrose, 1959; Wright et al., 2001; Mäkelä et al., 2009). Through their knowledge of the company's human resources and skills, managers can effectively allocate these resources to solve complex problems or seize valuable business opportunities. This is a focal aspect of company growth and success since a lack of managerial capacity may lead to companies failing to effectively use dynamically increasing resources. In addition, when the MNC needs to coordinate overseas operations, such coordination also effectively requires local managers who have been trained and socialized within the firm for a period of time (Tan and Mahoney, 2005; Goerzen and Beamish, 2007; Tseng and Chien, 2010). Socialization contributes to the growth of managerial capacity and such capacity is many times accumulated and internalized through long-term work experience within the company (Williamson, 1996), meaning managerial capacity develops organically and relatively slowly within a company (Lockett et al., 2011). It is well established that managerial constraints (e.g., caused by fast growth) can be diminished by effective experiential learning and internalizing learning into managerial capability (Penrose, 1959; Tseng and Chien, 2010). The ability to quickly disseminate knowledge within the MNC with the explicit aim of developing local managerial capacity in the subsidiary is therefore crucial for subsidiary growth, performance, and longevity.

The aim of this article is to discern empirically and theoretically the mechanisms of individual-level and interpersonal-level micro-foundations of socialization as a conduit of KTD in emerging economy subsidiaries (see Minbaeva et al., 2009; Michailova and Mustafa, 2012). In this paper, socialization is defined as the process of embracing relationship-building activities and mechanisms, both formal and informal, which enable managerial capacity development. The type of knowledge activity of particular focus is knowledge development, defined as the creation of new knowledge through collaboration, committing and combining mutual resources and expertise, including existing knowledge (Gnyawali and Stewart, 2003; Gnyawali et al., 2009).

Empirically, the findings draw on a four-year (2011–2015) longitudinal in-depth qualitative case study of Volvo Car Corporation's (Volvo's) establishment of its Chinese subsidiary Volvo Car China (VCC), following its take-over by Zhejiang Geely Holding Group (Geely) in late 2010. Thus, the findings presented in this article should be understood against the backdrop of Volvo Car China's attempts to establish itself in the growing Chinese automotive market and to graft on new business development opportunities and local market knowledge. Volvo, albeit with long experience of operating in the global automotive industry, lacked local knowledge in terms of operating in the Chinese market. Local Chinese managers, while possessing local market knowledge, lacked both experience of Volvo's technological, organizational, and commercial capabilities and access to an internal personal network. Thus, quickly combining Volvo knowledge with local market knowledge to increase local managerial capacity became imperative for the strategic ambitions of the Chinese subsidiary. The observational unit in this study is the utilization of temporal dual management constellations, referred to as matched pairs (MPs), where local Chinese managers and international service employees (ISEs – expats) were paired to jointly, in terms of responsibilities and assignments, lead their business functions for a predetermined period of time. The explanatory unit is knowledge collectivities, and the unit of analysis is managerial capacity development at VCC.

This paper contributes to the growing literature on social interaction as a mean for understanding knowledge transfer and development within MNCs. The theoretical perspective of a knowledge collectivity (Lindkvist, 2005) is used to provide empirical and theoretical insights into the temporal nature of socialization as a means for knowledge transfer and learning within the MNC. The collectivity-based approach is found useful for investigating and accounting for how individuals with diversified skills who are assigned to carry out specific tasks within tightly set time limits, and who operate on a limited basis of shared experience, knowledge, and understanding, generate increased locally based managerial capacity in an emerging economy subsidiary.

Results address calls for further exploration of how managerial capacity is generated, dispersed and absorbed within the MNC through socialization, especially with regards to subsidiaries in emerging economies (c.f. Collings and Scullion, 2009). A grounded theoretical model that illuminates the development of local managerial capacity in a subsidiary in an emerging market economy is presented. This model distinguishes between two overarching domains (Capacity Context and Capacity Expansion) and four theoretical dimensions (Competence Ambience, Competency Permeability, Competence Accretion, and Competency Pertinence).

This article proceeds as following. Next I elaborate on the concept of knowledge collectivities. I then present the research context and my methodological approach, including the longitudinal case study, the sources of my empirical material, and the analytical process. Next I present the empirical evidence and end by presenting and discussing emergent findings.

2. Theoretical background

2.1. Knowledge collectivities

Recent developments in the investigation of KTD in MNCs suggest that there is an inherently social nature to the process of knowledge flow within the MNC and that social interaction forms an important condition for the possibility of knowledge development (Noorderhaven and Harzing, 2009). Subsequently, examining the role of social interaction and knowledge related activities in MNCs should be considered at the level of sub-units that create and use knowledge (Tallman and Chacar, 2011a, 2011b). A number of studies have more recently drawn on the notion of community-of-practice (Brown and Duguid, 1998), to study specific micro-processes, mechanisms, and outcomes of knowledge management in the MNC (e.g. (Noorderhaven and Harzing, 2009; Kasper et al., 2013; Tallman and Chacar, 2011a). Mudambi and Swift (2011) argue that such communities are composed of individuals linked together in networks where the density of communication, expertise and/or personal relationships and the rapidity of mutual comprehension determines proximity, not geographic space. Within such communities, individuals are motivated to engage in shared knowledge development both by practical consideration of their own knowledge-of-practice gains and by natural social processes when acting in relationships. However, acting in communities-of-practice also require the development of intimate relationships that take time and effort to develop and is a “slow process involving considerable give and take of information, developing social ties, and general embeddedness in the local milieu” (Tallman and Chacar, 2011a: 205). These issues of social interactions and their mechanisms have not been discussed at length in the IB literature.

Addressing the increased use of the community-of-practice concept (Brown and Duguid, 1998) as a novel view of how groups deal with knowledge, Lindkvist (2005) introduces the notion of a collectivity-of-practice to offset the reduced sensitivity in identifying other group-level constructs to explain how groups deal with knowledge in general and tacit knowledge in particular. The collectivity-of-practice perspective provides a means for refining the understanding of contextual influences on groups consisting of individuals who sometimes have diversified and highly specialized competences, most of whom have not met before, and who are expected to carry out a pre-specified task within a set time limit. In particular, the collectivity-of-practice concept addresses the influence of temporality on groups of individuals and their attempts to deal with explicit and tacit knowledge. Hence, it is concerned with both the building blocks of learning, conveyed through explicit knowledge, and tacit knowledge as the “glue and integrating mechanisms in learning” (Dhanaraj et al., 2004:430). Communities-of-practice are groups of individuals who have practiced together long enough to develop into a cohesive community with relationships of mutuality and shared understandings. In contrast, collectivities-of-practice depend on the quality and state of the temporal context to discern the mechanisms that allow less well-developed groups engaged in swift socialization, often operating on limited shared knowledge and assigned to carry out specified and time-constrained tasks, to operate. Thus, the collectivity-of-practice stands in bold contrast to the community-of-practice, which involves “affect-laden social relationships and a substantial degree of shared ideational or cognitive communality, having emerged over a lengthy period of time” (Lindkvist, 2005:1193). In particular, Lindkvist (2005) notes that groups with members who embrace a collective goal and develop good representations of what others know may, based on a quite minimalist base of shared knowledge, develop a pattern of interaction and the collective competence needed. Hence, the collectivity-of-practice addresses how organizational members build common understanding and action-oriented contexts despite the lack of continuous interaction patterns and common history defined by the community-of-practice concept.

In contrasting a collectivity-of-practice with a community-of-practice, Lindkvist (2005) provides four dimensions to aid in understanding what he terms the “knowledge collectivity,” organized according to the general type of knowledge base, the individual members, type of knowledge development process, and epistemological maxim. First, the general type of knowledge base found in a knowledge collectivity is based on distributed knowledge (i.e., individual knowledge and competence residing in a network type of memory characterized by the well-connectedness of knowledge bases). In this network memory infrastructure, firms tend to let “knowledge stay in place, and encourage people to learn how to search for relevant knowledge” (p. 1201).

Second, individuals within the collectivity learn by means of problem-solving based on knowledge that is articulated. Articulation mechanisms include collective discussion concerning parameter inputs in the form of desired goals and actual achievements, experience sharing and comparing of opinions, and collective ad hoc problem solving (Zollo and Winter, 2002). Through articulation, organizational members engage in higher order learning (Paoli and Prencipe, 2003), including developing new frames of reference (MacCormack et al., 2001). A prerequisite is that the individuals are aware of their own knowledge possession, the additional knowledge they need, and how they should start finding or generating the needed knowledge. This in turn implies a greater reliance on “know-who” since members themselves, as free agents within the collectivity, must identify the type of additional knowledge they need and who to contact with such enquiries (Kakavelakis, 2010).

Third, the knowledge development process within a collectivity is characterized by goal-directed trial-and-error that takes place within a context of hierarchical goals and restraints that favors empirical facts. Context is imperative for understanding, learning, and practice in, for instance, communities-of-practice (Handley et al., 2006). Comprising a “nested arrangement of structures and processes where the subjective interpretation of actors perceiving, comprehending, learning and remembering helps shape processes” (Pettigrew, 1990: 270), it is the individual's relation to the state of the context that forms situations, circumstances, and problems (Corbin and Strauss, 2008). Hence, the context often corresponds to the blueprint for understanding activities of interaction and exchange (see Meyer and Rowan, 1977). Fourth, and as Handley and colleagues argue, learning participation within a given context (e.g., a collectivity) does not automatically over time lead to full socialization within that same collectivity. In particular, when dealing with complex knowledge, individuals often explore dialogue across collectivities, especially when hierarchical arrangements fail (see Lindkvist, 2005). Individuals subsequently do not necessarily develop their sense of belonging within one certain or given

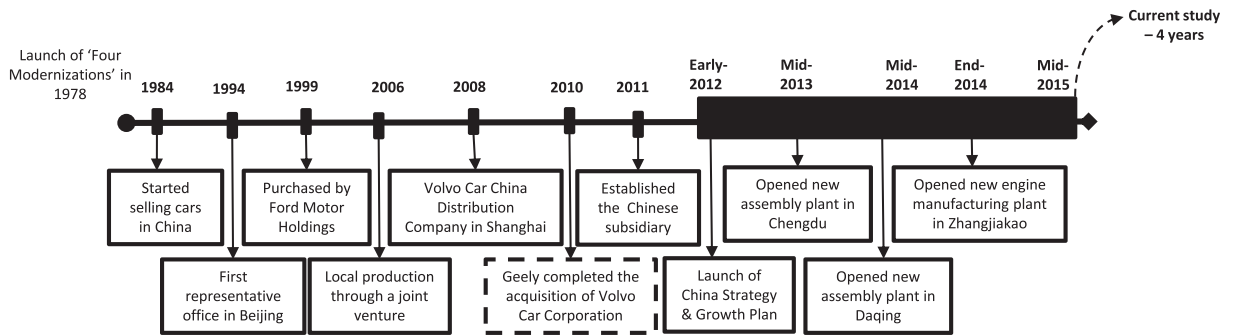


Fig. 1. Volvo car China timeline.

collectivity but also in the spaces between and across multiple collectivities (Handley et al., 2006). For example, Amin and Roberts (2008: 365) suggest that it is premature to assume that attending to the potential of situated learning, such as that taking place in collectivities- or communities-of-practice, can be solely a matter of building local ties. Participants can choose to follow a learning trajectory that tends to transform the knowledge and practice of an extant collectivity in which they are participants. According to Lindkvist (2005:1203), this “free will of knowledge” resembles the epistemological maxim that characterizes a knowledge collectivity. In particular, individuals use transactive memories (c.f. Schmickl and Kieser, 2008) to identify the existence and location of knowledge held by other individuals with whom they engage in purposeful exchange and co-evolution of knowledge. In this exchange, Lindkvist argues, knowledge is often separated from its creator and takes on a life of its own since those involved cannot know exactly what they are giving away and how others interpret and use their knowledge. With little prior empirical research to draw on as a base, the notion of a “knowledge collectivity” is yet to be fully employed to examine empirically the relationships among the temporal context, skilled individuals operating on a limited basis of shared knowledge and understanding, the carrying out of specified tasks, and the generating of increased locally based managerial capabilities in an international subsidiary.

3. Research context

3.1. Geely Zhejiang's acquisition of Volvo car corporation

Volvo Car Corporation started selling cars on the Chinese market in 1984 and established its first representative office in Beijing in 1994. Following its purchase by Ford Motor Holdings in 1999, local production of Volvo vehicles in China began in 2006 through a joint venture agreement with Chang'an Ford Mazda Automotive. In 2008, the Volvo Car China Distribution Company was established to facilitate sales in China. Geely's 2010 acquisition of Volvo from Motor Ford Holdings constituted a landmark event in the global automotive industry (see Fig. 1 for timeline). The acquisition opened up numerous new challenges but also possibilities for Volvo. The increase in options for strategic direction was seen as an incredible opportunity for the firm but gave rise to fear of organizational anxiety and paralysis in terms of taking the right decisions. The year 2010 was when operations were initiated, 2011 was considered the year for writing the strategic map and establishing the organizational structure, 2012 and 2013 were designated for making significant investments, 2014 was the major launch year, and 2015 was when the success of the strategic map would be evaluated. The initial goal of the strategic map was to reach a local market sales goal of 200,000 vehicles by 2015 through a localized portfolio of vehicles that appealed to the Chinese market. Hence, building and developing the market support system, expanding the dealer network, establishing a local supply base to optimize costs, engaging in product development activities geared toward local adaptation, and local manufacturing and assembly were significant tasks that VCC had to accomplish to reach its goals. One important strategic decision was to build three new factories in China to replace the production that had been carried out in the Chang'an Ford Mazda Automotive joint venture. The new assembly plants in Chengdu and Daqing and the new engine plant in Zhangjiakou went operational in 2013.

3.2. Establishing the Chinese subsidiary and setting up the matched pair constellations

The most significant events for Volvo China's establishment took place in late 2010 and early 2011 when the Chinese subsidiary VCC was set up and became functional. The Chinese subsidiary can be defined as an “emerging market hybrid firm” (Alvstam and Ivarsson, 2014) because the national origin of Volvo after its acquisition by Geely in 2010 became increasingly blurred. Thus, albeit politically and commercially controlled by new domestic interests in an emerging market, Volvo Car Corporation, due to historical and other reasons, is still considered a foreign corporation by the Chinese authorities and the general public at the global level. The Chinese subsidiary consisted organizationally of Volvo Car China Head Office, China Sales Company, and Volvo Car China Technology Center. The head office in China was seen as a subordinate headquarters to the Swedish headquarters, with ownership listed and incorporated in Hong Kong. A major strategic challenge in late 2010 and early 2011 was to establish routines and ways of working that made the inherent complexity between the two entities manageable.

Understanding that the China market displayed particular characteristics that Volvo had not previously experienced, the company

recognized the need to use unconventional means toward management to establish and grow operations. During the process of acquiring Volvo from Ford, Geely recruited and appointed a number of persons for important managerial roles. At the same time, Volvo, operating under the mantra that “Geely is Geely, and Volvo is Volvo,” assigned its own ISEs to many of the same managerial positions. As the operations in Shanghai were initiated (under the name VCC), the employees recruited by Geely and the ISEs assigned by Volvo merged into a temporal dual management constellation, internally referred to as matched pairs. This managerial setup could be found operating simultaneously at the two top managerial levels (vice president and director) across a number of departments and functional areas. One reason was the acknowledgment that the decision-making process would be too complex with further MP layers within the organization. The MP was also believed to be more suitable for functions where the differences between the standard operating procedures of the functions in China and Sweden were large. Where such differences were identified, the combination of competence from the two MPs became particularly important.

A common conviction was that the MP was an initial tool that originated from the particular characteristics of the Chinese market, the need to reach ambitious growth and sell targets to quickly catch up with competitors, and Volvo's lack of market experience in terms of operating in the Chinese market. It was also necessary due to Geely's inexperience with managing a premium brand. Thus, Geely understood that the need to establish and quickly grow operations in the Chinese market required unconventional approaches toward management. Considering the limited experience in the new organization, where employees lacked either “Volvo knowledge” or “China knowledge,” the MPs served to combine the Volvo experience and the knowledge of more experienced managers from the Gothenburg headquarters with the China experience and market knowledge held by Chinese managers. While the MP set-up helped to deal with the workload pressure and lack of experienced local managers, its ultimate purpose was to support the fast expansion of VCC in the Chinese market, while simultaneously developing local managerial capacity.

Managers, both ISEs and local Chinese managers, believed that it would have been difficult, close to impossible, to set up the targeted operations in Shanghai while only possessing one side of this experience and knowledge. Being set up with the purpose of leveraging the capabilities, competence, and experience of both ISEs and local Chinese managers, two managers could increase the opportunities to learn from each other through closer cooperation. The ISEs often had the same functional position within Volvo or in another automobile manufacturer. The majority had a long professional working history within Volvo and experience being expatriates in other countries. They had been selected directly by the senior management team in headquarters, were selected from among a number of applicants for the position, or were experienced up-and-coming talents for whom an international assignment was the next development step in their career progression. The Chinese managers, on the other hand, often had direct experience from working in the automotive industry (some even directly with Geely) or in automobile-related supplier firms. The MPs were often located together in the same office, took on the same managerial role, had the same authority and responsibility, and managed their subordinates together. Thus, in the MP, managers would take the same responsibility for all function-related issues, and tasks were often shared without a clear division of labor. The MPs had dual reporting duties, reporting upward within the Chinese subsidiary but also many times to the Gothenburg headquarters. The Swedish ISEs tended to be the focal point for contacts with Gothenburg headquarters, which was natural since these managers had an established and strong personal network within Volvo Car Corporation. The Chinese managers, on the hand, many times managed the daily communication with local suppliers, organizations, and institutions.

The MPs were a transient constellation where ISEs were contracted to spend two years at the Chinese operations, with the possibility of extension. This extension decision generally followed discussions at the end of the two-year period to evaluate the success of the MP, whether the local Chinese manager had developed enough managerial capacity to solely take over responsibilities to lead the function, and whether the ISEs desired to continue working in China.

Between 2010 and 2015, the number of employees at VCC rose from 188 to more than 5000 (with approximately half constituting blue-collar employees). During the same period, VCC opened two new assembly factories and one new powertrain manufacturing factory and saw sales on the Chinese market rise from approximately 47,000 vehicles in 2011 to approximately 81,000 vehicles in 2015. By the start of 2016, more than 170,000 vehicles had been built in the Chengdu plant, producing locally adapted vehicles of the S60L, XC60, and S60 Inscription models; a locally adapted S90 model began being assembled in the Daqing factory, while the Zhangjiakou engine plant scaled up and began producing the new generation of Drive-E engines as a fully autonomous plant ([Volvo Cars Annual Report, 2016](#)). In the meantime, the number of ISEs never exceeded 149, seeing a steep rise from 15 in 2010 to 144 in 2012, followed by a decline in 2013 and 2014, to finally rise again to 149 ISEs in 2015.

4. Methodology

4.1. Longitudinal case study

The results of this study are drawn from a longitudinal case study that systematically traces events – more or less “online” – in close interaction with the focal organization of this study (i.e., VCC). The qualitative case study approach is appropriate given the requirement to develop in-depth understanding of an area that is relatively unexplored ([Miles and Huberman, 1994](#); [Birkinshaw et al., 2011](#)). Furthermore, since the aim is to unravel interpersonal-level micro-foundations of knowledge transfer and development in the MNC, this approach allows a close examination of such micro-foundations and process ([Tippmann et al., 2012](#)).

Empirical material is collected through interviews with key personnel at VCC and with managers at Volvo's Swedish headquarters and Geely's headquarters in China. Empirical material was collected from the inception of the acquisition and the establishment of the China subsidiary and at five different instances throughout a four-year period (2011–2015). Characteristics of the focal case organization, VCC, are depicted in [Table 1](#).

Table 1
Summary of case characteristics.

Contextual attributes	Characteristics
Ownership	Legally foreign owned and private, controlled by public interest in China
Acquisition motives	To strengthen the competitive advantage of the acquiring firm in its domestic market and globally. Strategic asset seeking.
Strategic motives	Build up large production/sales capacity in China for the domestic market, capitalize on an established and prestigious brand, and acquire new technology.
Tactical imperative	Quickly scaling up from marginal activity in the new home market, to catch up with competitors. Set-up routines and ways of working, make the inherent complexity between the two entities manageable
Organization attributes	
Business entities	Volvo Car China Head Office – consisting of ‘Volvo Car China Sales Company’, and ‘Volvo Car China Technology Centre’. The Chinese head office in China is a subordinate headquarter to the Swedish headquarter.
Depts./functions	Mirroring Swedish HQ <i>Volvo Car China Sales Company</i> - Marketing, Distribution, After-Sale-Services, Customer Services and general market coordination <i>Volvo Car China Technology Centre</i> - HR, Power-Train, Product Strategy and Vehicle Line Management, Finance, R&D, Procurement, Vehicle Test and Facilities, and Chassis and Active Safety.
Facilitating conditions	High autonomy, Strong parent-subsidiary communication, Personnel transfers, Expats.

This case conveys high revelatory characteristics, offering potential for developing new insight into an understudied phenomenon (see Langley and Abdallah, 2011). This study pertains to the advantages obtained through a longitudinal, real-time, and deep single case study that allows for tracing cause and effects. This method also provides rich and contextual insights into the dynamics of socialization as a conduit of intra-unit knowledge transfer and development to overcome managerial capacity constraints. As mentioned previously, the observational unit in this study is the temporal dual management constellations deployed.

4.2. Sources for collecting empirical material

The main source of collected empirical material is summarized in Table 3 (Appendix). Face-to-face interviews with 8 department vice presidents and 16 business function directors were conducted between October 2011 and April 2015. Of the 24 respondents, 14 constituted both parts in an MP (Chinese and non-Chinese manager working together). Another six were only one partner of the MP, and another four did not work in an MP. Interviews with managers not working in MPs were conducted to discern why the MP was not used in their positions. This also allowed some of the communicated benefits of MPs to be cross-referenced against respondents not working in the same set-up. In total, 37 semi-structured interviews were conducted with Chinese and non-Chinese vice presidents and directors. The total number of interviews is 37 because some respondents were interviewed twice or three times. Out of these, 17 respondents were Swedish expatriates, 6 were of Chinese origin, and 1 was American. The respondents were selected using purposeful sampling, concentrating on the two top managerial echelons (vice president and director).

Interviews lasted from 30 min to 3 h and followed roughly the same structure. Respondents were asked about their previous professional experience, their motives for working at VCC, the challenges they faced in their daily work, their general views and feelings about the MP set-up, its benefits and drawbacks for them and for their MP, respectively, how knowledge was shared and developed, the general development of managerial capacity at VCC, important developments that had taken place, and future challenges. Secondary and tertiary interviews conducted in subsequent field visits became progressively more structured and focused as more empirical material was collected and themes began to emerge. Notes were taken during the interviews to capture topics that seemed significant to the respondent such as keywords and certain situations and events. All interviews were digitally recorded and transcribed verbatim shortly after each interview. Empirical material was then compiled and analyzed both chronologically and thematically to isolate key issues pertaining to the case history and the subsequent development of managerial competence. The validity of the data was addressed through the verification and further clarification of interview transcripts in subsequent interviews with the respondents. Interviews were conducted in both Swedish and English.

In addition to empirical material gathered through interviews, internal company presentations by senior managers, collected during numerous site visits, were analyzed. Furthermore, publicly available PowerPoint presentations from the case organization and news articles published on the Internet were collected and analyzed. Any new developments encountered were discussed with research colleagues who were following the same case organizations. This material provided important historical reference points of company development but also insights into planned developments for future reference points.

4.3. Analytical approach

The data were inductively analyzed using constant comparison techniques (Strauss and Corbin, 1990; Miles and Huberman, 1994), following the “Gioia method” for qualitative studies (Nag et al., 2007; Gioia et al., 2010; Langley and Abdallah, 2011). Thus, interviews conducted in multiple rounds and at multiple levels and positions during the numerous visits were used. In line with the methodological prescriptions, trustworthiness of the collected empirical material is supported by involvement of multiple researchers and by gaining feedback from insiders on emerging interpretations. The desired theoretical output of this analytical approach is a narrative that attempts to provide closeness to first-order participant perspectives and to deduce second-order interpretations that cumulate in the form of inter-related overarching theoretical dimensions (see Langley and Abdallah, 2011). The rationale for

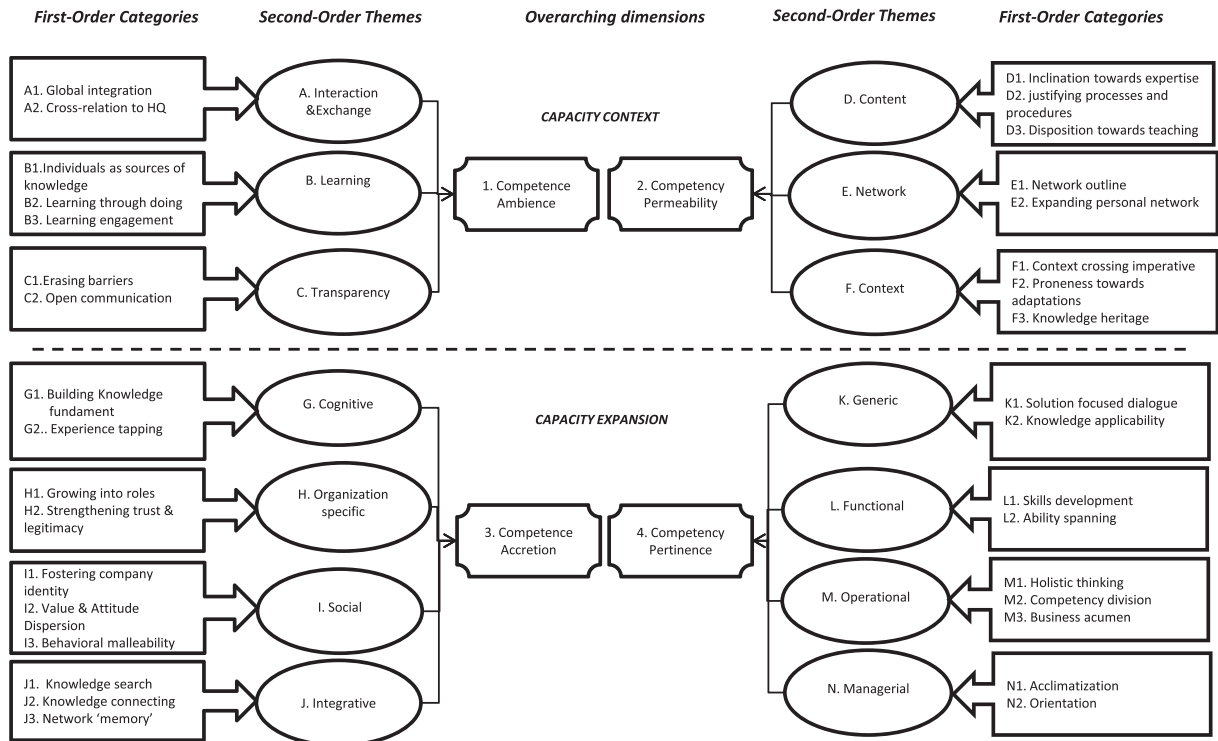


Fig. 2. Data structure.

choosing this methodological approach is to investigate a gap in our understanding of important processes, rather than to contradict previous research (ibid.). Fig. 2 depicts the emergent data structure derived from this analysis and represents the central artifact of the analysis process.

The analysis process commenced with familiarization with the case story. Several iterations between data sources to conduct descriptive coding to identify categories were involved (e.g. Miles and Huberman, 1994; Spiggle, 1994). By identifying sections that had a coherent meaning and represented a more generic phenomenon, crude first-order categories were distinguished. Evidence in the data sources indicated 34 distinguishable first-order categories (phrases on the left and right sides of the figure show the first-order categories at the level of meaning of the respondents). The analysis process continued with discernment of links among first-order categories and collapsing categories by aggregation into second-order themes. The researcher induced second-order themes at a more abstract level, using informant labels if they represented emerging theoretical concepts. For example, categories containing instances in which respondents talked about individuals as sources of learning, learning through doing, or the engagement of individuals were collapsed into a theme labeled “Learning.” Similarly, instances where respondents talked about the fostering of company identity, dispersing Volvo values and attitudes within VCC, and the need to adapt behavior were collapsed into a theme labeled “Social.” Another explicit purpose at this stage was to search and probe for causations and the mechanisms that gave rise to these causations. By looking at the empirical material, I observed how the level of activity, engagement, and normalization varied over time and found this to be linked to changes in the organizational structure and content of the responsibilities taken on by the subsidiary. Altogether, 14 s second-order themes that informed of how managerial capacity development at VCC was shaped were identified. The last part of the analysis process included assembly of second-order themes into overarching dimensions that allowed the creation of researcher-induced theoretical dimensions that emerged from the empirical material. The data structure thus presents the researcher-induced overarching dimensions building on the identified themes and categories derived from the empirical evidence.

Accordingly, the phrases on the left and right sides of the figure show first-order categories (at the level of meaning of the respondents); the second-order themes show the collapse of related categories into themes based on existing research; the overarching dimensions depict the emergence of theoretical dimensions emanating from the analysis (c.f., Nag et al., 2007). As seen in Fig. 2, four overarching dimensions that drive the development of managerial capacity at VCC emerged in the analysis: *Competence Ambience*, *Competency Permeability*, *Competence Accretion*, and *Competency Pertinence*. These dimensions are in turn subsumed by two larger domains, *Capacity Context* and *Capacity Expansion*. Table 2 contains additional supporting evidence, keyed to Fig. 2, and shows representative respondent (first-order) quotations underlying the second-order themes. The findings narrative presented in the Emergent Findings section is based on the identified themes. Focusing on the theme level is a more informative way of capturing deeper issues and processes underlying overarching dimensions (Nag et al., 2007: 829).

Empirical material and the emergent data structure have been verified and discussed with respondents who have since returned to Volvo in Gothenburg as well as in a number of workshops and seminars arranged around the VCC case. In April 2015, a workshop was

Table 2
Dimensions, themes, categories, and quotations.

Themes and categories	Capacity context representative quotations
Competence ambience	
<i>Interaction & exchange</i>	
A1. Global integration	A1. "We emphasized that we are not a stand-alone organization, we are an integral part of the global organization. We make an effort to get ourselves integrated". (Expat - Powertrain)
A2. Cross-relation to HQ	A2. "I tried to create cross-relationships so that all managers recruited locally had one experienced Swedish employee as a type of informal mentor. Someone who knew the context at HQ, the procedures, and the work". (Expat - Vehicle Line Management)
<i>Learning</i>	
B1. Individuals as sources of knowledge	B1. "My MPs is one of the most important sources [of knowledge]. I learn a lot from him, the processes, procedures, mentalities, and also practical things". (Local - R&D Electrical) B1. "You have this person who has worked for Volvo for 30 years, sitting just three meters away from you every day". (Local VP- Power Train)
B2. Learning through doing	B2. "You need to prove yourself, demonstrate your technical and managerial knowledge. Handling people, differences, adapting to different situations". (Local - Purchasing None.Prod. Material) B2. "You learn by doing, by working together". (Local -HR)
B3. Learning engagement	B3. "One thing that struck me early on was the learning ambition of the Chinese employees. It's very clear that in this society knowledge is attractive". (Expat - VP HR) B3. "The Chinese realize that, what they have been taught and learned here is their treasure. Volvo could go bankrupt, but they would still know all these things". (Expat - Marketing)
<i>Transparency</i>	
C1. Erasing barriers	C1. "I had already set-up a mind-set that the very basic thing I need to have is equality, in terms of authority and power regarding work. Later on you can have higher level and deeper relationships build on that". (Local - Power Train)
C2. Open Communication	C2. "The fact that you share rooms is critical since you can tap into discussions and give information. And that also involves openness toward each other. (Local - Purchasing Cost Estimate) C2. "If you have the attitude that you will keep your information to yourself because information is power, then it won't turn out well". (Expat - Vehicle Engineering)
Competency permeability	
<i>Content</i>	
D1. Inclination toward expertise	D1. "If you have a meeting, you invite those that really know about the subject. The expert, not the managers". (Expat - PLM & Program Office)
D2. Justifying processes and procedures	D2. "...how many meetings, what they are called, their content, who they participants should be? If my MP was not here I would have struggled to get all that information". (Local - Powertrain)
D3. Disposition toward teaching	D3. "If you decide to come here you have also clearly decided that you want to interact and teach someone what you are doing. That's basically our purpose here". (Expat - Purchasing) D3. "All those from Sweden are in the right mind-set. It's all about their capability to teach and that they must be willing to devote time to this" (Expat -HR)
<i>Network</i>	
E1. Network outline	E1. "He knew their personality, preferences, their mind-set. That later on helped me in the efficiency when dealing with people in Gothenburg". (Local - Vehicle Test & Facilities) E1. "What he [Chinese MP] doesn't know is which strings to pull for something to happen. So what I bring over is mainly that part of my network so to say". (Expat -Vehicle Engineering)
E2. Expanding personal network	E2. "My MP planned my first trip to Gothenburg, who I should meet and why and also came with to the meetings. After that people got to know who I am and what I am doing". (Local - Powertrain) E2. "My MP has helped me a lot by introducing me into his network and reminding people that we are a MP and that they need to get me included in the discussion". (Local - R&D Electrical)
<i>Context</i>	
F1. Context crossing imperative	F1. "He [Chinese MP] has knowledge of the Chinese business environment. And he can explain it and try to bridge these kinds of things". (Expat - Powertrain) F1. "I am getting more understanding of Volvo's and the Swedish culture, why my [Swedish] MP is thinking or behaving in that way". (Local - HR)
F2. Proneness toward adaptations	F2. "We need the western experience, but must not lose the Chinese perspective". (Expat - Marketing)
F3. Knowledge heritage	F3. "We have a lot of freedom to make adaptations...//...to start something new here. But keep the heritage, and the reasonable part of it." (Local - Vehicle Test & Facilities). F3. "There is the heritage of Volvo and that that is something we need to make an effort hold on to as much as possible". (Expat - PLM & Program Office)
Themes and categories	Capacity expansion Representative quotations
Competence accretion	
<i>Cognitive</i>	
G1. Building knowledge fundament	G1. "We don't have the competence to develop something new here. But that is our ambition. So we have started to train our employees according to that ambition ". (Expat - Vehicle Engineering)
G2. Experience tapping	G1. "It's mostly about building up competence, and knowledge in different areas". (Expat - HR)

(continued on next page)

Table 2 (continued)

Themes and categories	Capacity expansion Representative quotations
	G2. "The Swedish ISEs are more in senior positions. The Chinese employees get a lot of help and directions from the senior managers. (Local – Power Train)
<i>Organization specific</i>	
H1. Growing into roles	H1. "At senior manager levels there are Swedes, because of their experience and expertise. When we see Chinese employees growing up to that level, we will bring them up". (Expat - HR)
H2. Strengthening trust & legitimacy	H2. "At the beginning I could feel that people were not really clear about my identity. Was I a Geely employee or Volvo?" (Local – R&D Electrical) H2 "People in Gothenburg had a suspicion in the beginning. That this was nothing that I could resolve within a day or month. My [Swedish] MP helped a lot". (Local – Power Train)
<i>Social</i>	
I1. Fostering company identity	I1. "We make an effort to bring this awareness frequently; we have two cultures but one goal. Don't think in terms of Volvo and VCC. Think only of Volvo". (Expat – Power Train)
I2. Dispersing values and attitudes	I2. "What has made our MP successful is that we have the same values and the same common targets and have made that up from the start". (Local – Power Train) I2. "Personality, values and attitude is equally important to experience." (Expat – Vehicle Line Mngt.)
I3:Behavioural malleability	I3. "We stress this message of professionalism to them. Making that clear to everybody. So they understand what the requirements in terms of behavior and attitude is". (Expat - HR)
<i>Integrative</i>	
J1. Knowledge search	J1. "It's mainly I myself that seek and judge what is important and what I need to learn and from whom. (Local – Power Train) J1. "I am a learning person and by nature I'm open to new knowledge. So I try to learn as much I can myself". (Local – Purchasing None Production Material)
J2. Knowledge connecting	J2. "You need to develop a certain degree of common knowledge before you can add new knowledge to it. (Local – R&D Electrical)
J3. Network "Memory"	J3. "My [Chinese] MP has been there [Gothenburg] several times. He has built up his own network, all the faces, who they are, what they do, and what they know". (Expat – Power Train)
Competency pertinence	
<i>Generic</i>	
K1. Solution focused dialogue	K1. "We talked about how to resolve disagreement right from the start. Let's first try to talk and resolve things together and make an effort toward that". (Local – Vehicle Test & Facilities) K1. "If we are MPs we will make decisions together. We will discuss and if we can reach a common understanding it will be a decision reached in consensus". (Local – Purchasing Cost Estimate)
K2. Knowledge applicability	K2. "There are issue that requires a Chinese face, someone who knows the language, the background, and the culture. Because you are doing business in China". (Expat - Finance) K2. "It makes a big difference to have him helping to implement this. It would take longer time, struggles and effort for me, since I don't know how it works". (Local – Power Train)
<i>Functional</i>	
L1. Skills complement	L1. "The whole set-up builds on complementing each other. Asymmetrical learning is ok." (Expat - Chassis & Active Safety) L1."You don't need to know the same things. But there needs to be comparable competences and knowledge to make this work." (Expat – Vehicle Engineering)
L2. Ability spanning	L2. "The Swedes might not do the same thing here, but they can coach s/he who does what they did in Sweden." (Expat – PLM & Program Office)
<i>Operational</i>	
M1. Holistic thinking	M1. "Our Chinese MPs don't know the reporting structure or the global product development system. They don't have the ability to see things holistically until they do". (Expat–Vehicle Engineering).
M2. Competency division	M2. "I take the lead when navigating issues with HQ. He knows more about retaining employees, understanding their competency, and age structures". (Expat –Vehicle Test & Facilities)
M3. Business acumen	M3. "I know Volvo. But he on the other hand knows the "Chinese". (Expat - HR)
<i>Managerial</i>	
N1. Acclimatization	N1. "You need to have a clear mind-set and be aware that compromises are needed from time to time. I have not changed entirely but it's a balance." (Local – Power Train) N1. "You need to teach Chinese managers about Volvo and Swedish managers about China". (Expat - HR)
N2. Orientation	N2. "Soft skills are crucial for making this work values, the same frame, speaking the same language, professional agreement on what direction to go." (Local – Power Train)

arranged in Chengdu with invited participants from Volvo. In December 2015, a seminar on human resource management (HRM) in China, with the former vice president of human resources at Volvo Car Corporation, was held at the Center for Global HRM at the School of Business, Economics, and Commercial Law at Gothenburg University. Also, empirical material has continuously been presented and discussed in a number of seminars held within the author's research group, where other researchers have been involved in other topical research around the same case organizations. This has not only provided a forum for discussing emergent themes but also acted as a reference group to validate the understanding and interpretation of the empirical material and for putting it into the larger context of the case organizations development.

5. Emergent findings

5.1. Competence ambience

The organizational milieu at VCC was described as energetic, fast-moving, and dynamic, with a feeling of great urgency to learn and develop. This eagerness to learn and develop was attributed to the local approach to work but also due to the intense competition in the labor market and a feeling of “being part of something new and growing” (VP HR – Chinese). Many of the interviewees stated that they were driven to come to China and to work for VCC to develop further in their profession, but also that they were confident they could make a vital contribution to local operations.

At VCC, the MPs were explicitly put in place for a transition period. During this transition period, the relationship and credibility between VCC and Volvo was expected to develop and strengthen. Thus, the MPs were implemented as a good way to get started and get things done, since it also was communicated early on that the ISE would eventually leave and let the Chinese managers take full responsibility on their own (VP Purchasing - Swedish). The Chinese director of powertrain recalls his first meeting with his potential Swedish MP in autumn 2010. At that meeting, he had tried to get a feeling for his MP and his Swedish counterpart did the same: “I think that he (MP) was trying to understand me and I was trying to understand him. But from the very beginning, first meeting, it went very good.”

As a mean to facilitate transfer and development of knowledge, VCC chose to mirror the organizational set-up at the Swedish headquarters and duplicate key functions and positions to manage important procedures. This mirror organization was identical from the level of board of directors, where all functions were divided and represented in the same manner as in the Swedish organization. In a similar manner, the project organization mirrored the Swedish set-up at all functional areas and responsibilities. However, one difference was that not all functions and managerial positions were permanent or located in China. Hence, parts of the Chinese mirror reflection were found in Sweden, where the responsible person commuted to China on a regular basis. Further down the organization in China the appointment of resources was much shallower, in terms of both areas of responsibility and absolute numbers. A director in the Chinese organization could have responsibility for multiple closely associated functions, but manage a much smaller number of employees.

During the transition period, the MPs had dual reporting duties, reporting both to heads within the Chinese subsidiary and many times to the headquarters in Gothenburg. Reflecting on this, the Chinese director of powertrain suggested this was necessary since “we are setting up an organization here in China that is not supposed to be separate from HQ [headquarters] in Gothenburg. This is an organization that needs to be connected to Gothenburg since it also is a Volvo Car Corporation entity.” The need to establish a good connection to headquarters in Gothenburg was considered imperative for the success of the Chinese operations. Thus, the Chinese organization made an effort to integrate into the global processes as much as possible. This integration was organizational, making the Chinese organization part of the coordination for China-related issues, but also took place at the level of the individual. For instance, it was early on deemed important for Chinese managers to quickly establish working relations with, and get to know, department directors in Sweden. Participating in as many virtual meetings as possible and also going on shorter visits to headquarters in Gothenburg was important. During these trips, the Chinese MPs were often expected to brief the Gothenburg organization on the Chinese operations, thereby not only increasing understanding of the Chinese organization but also providing the individual with a chance to present him- or herself and “put a name to the face” (Director R&D Electrical – Chinese).

Managers at VCC maintained that quickly facilitating the disintegration of existing knowledge, skills, behaviors, and attitudes had a relatively immediate bearing on the ability to develop local managerial capacity. The MP initiative involved supporting the leverage of managerial capabilities, competence, and experience of both ISEs and local Chinese managers. The aim was clearly to facilitate local Chinese managers' acquisition of internal insights, experience, and knowledge to manage the demands of domestic operations. Given the fast-moving organization, capacity to deal, adapt, and adjust to different situations was important. For example, proving oneself by demonstrating managerial and technical skills, the ability to handle subordinate colleagues, and an understanding of, and adjustment to, national and organizational culture was deemed important. Having assumptions challenged by someone else also meant that managers continuously had to reflect on what they were doing, why, and how.

The ability to facilitate the swift development of local managerial capacity was strengthened by the eagerness to learn that the Swedish MPs experienced in many of their colleagues. Thus, many Chinese managers were willing to put immense effort into learning, showed ambition, and expressed a “can do” attitude during their MP reign (Director Vehicle Test & Facilities – Swedish). As a means to facilitate interaction and exchange as well as learning, transparency was important. Transparency between the MPs aided in establishing and increasing trust, not only between the MPs but also between the two organizational entities. For example, one manager stated, “We trust each other, so we are a hundred percent transparent with each other. Similarly, it is our transparency that makes us trust each other” (Director Powertrain - Chinese). His Swedish MP, in a different interview, expressed a similar viewpoint by saying, “You really need to put effort into it, and it comes down to trust as well.” The overwhelming majority of managers, when asked, expressed that they felt they could trust their MP and that the two had an open relationship with fruitful discussions. To develop trust, MPs made sure to keep each other informed of developments; even if vital information was sent to only one of the MPs, they made an effort to remind colleagues at Volvo headquarters of the MP set-up in China and that both managers should be included in the information flow. They also engaged in open and honest discussions between themselves in matters where an agreement was not reached, before escalating the matter upward in the organization. Thus, reciprocity in the relationship was important to make the MP relationship work and to create the needed trust between Volvo Car Corporation in Gothenburg and Volvo Car China. The director of vehicle test and facilities, operating in a self-described successful MP relationship, also claimed that “personal chemistry and quickly developing a common value system is the foremost determinant for the relationship, not national culture or anything else.”

Equality in the MP relationship contributed to the development of the relationship but was also important for cultivating a shared common value system, influenced by the Volvo car culture. Furthermore, open-mindedness and tolerance toward each other were needed in developing the MP relationship. “You might have a particular idea, whereas your MP might have another idea. Sometimes he will be right and sometimes I will be right. And sometimes there is no black or white. So you need to be able to compromise as well” (VP HR - Swedish). Subsequently, creating a milieu that encouraged and facilitated learning based on problem-solving characterized by interactive trial-and-error was paramount for success. Such learning was facilitated through various arenas (local and distant meetings – both physical and virtual) where problems could be pinpointed and discussed formally and informally, often on a daily basis. Intra MP and inter-functional dialogue and compromises were encouraged to resolve problems. By means of setting up and communicating frequent deadlines and milestones, a strong goal-driven context was created, further promoting a task-orientation focus. This in turn promoted a milieu where learning by participating was promoted.

5.2. Competency permeability

Acknowledging that the characteristics of the local context differed from anything Volvo had previously experienced, local Chinese managers were needed to understand how things worked in China and what and how to adjust global procedures to fit the Chinese business context in general and the Chinese Volvo organization in particular. In the words of the director of research and development (R&D) electrical: “No one in the Volvo organization is in a good position to handle the operation in China. I know my function, but I do not know China. Our Chinese colleagues have very good local knowledge, but they do not know Volvo.” As a means of building support for developing managerial capacity at VCC, the relationship connection with the home organization in Gothenburg had to be established. Processes, similar to those used in the home organization, were initially put in place while still allowing for local adjustments, communication channels were established, and exchange visits were put in place, sending Chinese managers to headquarters in Sweden but also Swedish managers from Sweden to VCC. MPs often mentioned the exposure to forces of contextual duality as something that the MP relationship was central in handling. Subsequently, having less experience of Volvo, its culture, ways of working, processes, procedures, routines, meeting structures and communication channels meant that the Chinese MP often had to rely on the Swedish MP for guidance and help. At the same time, the contextual characteristics of the Chinese institutional business environment, Chinese employees, supplier contacts, and language barriers meant that the Swedish MPs had to rely on their Chinese counterparts for guidance and help. Thus, it was not surprising that many managers experienced a change in the way they led and managed others and an increase in their knowledge of new working processes. Swedish MPs expressed that knowledge of the Chinese business environment held by their Chinese counterpart was crucial since the Chinese MPs could be used to explain and bridge adversities that the Swedish manager could not manage. In the meantime, Chinese MPs quickly gained increased understanding of not only Volvo's corporate culture, but also Swedish culture, and more insights into why, for instance, both their Swedish MP and managers at headquarters in Sweden were thinking or behaving in a particular way. Nonetheless, such a change did not entirely consume old frames of mind. As the Chinese vice president of human resources (HR) expressed, “In terms of my values, my understanding and my point of view on being a manager I have not changed too much. I have a pretty clear view of things since I am experienced enough and it is difficult to change everything. But it is a balance. You need to have a clear view or mindset. But in the meantime you also need to be aware that compromises are needed from time to time.”

As a means for quickly facilitating the development of managerial capacity and to increase Chinese managers' development of, for instance, Volvo-specific knowledge or skills, many MPs went on exchange visits to Volvo. Such formal visits usually ranged from two weeks to one month. Another central purpose of this exchange was to enlarge the personal networks of the people participating. Thus, by sending Chinese managers to Sweden, it was possible to strengthen relationships at both the functional and corporate levels. The Chinese director of powertrain, who had been on such an exchange, claimed that the exchange had been the most efficient way of building his network of relationships, and in the process learning more about knowledge existing at Volvo in Gothenburg. The role played by the Swedish MP and the Swedish MPs established relationships with the Gothenburg organization became apparent during these visits. The Chinese director of powertrain further explained that his Swedish MP contributed tremendously to opening up doors in the Gothenburg organization during one of these visits. The MP had been involved in planning the trip down to each hour and in terms of whom to meet in which team, including important managers in each department and the vice president of the business department. The Swedish MP accompanied the Chinese manager to each of these meetings. Through this, people got to know the Chinese manager, who he was, and what he was doing in China. This support was continuous, where the Swedish MP would introduce the Chinese manager into discussions and remind Swedish participants that he was part of the MP set-up and should be included. These formal visits were not only useful in expanding the personal network of the Chinese managers, but also came to play an important role as a bridge for increasing knowledge about China operations at headquarters. Early on, it had become important, as a measure to increase transparency and facilitate open communication between the two entities, to ensure that headquarters in Gothenburg was aware of what was going in China, who the people were, and what the needs of the Chinese subsidiary were.

The majority of Swedish MPs located in China had been picked purely based on their experience and expertise within their area of responsibility. Thus, they provided needed managerial skills in setting up the new Chinese entity and establishing structures, processes, and routines. However, it was equally important to have ISEs present in China to justify the new processes and procedures that bore the landmark traits of the Volvo organization. Hence, ISEs were inclined toward teaching. Even so, ISEs possessing expertise and experience from one specific function in their home organization sometimes ended up having responsibility for another function. They would, however, still coach and act as mentors for local managers who needed to learn about the area in which the ISE had most expertise and experience. The local MPs and employees thought of Swedish MPs as experienced colleagues who spread their knowledge in a good way. Indeed, the Swedish VP of vehicle line management claimed, “If you come here you must clearly have

decided that you want to meet with the local employees and you must have clearly decided for yourself that you want to teach someone what you know. That's basically your purpose here." The Chinese vice president of HR further validated this by arguing that "[m]entally almost everyone from Sweden is in the right mindset. They are here to spread their knowledge and teach. So, it's all about their capacity to teach, and the time they have for this." Equally important was the ambition of the Chinese local employees to learn, adjust, and internalize the knowledge and experience of the ISEs. For many Swedish ISEs, it was clear that in Chinese society, knowledge was attractive. The Swedish director of vehicle engineering said that he could "feel that people want knowledge, so there is a very high level of engagement." By facilitating openness toward local adaptation, without losing sight of the fundamentals of the Volvo way of working, MPs tried to be adaptive and flexible in terms of developing processes. By not adhering too strictly to global processes or routines early on, such adjustments could take place in an incremental manner. MPs, and the function they led, were therefore provided high autonomy, within set organizational goals (what to achieve, outcome qualities, and time) to use processes and routines that better fit the local context and the challenges faced. Hence, whereas what to achieve many times was explicitly articulated between the MPs and within the function, how to achieve it was left open for discussion, giving more flexibility. Making goals and expected achievements explicit also facilitated the coordination of activities, the identification of what knowledge was missing, guidance as to what knowledge was needed, and the potential solutions feasible within the existing local constraints. MPs closely monitored what worked or not through close feedback loops and by favoring empirical facts and not previous beliefs or expectations. Subsequently, it also became quicker to convince others of generated ideas and potential solutions to problems.

5.3. Competence accretion

Many respondents agreed that establishing the MP constellation at the top managerial levels was the right approach to facilitate experience tapping. Learning and building a knowledge fundament by drawing on the experience of the MP was important for many employees. The Chinese VP of powertrain stated that his MP was the most important source for his own learning because "[y]ou have a person that has worked for Volvo for 30 years sitting three meters away from me more or less every day." This enabled the local MP to draw on the experience and knowledge of his MP to learn more about processes, procedures, mentalities, and practical things regarding the way of working at Volvo.

Working as MPs required managers to work tightly together. The nature and quality of connectivity between the two managers, developing through interaction, thus had quite a substantial impact on the success of the MP relation. Shared views and values served as an important fundament for the working relationship between MPs within the existing organizational context. Personality, personal chemistry, but also professional experience and skills were decisive factors in the relationship's success. Many interviewees expressed that it was challenging to work so closely together with another manager, but they were fortunate in that their personalities and professional skills fit so well. By working in the same position and having the same responsibility and accountability, two managers could increase the opportunities to teach and learn from each other through closer cooperation. The Swedish MPs were seen as the knowledge experts in the function to which they were assigned due to their previous working experience. Possessing rich experience and knowledge of the corporate culture, system, processes, policies, procedures, and routines of Volvo, they were also best equipped in knowing how to best get things done. This held especially true when action was required from the home organization. Perhaps of even more significance was their possession and knowledge of social networks in the home organization and awareness of people's competence and competency. By relying on the network of their MP, they could go directly to the source when in need of information. Given the aim to merge Volvo knowledge with China knowledge so that operations could be scaled up quickly, the utilization of personal networks was seen as imperative. Thus, personal networks within the Volvo organization in Sweden held by the Swedish MPs were mentioned as being of vital importance for the success of the Chinese operations. The Swedish director of powertrain, comparing himself to his Chinese MP in terms of access to networks, said, "He [Chinese MP] has to rely more on formal contact since it is not the same as working with the people in Gothenburg year after year. He [Chinese MP] has a closer relationship with the Chinese people working here in China." The Chinese vice president of HR said, "If I didn't have an MP I would have to spend a lot of time finding and getting to know every single important person and the process in Gothenburg since I do not have any personal contacts there." Through the MP set-up, Chinese managers obtained a better connection to, and reception by, colleagues in Volvo Gothenburg. By relying on the network of their Swedish MP, they could go directly to the source when in need of information or knowledge. The Swedish MP was also important when engaging in discussion with Volvo Gothenburg since "he many times knows the people much better including their personality, their preferences, what their thinking, their mindset is" (Director Purchasing Cost Estimate - Chinese). For the Chinese MPs, this was of utmost importance since they could rely on the Swedish MP to know who the Chinese MP should turn to when faced with obstacles and in need of a response from the home organization. The Chinese director of powertrain explicitly stated that "the key thing for us is to build a communication channel to Gothenburg. We need to know who is who and have personal contacts. And this knowledge and network usually would take time to build." Almost all managers emphasized the importance of face-to-face communication, close interaction and exchange, and the sharing of experiences as the best ways to enhance understanding between VCC Gothenburg and VCC China. Another means for this was the use of short- and long-term exchange assignments in both directions. Such exchange programs were used as training schemes, where, for instance, the Chinese MP went on a two-week training and familiarization program in Sweden and employees from Sweden came to China. Competence at VCC was developed by means of promoting knowledge articulation in collective discussions. By clearly expressing, communicating, and explaining the desired goals at the organizational level, individuals could align their own goals with those of the organization. By accepting and facilitating opinion comparing (and experience sharing), members were encouraged to approach each other and probe their ideas. Hence, managerial capacity developed by means of processes that accepted the articulation and reception of criticism, given the expressed and desired outcome goal. An important facilitating mechanism for managerial capacity development was also

that members engaged in purposeful exchange and co-evolution of knowledge across MP constellations and functions. Hence, frequent collective discussions, taking place in various meetings, allowed MPs to express their opinions and reasons for a particular view. By facilitating the possibility of discussing matters, either between the two managers making up an MP, together with MPs from other functions, or with colleagues at headquarters, ideas could be aligned, leading to an increased understanding of what was being done and why it was being done. This also led to an increase in awareness and possibility to draw on others' knowledge and experience. By operating on trust and reliance on each other's experience, rather than a formal division of responsibilities and accountability, swift socialization was encouraged.

5.4. Competency pertinence

A major challenge acknowledged by Volvo prior to entering the Chinese market and setting up its subsidiary was the relevance and applicability of the current managerial competency of its Swedish ISEs. The need for managerial, functional, operational, and generic skills and competencies that were useful on the Chinese market and for VCC was seen as a hurdle that could not be resolved through extensive reliance on ISEs. Rather, it was acknowledged a priori that the applicability of existing knowledge had to be addressed early on and that a skills complement was necessary, regardless of the experience and knowledge of the ISE or local manager. For example, dealing with the local Chinese government for applications for manufacturing licenses, applications for government funding, or welcoming government visitors, required a "Chinese face and a Chinese-speaking person with a substantial degree of contextual understanding" (VP Finance - Chinese). Other areas where the local context diminished the value of the Swedish MPs' vast experience and knowledge was in relation to regulations and policies concerning emission control and fuel economy, where "there has to be someone that knows the language, the background, the culture and can communicate well" (VP Purchasing - Swedish). What the MP constellation allowed was a means for creating a shared understanding of the roles, responsibilities, and tasks required of the respective MP and to find a common way of working that was geared toward the particular characteristics of the Chinese business environment. Accordingly, "[a] general open mindedness and the ability to be knowledge adaptive and flexible are important in order to make the relationship work" (Director Purchasing Non-production Material - Swedish).

Meanwhile, both the Swedish MP and the home organization recognized a limit to the ability to implement a mirror organization. In some functional areas, VCC had simply not been able to recruit a person with the desired competency, leading to competency gaps. In other instances, a more conscious decision was made to not recruit for areas in need of employees with rare skills, but rather to turn to VCC Gothenburg when in need of input (VP Vehicle Line management – Swedish).

Since VCC was recruiting people with experience in the automotive industry, these employees often brought with them the corporate culture of, for instance, Toyota, Audi, or General Motors. It was therefore only natural that these employees also had a tendency to manage as they did in their former companies. Establishing a new organization, influenced by decisions taken at Volvo headquarters, however, required that Chinese MPs set aside knowledge gained from working in other automotive firms or related industries. This was even the case for Chinese MPs who had experience from other European organizations. According to the Chinese director of powertrain, many Chinese managers held an initial attitude that "Europeans are just like a big concept under the same umbrella." However, the company soon learned that establishing a new organization with processes, procedures, culture, and heritage derived from the Swedish organization required even more experienced Chinese managers to take a more critical stance toward their own experiences and knowledge stock. This increased the need for "solution-focused dialogues" (VP Purchasing - Swedish), both between the MPs and between VCC and Volvo. Many MPs agreed that such a solution-focused dialogue contributed to a convergence of thoughts and attitudes toward what should be the best way forward to develop and strengthen VCC. Toward this, the Chinese vice president of HR said, "In terms of management skills, people skills, and leadership, I find myself very similar to my MP. When we discuss several issues, our views turn out to be very similar, although I see it more from a Chinese perspective. When I speak out, actually many times it is what he is thinking too." At VCC, the addition of managerial competencies was instrumental for the future success of the subsidiary. Many respondents argued that one of the most important development needs of the Chinese operations, to which the MP set-up contributed, was to draw advantage of Western experience without losing the China view. The Swedish MPs played an important role in ensuring that the Volvo culture prevailed in the long term, albeit allowing for local influences. As the Swedish director of project lifecycle management (PLM) and program office expressed, "It is most likely that we will end up with a Volvo corporate culture, but with Chinese characteristics here." The identification and promotion of relevant knowledge, skills, and attitudes happened through the promotion of higher order learning based on the development of collective heuristics and new frames of reference that were shaped by continuous reference to the Volvo corporate culture, the communication of frequent deadlines and milestones, and especially the need for a strong goal-driven context. Since MPs had instant access to each other, they could on a daily basis approach each other with problems and solutions, allowing the experience, knowledge, and criticism of others to help them develop new frames of reference. Actual achievements, where knowledge levels (technical, managerial, people handling, leadership, understanding and acceptance of differences, capability to deal, adjust, and adapt to different situations) were demonstrated, were recognized and promoted internally.

6. Discussion

In this section, I report on the theoretical insights to which the empirical observations of this study lead. Fig. 3 depicts the grounded theoretical model derived from the analysis process. This model illustrates how the MP set-up in the case company was conducive in the creation of a *knowledge collectivity* that facilitated receivers' acquisition and utilization of potentially useful knowledge. The model further illustrates the dynamic relationship between the four overarching theoretical dimensions that facilitate

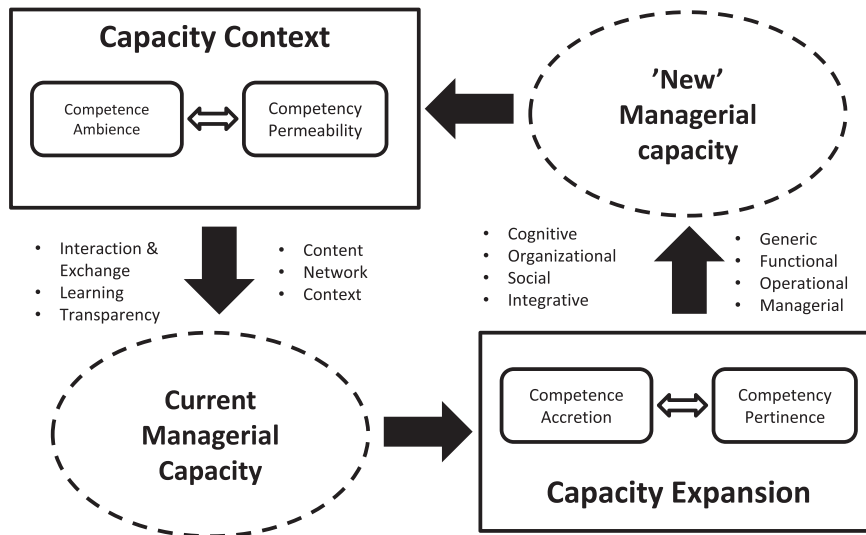


Fig. 3. Managerial capacity development through knowledge collectivities: a grounded model.

knowledge transfer and the development of managerial capacity at the case firm. The main conceptual disclosure is the prevalence of recursive interrelatedness between competence and competency of the individuals, the context, and the expansion of managerial capacity as important aspects of knowledge transfer and development within a knowledge collectivity. In addition, the movement between collectivities fosters the development of local managerial capacity by enabling the intertwining of knowledge within the subsidiary and across to headquarters, as well as the development of “new” localized knowledge.

6.1. Capacity context

The results of this study point to the benefits of, within a firm's organizational boundaries, facilitating the creation and use of knowledge collectivities. Henceforth, a capacity context that is favorable to competence ambience and which furthermore espouses competency permeability will be important. These elements promote an environment that reinforces collective efforts into managerial capacity at the local subsidiary (i.e., the existing managerial capacity held at any given time). In this study, competence ambience is defined as contextual characteristics that are benign to interaction and exchange between individuals being part of the MP set-up. Further, competence ambience endorses learning, knowledge transfer, development, and transparency. It is evident from the case presentation that the MP set-up strongly contributed to such interaction and exchange between individuals. Thus, knowledge development, and the subsequent development of local managerial capacity, is positively affected by a milieu that favors interaction and exchange by mutual interdependence and which furthermore configures and reconfigures existing and new social network boundaries while promoting coordination. In particular, the MP set-up presented in this paper was conducive in establishing a competence generating milieu in which individual managers could develop their existing skills and knowledge. This milieu is conducive to learning through problem-solving where value creation and contribution to resolving an obstacle at hand comprise the focal aspects of knowledge development, especially for the local managers' part of the MP set-up. Such value creation occurs when existing competence, residing in both home organization and subsidiary, is integrated to create locally apt competence that in effect bridges between what is previously known and done and what needs to be known and done in the local context today and beyond. As such, the capacity context contributes to the simultaneous transfer and development of managerial ownership knowledge and location knowledge, both needed for cross-border expansion (Li, 2010). Establishing a milieu that is conducive to competence development implies a need to reduce competence barriers by increasing transparency, interaction, exchange, and communication within both subsidiary functions and the subsidiary as a whole, but also across the subsidiary and the home organization. This in turn enables the identification of competences that are not perfectly fit for the local context. By means of such identification, the subsidiary can force the adaptation of existing or development of new knowledge that better fits with local conditions.

In order to reduce competence barriers a certain degree of permeability must exist within the competence context. In this study, competency permeability is defined as factors that endorse access to both headquarters and local knowledge content and personal networks within and across MNC units, while being sensitive to and accepting of the contextual influences on the development of local managerial competency and capacity. As illustrated in the case, the MP set-up enabled competency permeability by allowing managers to more easily move within and between knowledge collectivities (and knowledge bases). In short, being part of the MP set-up increased permeability by virtue of making members of the knowledge collectivity more easily accepted by headquarters organization members.

Permeability is also necessary for the individual member's ability to identify, access, extract, and put to use diversified and sometimes highly specialized knowledge and experiences. This in turn implies openness and acceptance toward different types and forms of knowledge content. There is an inclination within the knowledge collectivity to seek out expertise that can be used to make

good decisions, but also to justify decisions. Hence, knowing how to use that which can be learned is important. In order to be useful to others, knowledge has to be disembedded from the local situation, translated so that it is understandable to the receiver, interpreted by the receiver, and adapted to the local context (Becker-Ritterspach, 2006). The knowledge holder's disposition toward actually sharing knowledge is important for facilitating such learning, something that emerged as central in the MP set-up.

Endorsed interaction and exchange across (personal) networks and the acknowledgment of reciprocal influences of context on knowledge also increase permeability across collectivities within the MNC. From the case we learn that individuals operating in a MP, and part of a knowledge collectivity, emphasize learning through solving problems that are explicit, constitute parts of collective goals, and tend to build on knowledge that to a large extent is articulated. Although the knowledge collectivities studied in this article involve a complex mixture of weak, medium, and strong ties (c.f. Granovetter, 1983), the general type of knowledge base, the individual members, type of knowledge development process, and epistemological maxim active in this particular setting lean toward favoring the establishment of weak ties. Subsequently, outlining existing personal networks and facilitating other members of the knowledge collectivity to use these networks is important, while strong ties (and medium ties) played a role in the Swedish MPs' ability to enable permeability of headquarters networks.

6.2. Capacity expansion

The grounded theoretical model presented in this paper also points to the importance of capacity expansion through means of integrating both "that which is known" (competence in the form of knowledge, skills, and attitudes) with "that which can be done with it" (competency in the form of local applicability, relevance, adaptability). Such expansion happens through means of competence accretion and competency pertinence that tend to transmute existing managerial capacity into "new" managerial capacity (e.g., a further enhancing and deepening of MP managers knowledge bases to fit the local context).

In this study, competence accretion is defined as the gradual external addition, fusion, or inclusion of cognitive, organization-specific, social and integrative competences by individuals' part of the MP set-up. Thus, it stands on the ability and necessity of continuously building the knowledge fundament of MP managers by facilitating experience tapping (i.e., learning from more experienced managers). As such, it bears resemblance to the synthesis of knowledge by drawing on views held by various people (Nonaka and Takeuchi, 1995). It is different however in that the focal aspect is not only conversion of knowledge, but also the contextualization of knowledge. From the case illustration we see that the MP set-up and the knowledge collectivity it was conducive in creating, facilitating such contextualization of knowledge. By seeking continuous accretion of managerial capacity, managers can grow into their roles and strengthen their own legitimacy by adding competence to their existing knowledge set. This legitimacy is further strengthened by specific competences that are of a more social character; including those values, attitudes, and behaviors that are affirmative to the mother company and that foster a strong identification with it. Transactive memory fulfills an important function in recalling needed knowledge and information since it combines what individual local MP managers at the subsidiary know with an increasingly shared awareness of "who knows what" (Moreland and Myaskovsky, 2000) at headquarters. Transactive memory, created within the knowledge collectivity, provided managers at the subsidiary with more extensive and rapid access to valuable knowledge and information than any individual in the group could ever access, learn, or integrate on his or her own. Since knowledge bases are widely distributed, both within a subsidiary and across to headquarters, understanding who knows what becomes crucial in handling the increased information complexity and managerial tasks assigned to managers at a subsidiary. By drawing on weak ties (Granovetter, 1983), managers can facilitate the important bridging between managers at headquarters and local subsidiary managers. Being easier to build and requiring less time to maintain, MP managers use weak ties to connect different knowledge bases through the transactive memory that is created. Hence, managers at both the subsidiary and headquarters have faster access to specialized and distributed knowledge resources beyond those existing within their own established network. Newly gained social relationship accessibly through created weak ties allows managers to access an increased pool of valuable human resources and information needed for decision-making. The clear and embraced collective goals, quick expansion, together with a developed transactive memory mean that managers engaged in goal-directed, self-organizing interaction that is better suited to the particular fast-paced context experienced.

The results of this study also indicate that while competence is an intrinsic quality of an individual, competency is not. Competency refers to the appropriateness and effectiveness of skills and traits that enable the individual to act within the context at hand. Competency is context dependent and consists of attributes that enable people to act effectively in a given situation. In this study, competency pertinence is defined as the relevance and applicability of managerial attributes to the particular challenges individual MP managers faced. It is specifically concerned with (a) the coherence between that which is learned and its relative impact on changing a current state (e.g., a problem situation) into a desired state (e.g., a solution), (b) its managerial relevance not only in the local subsidiary but also in exchange with the headquarters organization, and (c) sustained longevity of competence. The MP set-up was central for local managers' ability to understand what constituted relevant and applicable managerial attributes, and how to develop these attributes.

Coherence between what was being learned and developed and its relative impact, for instance, concerned competencies that developed the ability of MP managers to engage in solution-focused dialogue, knowing how to best apply one's existing knowledge, and the ability to engage in ability-spanning activities. Managerial relevance, on the other hand, included the ability of MP managers to engage in holistic thinking and communicating with subordinates and a general strengthening of business acumen necessary to work according to headquarters strategic visions. Longevity in turn depended on MP managers being able to orientate, acclimatize, and uphold the mother companies corporate values, corporate culture, and ways of doing business. In short, the pertinence of acquired knowledge verified whether the dimensions of coherence, managerial relevance, and longevity were fulfilled by local MP

managers so that their competency had positive economic or social effects on the subsidiary. Such pertinence can be evaluated in relation to practices and processes themselves (e.g., know-how), to the environment (e.g., organizational factors, economic and market aspects, resource scarcity), or to the management of others.

7. Conclusion

This study was motivated by the observation that our understanding and account of how managerial capacity is generated, dispersed, and absorbed within the MNC through socialization, especially with regard to subsidiaries in emerging economies, is still in its infancy. In this study I have taken a first step toward demonstrating that a knowledge collectivity perspective offers an alternative understanding of managerial capacity development, drawing on the role of competence and competency, the capacity context, and the prevalence of capacity extension as the outcome of swift socialization processes. The central contribution of this study is the illumination of how an MNC operating in an emerging economy can more quickly build and develop local managerial capacity in its local subsidiary, despite the absence of groups of employees who have been practicing together long enough to develop into a cohesive community with relationships of mutuality and shared understanding (c.f. Lindkvist, 2005). These findings are substantiated through the development of a grounded theoretical model that illuminates the prevalence of the capacity context and capacity expansion as two central domains for managerial capacity development through knowledge collectivity. Furthermore, by defining four overarching dimensions, and discussing these in depth, the recursive interaction among competence ambience, competency permeability, competence accretion, and competency pertinence when developing local subsidiary managerial capacity is highlighted. This study makes three important contributions to the literature on internationalization, knowledge transfer and development, and managerial capacity development within the MNC.

First, the knowledge-collectivity perspective has not been thoroughly empirically investigated, or theoretically used, outside of its conceptual origin in research on temporary organizations (Lundin and Soderholm, 1995; Lindkvist, 2005). Thus, this study extends the applicability of the knowledge collectivity perspective from its origin to a broader international context. In doing so, the findings show that a knowledge collectivity perspective indeed accentuates the requisite to, at times, move away from the knowledge community perspective (with its associated social ties and relationships of mutuality and shared understandings) to understand knowledge transfer and development through socialization in emerging economy subsidiaries. This has implications for advocates of a social learning perspective on KDT within the MNC (e.g. Noorderhaven and Harzing, 2009; Tallman and Chacar, 2011a; Hotho et al., 2012; Heizmann et al., 2017). The social learning perspective posit that social cohesion around a relationship (i.e. when there is a shared normative context) affects the willingness and motivation of individuals to invest time, energy and effort in sharing knowledge with others (Noorderhaven and Harzing, 2009). By basing my reasoning on the concept of knowledge collectivity (Lindkvist, 2005) I contribute to the social learning perspective by increasing understanding of how individuals work together, under time constraints, to enable KDT across the MNCs dispersed organizational units. Consequently, the findings reported here open up for a more nuanced view on transferring and developing tacit and explicit knowledge through socialization in a MNC context characterized by less dense social capital.

Second, the focus in this study has been on investigating the temporality of socialization processes, diverse knowledge bases, and learning in international settings. I thereby answer, at least partially, calls to contest the assumption that social interaction and the platform for knowledge flows provided by MNCs' internal network *routinely* result in knowledge transfer and development (e.g. Gupta and Govindarajan, 2000; Li et al., 2007). Such assumptions build on the sender-receiver model of KDT but suffer from insufficient attention to the importance of social interaction for the transfer and development of knowledge between MNC units (Noorderhaven and Harzing, 2009). It is argued that in this "hydraulic" conception of KTD (Kasper et al., 2013: 334) social interaction serves mainly as a channel for knowledge transfer that already resides in an explicit or at least potentially explicit form (ibid). Albeit not contesting this view fully, this study shows that KDT through socialization, at least partially, can be influenced by the specific organizational arrangement deployed by MNCs. Actively facilitating the creation of knowledge collectivities thus contribute to managerial capacity development, especially in settings where employees with different experiences, competence, competency knowledge, and skills need to be organized and managed.

Third, how to handle human capital is a delicate challenge for any firm, especially in contexts where both competence and competency domains differ and where the actors are not part of a tightly knit group (e.g. Brown and Duguid, 2001). The results in this study indicate that relative success in developing managerial capacity in an emerging economy subsidiary starts with recognizing that two types of knowing prevail in local managerial capacity development, competence and competency. Engagement with practices that develop local managerial capacity in foreign subsidiaries is thus equally a matter of content and form and a matter of coherence between that which is being learned and developed and its relative impact in the local setting (i.e., fit). Knowledge that people possess and that is relevant in a local context (competence) needs to be developed simultaneously with the ability to achieve set goals with that knowledge in a context (competency). The development of "new" managerial capacity stems from the integration of both these types of knowing; knowing resides as part of organizational memory and as individualized knowledge and experience and furthermore enables locally adapted managerial capacity to develop. It is therefore crucial to increase awareness (and sensitivity) that what works and how it works in one local setting might not necessarily work in another, especially when given the distinction between, and need for, competences and competencies to increase managerial capacity. From a learning-based view of internationalizations, the simultaneous transfer and development of managerial ownership knowledge and location knowledge is important since both are needed for cross-border expansion (Li, 2010). The contributions made in this study show how intimate and time consuming relationship development, required to overcome differences in national and corporate culture, institutions, expectations, and understanding (Tallman and Chacar, 2011a), potentially can be offset by the knowledge collectivities.

Given the novelty in the theoretical perspective applied in this study, several suggestions for future research are developed. Future research can draw on additional empirical evidence to investigate the prevalence, pervasiveness, and effectiveness of knowledge collectivities in international settings. This is an under-researched topic that provides an exciting research opportunity. One such promising avenue for future research is the deepened investigation of how latecomer MNCs can organize their knowledge activities along the trajectory of collectivities to amplify the catching-up with established firms to mitigate late-mover disadvantages. Further work in a variety of exploratory settings offers another way to proceed to increase understanding of different means of operating on knowledge, positioned comparatively to knowledge communities. Deepened studies into the mutually reinforcing relationship between capacity contexts and capacity expansions can yield interesting insights for both practitioners and academics into knowledge transfer and development processes. Related to this, there is a need for deepened investigation of how to value managerial capacity and how to convey both tangible and less tangible elements of knowing in knowledge collectivities, for instance, as knowledge content increases.

Appendix A. Appendix

Table 3
Overview of respondents and interviews.

Department	Local or expat	Date Oct. 2011	Date March 2012	Date April 2012	Date Nov. 2013	Date April 2015	No.	Sum - duration
VP HR (a)	Expat		X	X	X		3	5 h 8 min
VP HR (b)	Local		X				1	1 h 3 min
Director – Talent Management	Expat					X	1	44 min
Director Power Train (a)	Expat	X	X	X			3	3 h 2 min
Director Power Train (b)	Local	X	X		X		3	3 h 49 min
Director - R&D – Electrical (a)	Expat		X				1	1 h 32 min
Director - R&D – Electrical (b)	Local		X				1	1 h 11 min
VP - Finance (a)	Local		X		X		2	47 min
VP – Finance (b)	Expat		X				1	47 min
Director - PLM & Program Office	Expat					X	1	48 min
Director - Purchasing – Non.Prod. Material (a)	Expat				X		1	1 h 1 min
Director - Purchasing – Non.Prod. Material (b)	Local		X		X		2	1 h 7 min
Director - Purchasing – Cost estimate (a)	Expat		X				1	1 h 12 min
Director - Purchasing – Cost estimate (b)	Local		X				1	1 h 13 min
Director - Vehicle Engineering	Expat					X	1	1 h 02 min
VP - Purchasing	Expat	X					1	1 h 24 min
Director - Vehicle Test & Facilities (a)	Expat			X	X		2	2 h 55 min
Director - Vehicle Test & Facilities (b)	Local			X			1	30 min
VP - Vehicle Line Management (a)	Expat	X	X			X	3	4 h 3 min
VP – Marketing	Expat	X	X	X			3	2 h 38 min
VP - Customer Service	Expat	X		X			2	1 h 8 min
Director - Chassis & Active Safety	Expat			X			1	40 min
Director – Industrial Engineer	Expat					X	1	2 h 35 min
Totals	17 Expat 7 Local	6	13	7	6	5	37	38 h 4 min

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