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Early Phase Knowledge Transfer in a Multinational Enterprise

A Qualitative Case Study of a Norwegian MNE

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Executive Summary

The purpose of this paper is to investigate the challenges faced by multinational enterprises (MNEs) in the early phase of developing cognitive social capital and subsequent knowledge transfer capabilities. Previous research has placed great emphasis on the various antecedents to knowledge transfer capabilities, including social capital and motivation. However, little attention has been given to the various phases in which firms can abide and the influence of the phase on the necessary measures to be taken in order to enhance their capabilities to transfer knowledge. The conducted research presents an exploratory, qualitative case study on the Norwegian MNE Statkraft, an international player in the renewable energy industry. Through a revised and expanded conceptual model of the determinants of knowledge transfer capabilities, this paper's focal point lies on the development of cognitive social capital, the socialization and motivational mechanisms that promotes it, and the internal organizational barriers that potentially hinders it.

Two main findings are identified. First, the unraveling of the internal organizational barriers to the creation of cognitive social capital and subsequent knowledge transfer capabilities. These barriers include a lack of managerial commitment to the development of cognitive social capital and an unwillingness to desirably utilize socialization mechanisms, through for example a "hoarding" of competent people within the own unit. The barriers also include the practical feasibility of deploying socialization mechanisms, e.g. the costs related to such practices. Second, this paper fortifies the notion that there is a need for a firmer, more hierarchical approach for firms in the early phases of developing cognitive social capital in order to subsequently promote and expand their knowledge transfer capabilities. As such, this paper contributes theoretically by expanding and nuancing previous frameworks and theory as well as practically by offering Statkraft insights on how to further develop the firm's cognitive social capital and subsequently their knowledge transfer capabilities.

Keywords: Knowledge Sharing, Knowledge Transfer, Social Capital, Cognitive Social Capital, Multinational Enterprise (MNE)

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The process of writing a thesis is equally frustrating as it is rewarding. While it is with relief and elation that I finalize this paper, a sense of melancholy starts to grow. This paper puts an end to two fantastic years at the Norwegian School of Economics (NHH). While the last semester, characterized by Covid-19, has been an odd and abrupt way to finish my studies, I am sure that I will look back at my years in university with gratitude and satisfaction.

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1. Introduction

“In an economy where the only certainty is uncertainty, the one sure source of lasting competitive advantage is knowledge” – Nonaka (1991, p. 96)

The creation, management and transfer of knowledge is crucial for firms’ ability to create and maintain competitive advantage (Szulanski, 1996; Gupta & Govindarajan, 2000; Nonaka & Toyama, 2003). Globalization and the access to information has facilitated the tradability, imitation and replication of tangible assets and products, making the payoff from successful knowledge management within firms increase (Kogut & Zander, 1993; Teece, 1998). As the recognized importance of knowledge has grown within firms, the subsequent need and ambition for intra-firm transfer of knowledge has become apparent. However, while there are less obstacles for internal knowledge transfer compared to external, such processes are no trivial task and a stickiness attached to knowledge-based assets often impedes transfer (Szulanski, 1996).

While knowledge transfer in most firms constitutes a challenge, it amplifies in a multinational setting where there is both cultural and geographical dispersion (Bresman, Birkinshaw and Nobel, 1999). Albeit it is inferred that multinational enterprises (MNEs) face a bigger challenge related to intra-firm knowledge transfer, the potential reward could be corresponding. Subsidiaries in foreign markets may provide valuable knowledge and insights applicable both in the MNE’s country of origin and in other subsidiaries (Bartlett and Ghoshal, 1989). Academia within the topic of cross-border knowledge transfer has been largely focused on the implication of various entry-modes on knowledge transfer capabilities (Bresman, Birkinshaw and Nobel, 1999), such as in mergers and acquisitions and joint ventures. This paper will be directed towards intra-firm knowledge transfer across borders, both across business units and between them and headquarters. As such, the terms knowledge transfer and knowledge sharing will be used interchangeably in this paper since the flow of knowledge should be bilateral rather than unilateral.

Researchers have stated that capabilities related to the transfer of knowledge appears merely as nice-to-haves for top management, who are implied to be more concerned about competition, risk mitigation and strategy (Birkinshaw, Bresman and Nobel, 2010). Yet, as it

seems viable that the transfer and sharing of knowledge could help enhance firms' capabilities within those areas and more, it is not a surprise that much research has been conducted on the stimulators of knowledge transfer. Several aspects have been considered in the evaluation of precursors to knowledge transfer capabilities, such as motivation (Osterloh & Frey, 2000; Bock, Zmud, Kim and Lee, 2005; Foss, Minbaeva, Pedersen and Reinholt, 2009) and social capital (Tsai & Ghoshal, 1998; Inkpen & Tsang, 2005; Gooderham, Minbaeva and Pedersen, 2011).

While the antecedents of knowledge transfer have been widely considered by academia, a differentiation of the various phases MNEs can find themselves in during the creation of knowledge sharing capabilities is lacking. As the current phase appears to influence what measures are appropriate for a firm to take in order to enhance their knowledge transfer capabilities, this presents an important topic for research. Therefore, this paper takes the perspective of an MNE in the early phase of knowledge transfer, aiming to investigate how such a firm can develop capabilities which enhances the knowledge sharing within the firm.

1.1 Purpose and Research Question

This paper concerns firms that are developing into full-fledged MNEs and who are in the early phase of developing knowledge transfer capabilities. Acting as the research setting for the conducted research is the Norwegian MNE Statkraft, which will be presented in Chapter 3. The purpose of this paper is to shed light on the challenges faced by companies in the early phase of knowledge transfer and to propose how to overcome those challenges in order to enhance their knowledge transfer capabilities. Derived from the problematization in the introduction, the goal of this paper is to answer the following research question:

How can early phase MNEs enhance their knowledge transfer capabilities?

To operationalize this research question, the following research objectives act as guidance:

- What are the challenges faced by MNEs in the early phase of knowledge transfer?
- What are the antecedents for creating knowledge transfer capabilities?

- How can Statkraft achieve such capabilities in their current phase of knowledge transfer?

By conducting a case study on Statkraft AS, a Norwegian MNE, practical insights of relevance to the firm will be gained aimed at helping them shape their future knowledge transfer strategy. Furthermore, this paper contributes theoretically with a case study of a firm in the early stage of knowledge transfer. Consequently, this paper adds to a relatively scarce pool of case studies which explicitly distinguish the current knowledge transfer phase of the observed firm(s), therefore contributing to the existing literature.

In order to inform the research objectives and ultimately the research question, this paper is outlined as follows. Chapter 2 presents a review of the knowledge transfer literature. Chapter 3 introduces the case company Statkraft, followed by Chapter 4 which outlines the methodology for the conducted research. The empirical findings will be interpreted in Chapter 5, followed by a discussion of the findings and concluding remarks in Chapter 6.

2. Literature Review

This chapter is structured as follows. Section 2.1 provides an introduction to what the terms knowledge and knowledge transfer entails, the impact of operating in a multinational setting and the barriers to transferring knowledge. Section 2.2 presents literature on social capital as an antecedent to successful knowledge sharing, the practices management can deploy in order to stimulate knowledge transfer, and organizational culture's role in creating knowledge transfer capabilities. Section 2.3 frames the argument that firms can find themselves in various phases of knowledge transfer, and that this has an impact on needed measures for enhancing those capabilities. Lastly, section 2.4 provides a summary of the chapter while section 2.5 presents a critical view of a model for knowledge transfer.

2.1 Knowledge Transfer

2.1.1 *Types of Knowledge*

The knowledge-based view of the firm (Grant, 1996; Kogut & Zander, 1993, Spender, 1996) has become an acknowledged way to explain how firms achieve and maintain competitive advantage as well as a primary driver of firm value. However, knowledge as a term still remains relatively abstract. It appears that this could have implications for firms in the sense that managers, as stated by Nonaka (1991), “misunderstand what knowledge is and what companies must do to exploit it.” (p. 96). Hence, it seems reasonable to first try and deconstruct the term knowledge before assessing how to best go about transferring it.

A common distinction of knowledge is that between *explicit* and *implicit*, where the latter was introduced by Polanyi (1958) as *tacit* knowledge. Kogut and Zander (1993) refers to tacit knowledge as “know-how”, while the explicit counterpart is referred to as “know-what”, highlighting its codifiable dimension and the ability to articulate it into textual form. Further explanation of tacit knowledge is given by Teece (1998) who argues that the tacitness of knowledge is characterized by the difficulty of articulating it in a complete, meaningful way, elaborating by stating that “The fact that we know more than we can tell speaks to the tacit dimension.” (p. 63). Spender (1996) provides an additional element by distinguishing between individual and social knowledge, introducing objectified and collective knowledge (see Figure

1). Gooderham, Grøgaard and Foss (2019) describes *objectified* knowledge as firms' intellectual property and articulated knowledge found in e.g. databases and manuals, while the *collective* counterpart is culturally rooted in the organization, meaning that individuals need to be socialized into the firm in order to attain this firm-specific "know-how".

Figure 1: Spender's Knowledge Matrix

	<i>Individual</i>	<i>Social</i>
<i>Explicit</i>	Conscious	Objectified
<i>Implicit</i>	Automatic	Collective

Different types of organizational knowledge. Source: Spender (1996).

Distinguishing between explicit and tacit knowledge is important since it has implications for its transferability as well as the degree to which it could provide a source of competitiveness. The nature of explicit knowledge makes it less costly to transfer (Teece, 1998) but also more appropriable (Grant, 1996). On the other hand, tacit knowledge is harder to replicate and is therefore more likely to create and sustain competitive advantage (Gupta & Govindarajan, 2000; Spender, 1996). However, the degree of tacitness is also a recognized barrier for the transfer of knowledge (Szulanski, 1996; Zander, 1991), creating a somewhat frustrating paradox for firms.

2.1.2 *The Importance of Knowledge Transfer*

It is increasingly difficult for firm's both to attain and sustain competitive advantage. As the speed of competition and the access to information has surged, the importance of successful knowledge management, such as the sharing and transfer of knowledge, has increased (Bresman, Birkinshaw & Nobel, 1999). As argued by Teece (1998), the growing ease of replicating and appropriating tangible assets has made the utilization of non-tangible assets the main source of competitive advantage for firms. While it has been argued for quite some

time that the intellectual capital of a firm and the ability to transfer it is a central part of creating competitive advantage (Gupta & Govindarajan, 2000b), managers still seem unwilling to acknowledge the role of knowledge in firms' success.

As proposed by Birkinshaw, Bresman and Nobel (2010), top management in many firms seemingly perceives capabilities associated with knowledge sharing and transfer as interesting nice-to-haves rather than imperative for the firm. The authors continue by saying that areas such as competition, risk management, and strategy are more important to top management in comparison with knowledge management. However, mechanisms that promote the transfer and sharing of knowledge is needed for firms to exploit their firm specific advantages (Gooderham, Grøgaard & Foss, 2019) as well as to expand their market (Kogut & Zander, 1993). Hence, it appears viable that successful sharing and transfer of knowledge could help enhance the capabilities of the firm within the above-mentioned areas and more.

While the importance of knowledge transfer is apparent, it should be noted that successful transfer of knowledge is not to be measured solely on the quantity being transferred (Andersson, Gaur, Mudambi & Persson, 2015). As phrased by Minbaeva et al. (2003), "The key element in knowledge transfer is not the underlying (original) knowledge, but rather the extent to which the receiving subsidiary receives potentially useful knowledge and utilizes this knowledge in its own operations." (p. 587). The same proposition should be adopted irrelative of the recipient and direction of the knowledge flow.

2.1.3 The Multinational Setting

Although the challenges of transferring knowledge domestically within a firm is far from trivial, the difficulties are amplified in a multinational setting (Szulanski, 1996). However, with the enhanced challenge comes potentially corresponding reward, as the value of knowledge transfer in MNEs are particularly high (Bresman, Birkinshaw & Nobel, 1999). The role of subsidiaries as innovators has become more significant (Kotabe, Dunlap-Hinkler, Parente & Mishra, 2007) and potential geographical dispersions are considered to be "a source of knowledge creation" (Westney, 2001, p. 147). Further, and operations in foreign markets may provide insights and knowledge applicable in the home market as well as in other subsidiaries (Kogut & Zander, 1993). However, knowledge sharing in MNEs constitute a

paradox as geographical dispersion is considered a potent source of knowledge and innovation, while simultaneously being deemed as one of the strongest barriers to transferring knowledge (Mäkelä, Andersson & Seppälä, 2012).

Various distances originating from having a geographically, culturally or economically dispersed organization all provide potential barriers to knowledge transfer (Ambos & Ambos, 2009; Bresman, Birkinshaw & Nobel, 1999), and are specifically apparent in MNEs. Firstly, the geographical, or spatial, distance might represent the least abstract of the three and is positively related to the cost of transferring knowledge, especially across borders (Hashai, 2009). Apart from acting as a direct barrier for knowledge transfer, geographical distance also poses an indirect barrier since it impedes the creation of social capital, an antecedent for knowledge transfer capabilities (Gooderham, Grøgaard & Foss, 2019). Secondly, cultural distance, including linguistic discrepancies between units, have a moderating effect on knowledge transfer effectiveness (Ambos & Ambos, 2009). As argued by Gooderham, Grøgaard and Foss (2019), similar to the case of geographical distance the creation of social capital might be hindered and more exhaustive to accomplish in the face of cultural distance. Lastly, economic distance might further play a role for knowledge transfer effectiveness, as the “not invented here” (NIH) syndrome could become more prevalent when looking to transfer knowledge from a relatively poorer country (Gupta & Govindarajan, 2000a).

The dynamic between intra-firm units is yet another important consideration for MNEs when evaluating their knowledge transfer capabilities. Dasí et al. (2017) describe how MNE units are usually separated both geographically and organizationally, creating an independent and complementary factor to the aforementioned distances. Individuals within a unit share both formal proximity and usually common goals, which might differ from other units in the MNE (Dasí et al., 2017). Differing goals and solicitude for the unit’s own performance might affect the ability to successfully transfer knowledge to and from the unit (Szulanski, 2003), even if engaging in knowledge sharing would enhance the overall MNE performance (Björkman, Barner-Rasmussen & Li, 2004). The role and activities performed by subsidiaries and subunits are critical in determining the motivation for inter-unit collaboration, as relations within MNEs can include both competition and cooperation (Andersson et al., 2015). As argued by Gupta and Govindarajan (2000a), subsidiaries which perform collaborative or complementary activities have more aligned interests, which could help achieve a goal congruence facilitating knowledge transfer.

2.1.4 Barriers

In addition to the obstacles to knowledge transfer mentioned in the previous section, there are four common areas of barriers which are universally applicable to firms: knowledge tacitness, transmission channels, transferor and receiver. The knowledge's degree of tacitness is one of the most widely recognized barriers to its transfer (Gupta & Govindarajan, 2000a, Szulanski, 1996). Costs, mode and ease of transfer will all be affected by the characteristics of the knowledge, as stated by Kogut and Zander (1993) "tacitness will increase the costs of transfer and decrease the speed by which knowledge is transferred within the firm" (p. 637). This shows the importance of distinguishing between tacit and explicit knowledge as mentioned previously.

The distinction is of further importance when assessing the channel for transfer, as a mismatch between the type of knowledge and the structure of the used transmission channel is another barrier to knowledge transfer, according to Gupta and Govindarajan (2000b). Exemplified, the transfer of explicit knowledge could be done effectively through information technology (IT) solutions, while tacit knowledge demands richer transmission channels to be effectively transferred (Gupta & Govindarajan, 2000b), such as face-to-face communication and transfer of people. Hence, the transfer of tacit knowledge is largely determined by the existence and richness of suitable transmission channels.

Seeing as individuals act as both transferor and recipient of knowledge, their motivation to engage in knowledge sharing is an important antecedent and will be discussed later in greater detail. However, for now it should be noted that a lack of sufficient rewards, intrinsic or extrinsic, becomes a barrier to knowledge sharing (Bock, Zmud, Kim & Lee, 2005). Furthermore, the ability to create and share knowledge is equally important, according to Mudambi, Piscitello and Rabbiosi (2014). The authors stipulate that ability to create and willingness to share knowledge might be interrelated so that units with greater ability to create knowledge might also be more inclined to hoard it, which was confirmed by Andersson et al. (2015) for units in substitutive relationships. This connects back to the previous discussion on intra-firm, inter-unit relationships characterized by competition, where solicitude for the own unit's individual performance might act as a barrier to knowledge sharing. Thus, the transferor

might view the procedure as transactional rather than as a reciprocal process, showcasing the “how does it help me?” syndrome (Gupta & Govindarajan, 2000b).

As knowledge transfer cannot be undertaken unilaterally (Andersson et al., 2015), the barriers on the recipient side should be paid corresponding attention. One barrier to a unit’s knowledge inflow is the NIH syndrome and a reluctance to acknowledge the potential contribution from peers (Gupta & Govindarajan, 2000b), a hindrance tentatively more imminent in the face of economic distance to the transferring unit. However, perhaps the most acknowledged barrier for receiving knowledge is the absorptive capacity of the receiving unit. Absorptive capacity is a function of competency (i.e. ability) and motivation, with the interaction between them driving knowledge reception (Minbaeva et al., 2003). The individuals within the organization play a crucial role for the presence of absorptive capacity as argued by Minbaeva, Pedersen, Björkman and Fey (2014), who states that “organizations cannot have absorptive capacity independent of its employees.” (p. 54). Absorptive capacity also matters for adaptation, where the knowledge transferred might have to be altered to suit the local or national setting. The need for adaptation is more prevalent in dispersed MNEs, constituting another barrier to knowledge transfer (Jensen & Szulanski, 2004).

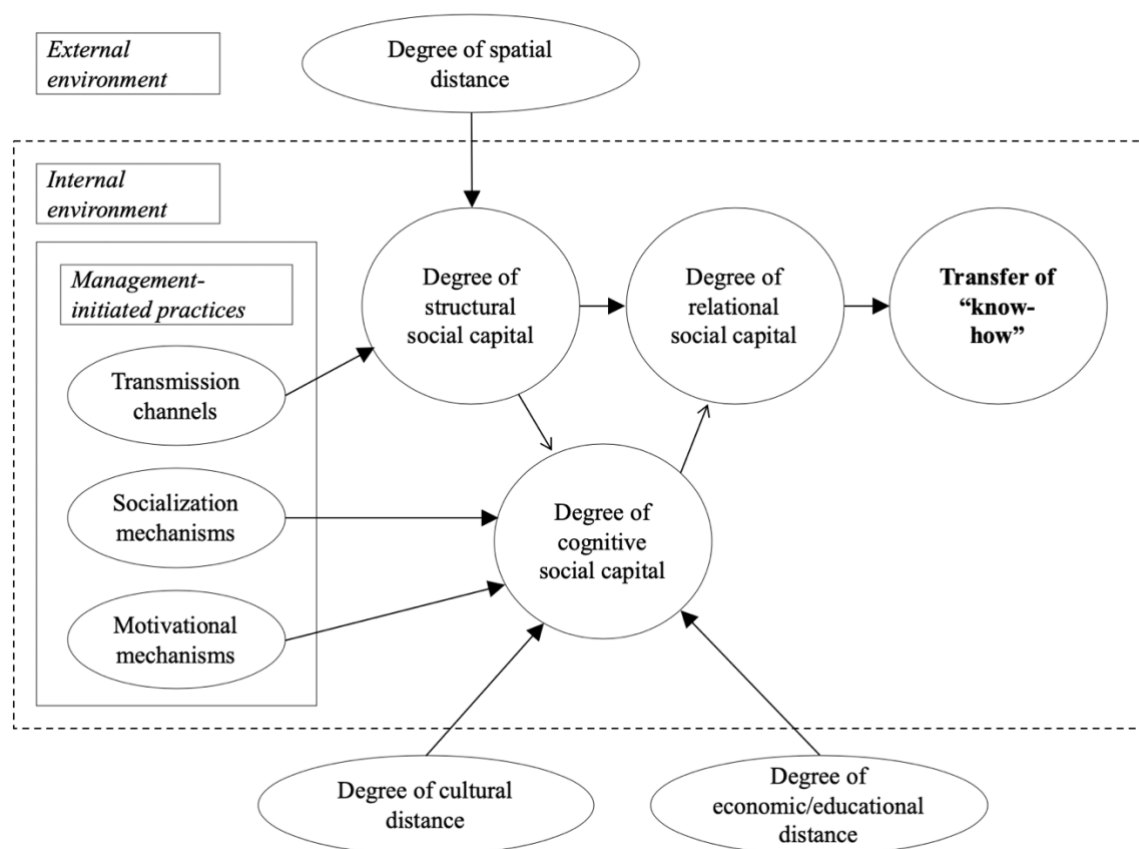
2.2 Antecedents

2.2.1 *Social Capital*

While there are considerable barriers to knowledge sharing and transfer, there are a number of ways to lower or even erase them. Acting as one facilitator for knowledge sharing is social capital, defined by Nahapiet and Ghoshal (1998) as “the sum of the actual and potential resources embedded within, available through, and derived from the network of relationships possessed by an individual or social unit.” (p. 243). Nahapiet and Ghoshal go on to say that discrepancies between firms’ knowledge sharing capabilities derives from their ability to create and exploit social capital. Networks of relationships arising from social capital are a valuable resource to both organization and individual (Inkpen & Tsang, 2005), and are expected to reduce the cost of knowledge transfer (Hashai, 2009). Furthermore, according to Gooderham, Minbaeva and Pedersen (2011), a positive assessment of social capital has a significant, positive impact on knowledge transfer.

Nahapiet and Ghoshal (1998) presents three dimensions of social capital. First, the structural dimension, which refers to the network ties, configuration and having an appropriable organization. Second, the cognitive dimension which includes shared codes and language but also a common narrative and goals. Cognitive social capital is tightly related to organizational culture discussed in the upcoming section. Lastly, the relational dimension consisting of trust, norms, obligations and identification. Trust, the main component of relational social capital, is important for increasing the willingness of network actors to share knowledge (Inkpen & Tsang, 2005). Eventually, as shown in Figure 2, the relational social capital is what enhances the degree of knowledge transfer, indirectly and directly affected by the degree of structural and cognitive social capital (Gooderham, 2007). The importance of relational social capital is described by Gooderham, Grøgaard and Foss (2019), who concludes that “the greater the degree of relational social capital that has been developed across the MNE, the greater the degree of knowledge transfer.” (p. 258).

Figure 2: Enhancing Knowledge Transfer in MNEs



A dynamic capabilities driven conceptual model of the determinants of knowledge transfer in MNEs.

Source: Gooderham (2007).

The social capital will begin at organizational level and enhance through development of social capital at the individual level (Inkpen & Tsang, 2005), emphasizing the need for management-initiated practices which will be subsequently discussed. As the focus of this paper lie on intra-firm, inter-unit transfer of knowledge, it should be noted that both structural and relational social capital are significantly related to such exchanges (Tsai & Ghoshal, 1998). However, the bridging social capital or inter-unit social ties needed to carry out these activities are more commonly absent in multi-domestic MNEs (Gooderham, 2012). Therefore, a focal point for MNEs appear to be the creation of bridging social capital in order to facilitate inter-unit knowledge transfer.

2.2.2 Organizational Culture and Cognitive Social Capital

As defined by Schein (1990), organizational culture can be thought of as “A pattern of basic assumptions invented, discovered, or developed by a given group ... to be taught to new members as the correct way to perceive, think, and feel ...”. (p. 7). Thus, one interpretation of organizational culture is that it consists of expectations and norms of what is the “right” way to behave within a given group. In relation to knowledge sharing, the organizational climate and culture affect individuals’ intentions to share knowledge, where a more favorable attitude towards knowledge sharing results in greater intention to engage (Bock et al., 2005). An overarching organizational culture is part of the cognitive dimension of social capital (Inkpen & Tsang, 2005) and can help create a sense of identity with the firm and its mission, a key to successful knowledge sharing according to Nonaka (1991).

A firm that possess a collective sense of identity will facilitate the creation of shared visions and goals (Nonaka, 1991), acting as a bonding mechanism for units in the organization which ultimately helps ease knowledge transfer (Inkpen & Tsang, 2005). Further, shared goals and vision may also help units unveil the potential value of knowledge exchange (Tsai & Ghoshal, 1998), and are mechanisms controllable by the MNE (Reiche, Harzing & Pudelko, 2015). Group-based incentives provides another, more tangible mechanism deployable by management that help reinforce knowledge sharing as a cultural norm (Gupta & Govindarajan, 2000b).

However, as MNEs are commonly separated into multiple business units they are likely to consist of several subcultures and, due to boundaries arising from the separation, less likely to demonstrate shared values between than within business units (Dasí et al., 2017). Understanding these contextual, as well as local or national, cultures are essential in order not to impede knowledge transfer due to cultural conflicts or distances (Inkpen & Tsang, 2005). Yet, the presence of a holistic culture giving individuals a sense of identity and belonging cultivates their willingness to engage in knowledge sharing (Bresman, Birkinshaw & Nobel, 1999). In conclusion, the rise of subcultures in MNEs are probable, but presumably not detrimental to knowledge sharing in the presence of a supernatant corporate culture and advantageous, reciprocal relationships between units.

2.2.3 Management-initiated Practices

Albeit the various inter-unit distances faced by MNEs are fixed, they can be mitigated through suitable deployment of management-initiated practices (Gooderham, 2007). As shown in Figure 2, management-initiated practices influence the structural and cognitive dimensions of social capital, ultimately affecting the knowledge transfer capabilities within a firm. Three practices of importance for knowledge transfer facilitation are transmission channels, socialization mechanisms and motivational mechanisms. Using appropriate transmission channels, as previously discussed, is crucial for effectively transferring both explicit and tacit knowledge. Access to IT solutions has increased the ease of transferring explicit knowledge, which can be done frequently without interpersonal interaction as it is codifiable (McFadyen & Cannella, 2004). Tacit knowledge, on the other hand, “can be acquired only through shared direct experience” (Nonaka & Toyama, 2003, p. 4). Hence, richer transmission channels are needed when transferring tacit knowledge, such as face-to-face interactions, transfer of people, meetings and visits with other units, forums and workshops (Gupta & Govindarajan, 2000b; Gooderham, Grøgaard & Foss, 2019).

Closely linked to transmission channels are socialization mechanisms. Gupta and Govindarajan (2000a) divides socialization mechanisms into lateral (e.g. job transfers to peer units) and vertical (e.g. job transfers to HQ, leadership and mentoring programs). Such mechanisms enhance the richness of transmission channels (Gupta & Govindarajan, 2000a) and as transmission channels could stimulate socialization within the firm, it may be inferred

that the two are mutually reinforcing. In their study on the Norwegian MNE Telenor, Dasí et al. (2017) found that individuals participating in socialization mechanisms increasingly engaged in knowledge sharing across units. Social interaction could also help blur inter-unit boundaries, ultimately reducing the barriers for sharing and transfer of knowledge between them (Tsai & Ghoshal, 1998). Language seemingly act as an enabler for socialization, and the role of common language in tacit knowledge transfer is discussed by Reiche, Harzing and Pudelko (2015). According to the authors, implementing a corporate language shared across units in the MNE is one mechanism that can help facilitate socialization and, eventually, knowledge transfer.

The ability to motivate employees to engage in knowledge sharing is critical, and partially influenceable by management. While it is reasonable to assume that intrinsic motivation generally has a positive effect on knowledge sharing (Foss, Minbaeva, Pedersen & Reinholt, 2009), the role of extrinsic motivation is more dubious. Osterloh and Frey (2000) argue that only intrinsic motivation will facilitate knowledge sharing, being especially crucial in tacit knowledge transfer. Gooderham, Grøgaard and Foss (2019) similarly conclude that extrinsic motivation generally is no adequate tool for enhancing knowledge sharing, however with a caveat for MNEs with low integration. The latter is fortified by Dasí et al. (2017) who found extrinsic motivation more salient in inter-unit knowledge transfer in the, at the time, loosely integrated Telenor.

Ostensibly, the role of intrinsic and extrinsic motivation in knowledge sharing is dependent on the relationship and dynamic between the units in addition to the degree of integration. Foss et al. (2009) add the dimension of introjected motivation, referring to individuals' acting in a way they believe to be perceived positively by others. Their study found both intrinsic and introjected motivation to have positive effects on knowledge outflows, with the former being slightly stronger. Further, Foss et al. describe how introjected motivation can be created through organizational expectations on knowledge sharing behavior, providing a link between individuals' motivation for knowledge sharing and organizational culture.

2.3 Phases

2.3.1 Implications of Current Phase

As problematized in the introduction of this paper, the current state of firms' knowledge sharing capabilities are implied to have an impact on what measures should be taken in order to enhance those capabilities. The question of centralization, control and managerial intervention is at the center of such considerations. If the organizational structure is too loose it might jeopardize knowledge integration and synergies across units and headquarters (HQ) (Andersson et al., 2015). On the other hand, while not necessarily a result of integration, hierarchic governance appears to have a detrimental impact on social capital (Adler & Kwon, 2002), especially in the later phase. As argued by Gooderham, Minbaeva and Pedersen (2011), over-reliance on hierarchy impairs the promotion of social capital, which is ultimately deleterious for knowledge sharing. However, in the early phase a firm might need a firmer approach in order to establish transmission channels, socialization- and motivation mechanisms (Andersson et al., 2015). Subsequently, when such knowledge transfer infrastructure is in place, the firm can move to ease the control, continue to build social capital, and see intrinsic and introjected motivation drive intra-firm knowledge sharing.

While little focus within the topic of knowledge transfer has been directed to identifying and analyzing the various phases of firms' capabilities, there are cases which provide a point of departure for such research. Dasí et al. (2017) and Gooderham (2012) provide insights into two Scandinavian MNEs, Telenor and SCF, indicated to have moved from an early to later phase of knowledge transfer proficiency. In both cases, the shift includes a higher degree of integration and, perhaps more momentous for knowledge sharing, continuous building of bridging social capital across BUs. During the time of study, Telenor was evolving from multidomestic towards a higher degree of integration while building bridging social capital. Dasí et al. (2017) found intra-unit knowledge sharing to be possible without managerial intervention, while inter-unit equivalent required more. For the latter, the organization need to possess the locus of control and provide goals, incentives and controllability. In an early phase, managerial action hence seems necessary particularly for fostering inter-unit knowledge sharing.

In the case of SCF, Gooderham (2012) describes how the firm undertook two projects, the Unification Project and Program Amalgamation, aimed at integrating the purchasing functions of their subsidiaries. Moving from multidomestic to globally integrated, SCF faced a lack of bridging social capital and a concomitant adversity in promoting inter-unit knowledge transfer. The first project was characterized by prevalent presence of NIH syndrome enhanced by economic distance, lack of trust and relational social capital, local success surmounting group-level equivalent, and a failure to develop bridging social capital. During the successful second project, the newly appointed CEO established more control and hierarchy, stressing the need for local focus paired with commitment to group success through e.g. group-based incentives. Implementing governance mechanisms in the early phase appear crucial in order to create common vision and goals for the firm as a whole, including sub-units, and establish a norm which encourage knowledge sharing. However, as argued by Gooderham (2012) such harder measures can only be in place for a limited time, as extensive managerial intervention may be detrimental in later phases of knowledge sharing.

2.3.2 Creating Capabilities

While acknowledging that knowledge sharing cannot be forced (Bock et al., 2005), we are now working under the notion that the degree of managerial control and intervention needs to be higher in the early phase to foster an environment that facilitates knowledge sharing. Where HQ emphasize its importance, individuals and units are more open and inclined to share knowledge (Andersson et al., 2015; Björkman, Barner-Rasmussen & Li, 2004). As argued, social capital and motivation for sharing knowledge cannot be enforced, but nonetheless encouraged by management. Utilizing appropriate tools can help create a culture where knowledge sharing is the norm, and where individuals and units carry introjected motivation to proactively engage.

Gooderham (2012) found multi-unit teams to create arenas for knowledge transfer, where locally embedded knowledge could be shared. A significant relationship between cross-border teams, ex- and repatriates, and knowledge sharing has been proved by Mäkelä and Brewster (2009). Having individuals engage in socialization further increases a sense of goodwill (Gooderham, Minbaeva & Pedersen, 2011), potentially resulting in more reciprocal relationships. Generally, investments in relationships may be perceived as costly but provides

an effective tool to enhance knowledge management (Mäkelä, Andersson & Seppälä, 2012). Conclusively, many of the antecedents to knowledge sharing seem both interrelated and reinforcing. As such, management acknowledging and realizing the value of intra-firm knowledge sharing appears to be the first step towards creating the capabilities needed for carrying out such activities successfully.

2.4 Summary of Literature Review

This literature review commenced by distinguishing between different types of knowledge, mainly focusing on the distinction between tacit and explicit but also collective and objectified knowledge. Such distinction is of importance as the stickiness of knowledge and hence the barriers to transfer it depends on the type of knowledge being transferred. Knowledge transfer in a multinational setting, compared to domestic, was argued to consist of both potential added value but also additional barriers arising from cultural, geographical and economic distance. Subsequently, universal barriers faced by firms were discussed, including knowledge tacitness, transmission channel mismatching, and absorptive capacity.

Following, antecedents for knowledge transfer was discussed, emphasizing the need for social capital. The three dimensions of social capital are affected by the external environment through the degree of geographical, cultural and economic distance as well as by the internal environment in the form of transmission channels, socialization and motivational mechanisms, collectively referred to as management-initiated practices, as shown in Figure 2. While distances are fixed, the impact they have can be mitigated through initiatives employed by management. Moreover, an organizational culture which encourages knowledge sharing and nurtures introjected motivation to engage in knowledge transfer can help overcome various distances.

Lastly, the implications of the current phase of a firm's knowledge transfer capabilities is argued to impact the measures to be taken in order to enhance these capabilities. For firms in the earlier phases, a higher degree of management control and intervention might be needed. Conversely, such measures appear detrimental in the later phases when sufficient social capital is built, and employees hold intrinsic and introjected motivation to engage in knowledge sharing. Knowledge transfer cannot be forced, however when its importance is emphasized by

management both individuals and units are more open to sharing knowledge. Hence, it is indicated that the tone from management is of importance when it comes to fostering and nurturing a culture of knowledge sharing.

2.5 Revised Model of Knowledge Transfer

The conceptual model of knowledge transfer determinants proposed by Gooderham (2007) provides a valuable framework for revealing the dynamics behind knowledge transfer capabilities in MNEs. Gooderham neatly accounts for the external environment in the form of various distances, as well as the internal environment consisting of management-initiated practices and social capital. However, it could be argued that the model fails to sufficiently account for internal barriers to developing capabilities, compared to external counterparts. In his paper on Scandinavian MNE SCF, Gooderham (2012) shows that there is an initial reluctance by top management within the company to commit to the projects initiated by the CEOs. In the second, successful project, the new CEO needs to employ a rather forceful, hierarchical approach in order to promote collaboration between units and create a common vision and understanding. Gooderham's (2012) study of SCF thus suggests that there are internal barriers to the creation of cognitive social capital and subsequent knowledge transfer capabilities, which needs to be considered. Hence, this paper will suggest a revised model expanding on the one presented by Gooderham (2007), which will be introduced in section 4.2.

3. Research Setting

This chapter presents the research setting of the conducted research, the Norwegian renewable energy MNE Statkraft and the context of the industry in which it operates. Section 3.1.1 and 3.1.2 briefly introduces the background, an overview of the organizational structure and the firm's history. Statkraft's history of internationalization and current market presence will be presented in section 3.1.3 followed by the ownership of Statkraft and its implications in section 3.1.4. Lastly, section 3.2 presents a description of the industry Statkraft operates in based on the interviews conducted with respondents at Statkraft.

3.1 Statkraft

3.1.1 Background and Organization

Statkraft is a Norwegian energy multinational and the largest generator of renewable energy in Europe. The company is headquartered in Oslo, employs approximately 4000 people in 16 countries and saw revenues approaching 48 billion NOK during the fiscal year of 2019. Statkraft has long-standing expertise in hydropower and has expanded in the area of solar and wind. The firm is also invested in verticals such as charging for electric vehicles, district heating, hydrogen batteries and biofuels. Statkraft further provides market solutions such as energy asset management, virtual power plants, asset optimization, and trading on energy exchanges. The ambition is to be one of the world's leading companies in renewable energy by 2025.

The company is structured into four business areas. First, the area *Production* carries out operation and maintenance (O&M) across assets controlled by Statkraft globally. Second, the area *Markets & IT* which acts globally and commercially develops and optimizes the Statkraft portfolio, provides market access, supports investment decision and carries out hedging strategies. Third, *European Wind and Solar* owns and develops the solar and wind assets in western Europe in addition to its responsibility for procurement on the group-level, new business development and large project executions within Statkraft. Lastly, *International Power* covers hydro-, solar-, and wind power assets outside western Europe and carries responsibility for the acquisition, development, and ownership of such assets.

3.1.2 History

The history of Statkraft dates back to the late 19th century when the Norwegian government acquired its first waterfall ownership rights. During the following decades, the Norwegian state secured more waterfall rights and became the largest hydropower plant owner in northern Europe. Several hydropower projects were developed during the early 20th century, and in 1921 the Norwegian Water Resources and Energy Directorate (NVE) was initiated, responsible for the development, operation and management of power plants owned by the Norwegian state. Following World War II, hydropower was a key resource in the economic reconstruction undergone by Norway, and many projects were initiated and developed during the period.

In 1986, Statkraft was separated from NVE, transforming into a management company supervised by the Norwegian Ministry of Petroleum and Energy. As part of the dissolution, the Statkraft name was introduced accompanied by a new logo to emphasize the transition towards a new, modern enterprise. In 1990, a new energy law acted as a catalyzer for market deregulation and liberalization in Norway, one of the first countries to enact such legislation. Power transmission remained a monopoly, and Statkraft was divided in two: Statnett responsible for distribution and Statkraft for sales and production in the liberalized market. As the need for new hydropower plants in Norway became saturated, Statkraft was driven towards a more streamlined, commercial structure while entering an era of internationalization.

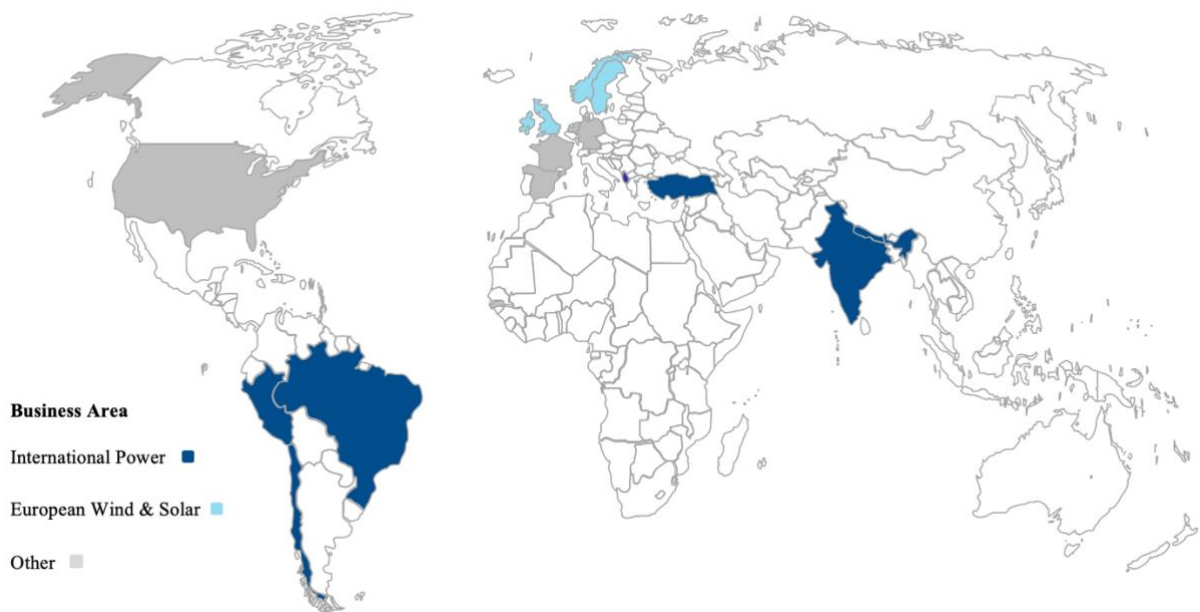
3.1.3 Internationalization

The first Statkraft venture outside of Norway took place in 1996 when a small stake in Sydkraft, a Swedish power company, was acquired along with the completion of a majority-owned power plant in Dolakha, Nepal and entry into Laos. Entering the 2000s, Statkraft aimed to become Europe's leading renewable energy company through investments either alone or in collaboration with potential partners. During this time, the European energy sector saw a trend of market consolidation with big power companies merging. While no merger involving Statkraft materialized, a joint venture (JV) was established in 2002 together with the

Norwegian Investment Fund for Developing Countries (Norfund). The JV named Statkraft Norfund Power Invest (SN Power) aimed to promote sustainable growth and development in new, emerging markets and became the vehicle for international expansion.

The birth of SN Power revitalized the commitment to hydropower projects outside the European market, and South America was viewed as a focus area for growth. In a few years' time, SN Power had established a presence in India, Peru, Chile and the Philippines through both acquisitions and new development of hydropower projects. Besides generating income to its owners, the purpose of SN Power was to contribute to social and economic progress in the new markets, guided by a high standard for health, safety and environment (HSE). After entering several new markets both individually and through SN Power, and restructuring the partnership with SN Power in 2013, Statkraft sold its shares in the JV to Norfund in 2017. Simultaneously, Statkraft acquired the remaining solar-, wind- and hydropower assets in South America, India and Nepal. Since parting ways with Norfund and SN Power, Statkraft has continued to develop existing markets through various projects and expansion beyond power generation. The current strategy is focused on fortifying its position and scaling up in existing markets, rather than entering new ones. Figure 3 provides an overview of the current market presence globally.

Figure 3: Statkraft's International Presence



An overview of Statkraft's current international market presence, divided on the business areas International Power, European Wind and Solar, and others.

Figure 3 shows the 16 countries where Statkraft is currently present, separating the business areas International Power from European Wind and Solar and other segments. International Power covers seven markets outside continental Europe as outlined in section 3.1.1: Albania, Brazil, Chile, India, Nepal, Peru, and Turkey. European Wind and Solar operates in Norway, Sweden, Ireland and the U.K as well as other countries in Europe which are not disclosed. Some markets include various segments, such as biomass power plants and hydropower in Germany. Others, for example the U.S, is active in market operations and helping U.S firms procure Statkraft generated energy internationally, without owning or operating any assets in the specific country.

3.1.4 Ownership and Need for Home Country Legitimacy

Since inception, Statkraft has been under ownership of the Norwegian government. In 2004, Statkraft was reorganized as a limited company wholly owned by the state, constituting a change in the relationship between the state and Statkraft. Statkraft AS is the parent company of several subsidiaries, and is fully owned by Statkraft SF, which is owned by the Norwegian Ministry of Trade, Industry and Fisheries. The ownership structure appears to imply both advantages and restrictions for Statkraft, spanning areas such as governance, reputation, and risk management but sometimes also having an operational impact. One example of the latter took place in 2015, when the Norwegian government made the decision to increase Statkraft's dividend, leading Statkraft to scale down on certain investments and exiting capital-intensive projects in offshore wind.

Government ownership, perhaps especially prevalent when the owner in question is a country like Norway, seemingly carries expectations and requirements on firms' behavior and conduct. The lack of separation in the perception of Statkraft and Norway in some foreign markets, as described by some respondents, leaves expectations on Statkraft to act in a way that is aligned with "Norwegian standards", stipulating that the company in some sense "carries the Norwegian flag". Neo-institutional theory (Gooderham, Grøgaard & Foss, 2019) makes the assumption that organizations seek approval and strives to gain, and retain, legitimacy. The institutional environment is argued by scholars to be a key determinant of the behavior of an organization, and that the environment leaves a limited number of options for firm action in order to uphold legitimacy.

In the case of Statkraft, the institutional setting in the home country appears to influence several layers of the firm. The need to retain legitimacy in the eyes of the owners, and directly and indirectly the Norwegian people, sets the standard for how to conduct business. As told by respondents, Statkraft has on several occasions renounced or eschewed commitment for projects abroad when the circumstances has appeared dubious. Occasionally, the exactitude and protraction of the firm's due diligence process has led to projects being lost or offered to other actors. While such risk-aversion cannot only be attributed to government ownership, it presumably contributes to such prudence. A misstep considered minor in e.g. Turkey or Brazil, could be detrimental to the perception of the firm in the home country, and hence also to its legitimacy. As mentioned by one respondent, having Statkraft appear on the front page of the Norwegian evening press due to misconduct would be detrimental to the image of Statkraft and ultimately the Norwegian state. The scrutiny that comes with government ownership thus have direct implications on the conduct of Statkraft. This is further demonstrated in the firm's knowledge transfer, where the knowledge to be transferred is largely framed and driven by values, as will be shown in Chapter 5.

3.2 Industry Context

While all interviewed respondents point toward discrepancies between the different markets that Statkraft operates in, a common denominator amongst them is the regulations associated with the energy industry. As the access to power is vital to countries' infrastructure, the energy industry is an area of governmental scrutiny. Hence, being able to navigate, understand and comply with regulatory frameworks and national legislation is of great importance for firms looking to succeed within the industry. Traditionally, national utilities have been the main producer and distributor of energy, and domestic power grids commonly remain monopoly based. However, since the Nordic countries lead the way with Norway liberalizing their energy market in 1992, power markets have gradually become more commercially matured. Still, the degree of liberalization varies greatly from country to country, with discrepancies between continental Europe and markets within Statkraft's business area international power, such as Brazil and Nepal.

A further trend which is not limited to, but perhaps more evident in, the energy industry is the elevated focus on sustainability and climate issues. While not all countries follow suit, the process of phasing out coal and increasingly lean on renewable sources of energy such as hydro, wind and solar is progressively becoming more apparent. A more illuminated view on climate with more technology-driven power sources in combination with market liberalization has made the industry more attractive to investors and equity-driven businesses, making the sector more dynamic with smaller firms also having a place in the market. As such, competition is fierce in all markets where Statkraft is present, where size pose as an important factor enabling a degree of influence on policies and standards.

4. Methodology

This chapter presents the methodology for the conducted research and is structured as follows. The research approach and strategy will be presented in section 4.1 followed by the method for data collection in section 4.2, including respondent sampling and a description of the interview guides. Then, section 4.3 presents the data handling followed by ethical questions considered in section 4.4. Lastly, in section 4.5 a discussion of the limitations for the conducted research will be provided.

4.1 Research Approach and Strategy

The purpose of this paper is to gain insights into the challenges faced by companies in the early phase of knowledge transfer and propose how to overcome those challenges in order to enhance their knowledge transfer capabilities. The research question aimed to answer this read as follows:

How can early phase MNEs enhance their knowledge transfer capabilities?

As mentioned in the introduction, the differentiation between different phases or stages of knowledge transfer capabilities has received little attention from academia. To clarify and gain further understanding of a scarcely researched phenomena or topic, exploratory research provides a good instrument (Saunders, Lewis and Thornhill, 2016). As noted by Saunders et al. (2016), exploratory research questions are likely to commence with ‘How’, which holds true for this paper. While there are no hypotheses derived from previous literature aimed to be tested in this paper, the interview guide was built on previous research on the topic of knowledge transfer and the revised model in section 4.2 extends on a current theoretical framework, the conducted research therefore includes deductive elements (Saunders et al., 2016). However, the presented research tries to find patterns in the gathered data that can help extend current theory but not emanate from it, and hence also includes inductive aspects (Saunders et al., 2016).

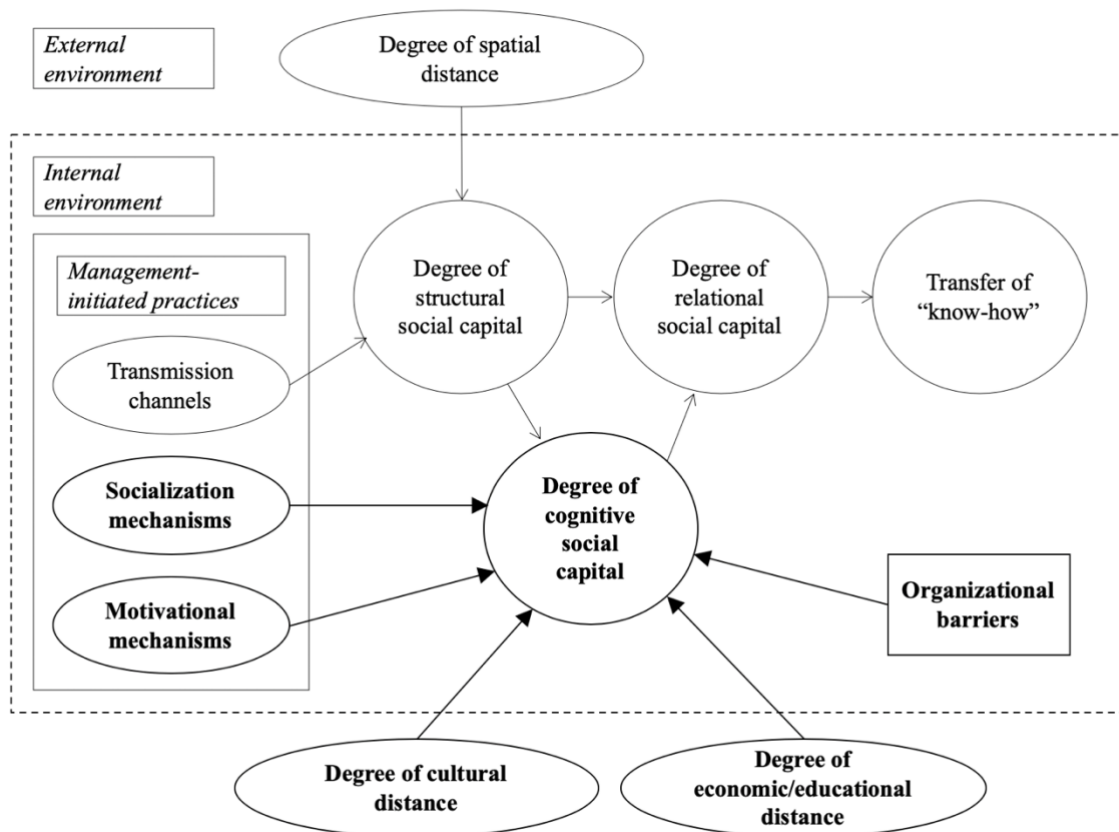
This research adopts a case study strategy. According to Yin (1981), case studies are suitable for conducting exploratory research, and deploying a research strategy in the form of a

qualitative case study was therefore deemed appropriate for the conducted research. Farquhar (2012) explains that case studies are done in specific contexts and of interest when the question of ‘how’, ‘who’ or ‘why’ is of essence, as in this paper. According to Yin (2014), case studies can be distinguished along two dimensions, resulting in four different case study strategies. First, a distinction is made between single and multiple case studies. Second, holistic cases are separated from embedded, referring to the unit of analysis. As the presented research studies Statkraft as a whole rather than a specific unit of the firm, it is characterized as a holistic, single case study. Statkraft was selected as the case for this paper as it provides an opportunity to study a phenomenon that has received little consideration, rather than for it being an extreme or unique case (Saunders et al., 2016). As the conducted research was conducted at a particular time, it is a cross-sectional study.

4.2 A Revised Empirical Model

As argued in section 2.5, there is a need to account for internal barriers when evaluating the development of cognitive social capital, and the subsequent knowledge transfer capabilities. Figure 4 provides a revised, extended version of the model provided by Gooderham (2007), incorporating the internal barriers affecting the development of cognitive social capital. The revised model directs its focus towards the factors influencing the development of cognitive social capital, as emphasized in Figure 4 below.

It is stipulated that there are at least two, but potentially more, internal organizational barriers to cognitive social capital development. The barriers include, but are not limited to, the managerial commitment to and willingness to invest in developing cognitive social capital as well as the feasibility of deploying socialization mechanisms. The former could be rooted in a solicitude for the individual unit rather than the group performance, leading to low motivation to engage in inter-unit activities. The latter could be illustrated by units wanting to retain good people rather than sending them, and their knowledge, away through socialization mechanisms. The barriers are thus also potentially reinforcing. In the end, these barriers could hinder the creation of cognitive social capital and subsequently the transfer of “know-how”. In the case of Statkraft, “know-how” is split into tacit knowledge and values shaped by “The Statkraft way”, as will be shown in Chapter 5.

Figure 4: A Revised Empirical Model of Knowledge Transfer

4.3 Data Collection

The data collected for this paper consist of primary data collected through semi-structured interviews, sometimes referred to as qualitative research interviews (Saunders et al., 2016). As this paper constitutes an exploratory study, semi-structured interviews were deemed a suitable method for data collection as they provide both important background and context, which is also a necessity for case studies (Saunders et al., 2016). Supplementary secondary data (e.g. annual reports) gathered from Statkraft's website was used for describing the case and research setting presented in the previous chapter.

For the primary data collection two tranches of interviews were conducted (see Table 1 for an overview of the respondents). First, an initial interview was carried out in order to gain insight and understanding of Statkraft's operations, internationalization, ownership and governance. The interview was conducted in person at Statkraft's HQ. Four subsequent interviews were carried out focusing on knowledge sharing and transfer within Statkraft. These interviews

aimed to provide information on the current phase of the firm's knowledge transfer capabilities and how the firm creates and promotes the antecedents for knowledge transfer. Due to the Covid-19 outbreak in early 2020, these interviews were carried out synchronously using the internet-mediated video call software Microsoft Teams. The interview guides used in the interviews will be described in the next section and can be found in the appendix.

Table 1: Overview of Respondents

Respondent ID	Business Area	Setting	Length
Taylor	International Power	In person	43.44
Alex	International Power	Via MS Teams	54.18
Charlie	Production	Via MS Teams	52.22
Kim	International Power	Via MS Teams	44.42
Robin	Markets & IT	Via MS Teams	36.50

Note: This table provides an overview of the respondents at Statkraft. The table shows the respondent's ID, the business area in which they are employed and the setting and length of the interview. All respondents were assigned a gender-neutral, coded name (respondent ID) in order to uphold anonymity.

As argued by Saunders et al. (2016), gaining access is a critical component in order to be able to collect data. For the conducted research, access to Statkraft was facilitated by the supervisor of this paper who introduced the author to the first respondent, Taylor. Taylor was purposively sampled due to insights about the knowledge transfer capabilities at Statkraft and previous interaction on the topic with the paper's supervisor. Subsequently, access to the respondents in the four ensuing interviews was provided by Taylor, a process referred to as snowball sampling (Saunders et al., 2016). All respondents at Statkraft holds management level positions, resulting in the research providing a managerial perspective on the discussed topics. The respondents' tenure with Statkraft ranges between 9 and 25 years.

4.3.1 *Interview Guide*

All conducted interviews used a semi-structured approach, with two interview guides being constructed and utilized. An initial interview guide (see Appendix I) was created for the first interview, aimed at getting background knowledge of Statkraft and its operations. A more detailed view of Statkraft's organizational structure, strategy and vision was gained, providing valuable insights for the subsequent interviews. A second interview guide (see Appendix II) was created for the following four interviews which emphasized the topic of knowledge transfer. Brief respondent context was established, followed by questions on the market Statkraft operates in and what core knowledge it requires. Next, Statkraft's current phase and aim of knowledge transfer and the challenges faced when creating the needed capabilities was discussed. Lastly, antecedents to knowledge transfer such as social capital, organizational culture, and management-initiated practices were discussed.

Using semi-structured interviews opens up for interesting sidetracks, leading to interviews not always following the same sequence of questions (Saunders et al., 2016). The interview format was deemed suitable for the conducted study as it provides more in-depth data and flexibility than structured interviews, hence being suitable for the purpose of exploratory research (Saunders et al., 2016). Before finishing the interviews respondents were asked for potential additional comments, which lead to elaborations and insights beyond the initial interview questions. All interviews were recorded with the permission of respondents, contributing to diminishing the disadvantage of being a sole researcher. The argument for recording interviews is summarized well by Berry (2002), who states: "How can you make a clear-headed decision about your next question when you're listening, trying to make sense of the answer, and taking notes at the same time?" (p. 682). Ethical considerations related to the recording of interviews will be discussed in section 4.4.

4.4 Handling the Data

After conducting an interview, the recording was transcribed shortly afterwards. Transcriptions was performed by the author, which is equally time-consuming as it is a good opportunity to familiarize with the data (Saunders et al, 2016). Respondents were offered to receive the transcript after data cleaning in order to ensure factual accuracy and make potential

corrections to their statements. The anonymity of respondents was kept during the transcribing and elements that could reveal the identity of respondents, such as previous employers, were neutralized. This is due to the fact that transcripts will be available for researchers at the FOCUS Research Center at the Norwegian School of Economics, while the identity of the respondent should be known to interview participants only.

A combination of template and thematic analysis was used to analyze the data, which offers a systematic but flexible approach to qualitative data analysis (Braun & Clarke, 2006). According to Saunders et al. (2016), the purpose of thematic analysis is to search for themes and patterns that occurs across a data set. Template analysis, described by the authors as a type of thematic analysis, is more structured compared to thematic analysis with a list of themes developed early on in the analyzation process. When analyzing the data gathered, three predefined themes provided the foundation for analysis, drawing on the structure of interview guide II: the current phase of knowledge transfer, challenges faced in relation to knowledge transfer and the creation of capabilities. Besides these three themes no fixed coding template was established. Patterns in the data set were identified and coded using both theory driven, ‘a priori’, codes, and data driven, ‘in vivo’, codes, resulting in the findings and analysis in Chapter 5.

4.5 Ethical Considerations

Ethical considerations were made at all stages of the conducted research and were especially emphasized with regard to data collection and handling. When scheduling interviews, the respondent received a standardized consent form created by the FOCUS Research Centre stipulating the purpose of the research, the data handling process, and that researchers at FOCUS would be given access to collected, anonymized data. The form specified that the interview would be recorded, transcribed and that participation was voluntary with the option to withdraw at any time. In order to remain as transparent as possible, the purpose and procedure of the research was iterated before commencing the interviews.

Following the interviews, recordings were transcribed as described in the previous section, where content risking the anonymity of the respondent was neutralized. Such content includes previous employment and current role and position within Statkraft. Respondents were given

a respondent ID which was used to refer to their responses during the analysis and findings in Chapter 5. Registration with the Norwegian Centre for Research Data (NSD) was collectively applied for all master projects written in collaboration with FOCUS, and hence was not needed to be carried out individually.

4.6 Limitations

As for all conducted research this paper comes with limitations. As briefly noted in section 4.1, the deployment of case studies as a research method has been ascribed to be limited (Saunders et al., 2016), commonly with reference to generalizability (Yin, 2013). However, Flyvbjerg (2006) states that this is a frequent misunderstanding about case studies. He argues that even if knowledge derived from case studies would not be subject to formal generalization, it “does not mean that it cannot enter into the collective process of knowledge accumulation in a given field...” (Flyvbjerg, 2006, p. 227). Hence, the generalizability of this paper may be low due to its case-specific context, but it does not compromise the study’s exploratory purpose.

A further potential limitation of this paper is exhibited by solely taking the managerial perspective within Statkraft. While interviewing respondents in other levels of the organization might have provided further insights, the topics of discussion deemed the interviewed respondents suitable for the purpose and objective of the study. Lastly, while not inherently acting as a limitation, the threats to reliability in the form of researcher error and bias becomes more apparent as this paper was written by a sole author. These threats were counteracted by being well-prepared for interviews in addition to recording them, and by being sagacious and conscious about potential biases during interpretation and analysis of the data.

5. Findings & Analysis

This chapter presents the findings and analysis derived from the conducted interviews. Guided by the revised model introduced in Chapter 4, the findings are split into three sections. The first section illustrates the current stage of Statkraft's capabilities in knowledge sharing and transfer, including what type of knowledge that is subject to transfer. Section two display the external and internal barriers to the creation of cognitive social capital and subsequent knowledge transfer capabilities faced within the firm. Section three process and highlights the factors which needs to be further developed in order to enhance the knowledge transfer capabilities within Statkraft. Lastly, a summary of the findings and analysis will be provided.

5.1 Current Phase

5.1.1 Knowledge to Transferred

The literature review of this paper started with an important distinction between different kinds of knowledge, based on the thoughts of Spender (1996). Knowledge was separated into four categories based on two dimensions, namely the tacitness of the knowledge and whether it is individually or socially embedded. In the case of Statkraft, one important type of knowledge the firm is looking to transfer is related to aspects such as values and ethics, as described by the respondent Alex:

“(...) what we've been working a lot on is knowledge transfer of all of the non-standardized aspects, if you like. Which are sort of, you know, a little bit more touching on behavioral aspects and attitudes, and touching on things like issues which are often sensitive, such as corruption.”

As described by Gooderham, Grøgaard and Foss (2019), collective knowledge is culturally rooted in the organization and can be credited first when individuals have been socialized into the firm. Reaching alignment in terms of values and business conduct is important for Statkraft in order to maintain the legitimacy of the firm, as discussed in section 3.1.4. As such, the ownership structure and its implications may influence the degree of attention given to collective knowledge such as values within Statkraft, which is fortified by Alex who continues by saying:

“(...) a lot of it is about making sure that our operations in these countries are the standard that complies with our you know, what we call The Statkraft way (...) it's a system of policies based on good international practice that is also in line with Norwegian business practices, the white paper that governs how Norwegian businesses operate abroad.”

Other respondents confirm the notion of values constituting an important source of knowledge to transfer, as it shapes the organizational culture within Statkraft which will be discussed subsequently. Hence, the importance of transferring this knowledge across the organization is clear. In addition to the value-based knowledge, the presence in markets of different maturities generates opportunities for Statkraft to also transfer knowledge derived from experiences created in some markets which are consequently applicable in others. For example, when asked about what knowledge Statkraft is looking to transfer, Charlie answers:

“(...) to really be able to transfer expertise and knowledge from places where you do have the experience ... to places where you are sort of developing and facing the same challenges as you might have faced in a different market four or five years ago (...)”

As such knowledge spans from solving operational issues to utilizing experiences from one market in another, it could be interpreted as being either explicit or tacit, as well as individual or social. No matter the type of knowledge, it seems as if leveraging previous experiences is a key theme in Statkraft's knowledge transfer process, even when the context differs substantially. Being able to transfer knowledge from one environmental context to another seems important as diverging markets could still hold valuable insights for each other, as explained by two of the respondents:

“Developing a wind farm in Brazil, for instance, is quite different from developing a wind farm in Dalarna¹, to pick one example, those are two different topics. But there are some experiences that you need to be able to transfer from one to the

¹ Dalarna is a province located in central Sweden

other.” (Charlie)

“(…) when you start a business in India or Brazil, you build up a local organization with their own expertise after a while, because the markets differ a lot between different areas. And then, of course, they develop all the things which can be valuable back in the European markets.” (Robin)

As stated by Robin, the markets which Statkraft operates in can differ a lot within various areas. Naturally, markets like Nepal and India will diverge in some fields from Nordic markets like Norway or Sweden. Still, it appears that knowledge can be transferred and utilized between various market despite the differences, and maybe add value precisely due to such divergence. One question that arise is the need for adaptation of the knowledge, which as discussed by Jensen and Szulanski (2004) is usually more prevalent in dispersed MNEs. Charlie mentions how it is important to be able to “*transfer the context of the cases*”, hinting at such needs. However, while the knowledge transferred between markets might infer a need for adaptation, the collective knowledge in form of values that is transferred in a more top-down approach is unanimous across markets.

It can be interpreted as Statkraft is looking to transfer two main streams of knowledge. First, the collective, value-based knowledge that relates to behaviors and attitudes within the firm aligned with what is referred to as “The Statkraft way”, which is a critical component to retain legitimacy as discussed in Chapter 3. Second, the knowledge that can be utilized across markets, leveraging previous experiences in markets currently undergoing similar processes. While the latter potentially includes codifiable elements, it appears that most knowledge Statkraft wants to transfer is of tacit nature.

5.1.2 Current Capabilities

A point of departure in this paper was the need to acknowledge the different phases of knowledge transfer capabilities that firms can find themselves in, as this is implied to influence the necessary measures to be taken in order to enhance mentioned capabilities. In Statkraft, the capabilities seem to vary on a business area-level and potentially also on a unit-level. When asked about where Statkraft currently resides in terms of knowledge transfer capabilities, there

is a great discrepancy among the answers from respondents. One answer suggest that Statkraft is relatively advanced at transferring knowledge in a systematic way, while another refer to the capabilities for knowledge transfer as not being particularly good due to the notion that it always has to be a facilitated process. Two respondents take a holistic perspective on the capabilities and propose that there are disparities between the different functions in the firm:

“I don't think you can say that it's one, it's not one uniform sort of stage for the company. It varies between the different functions (...)” (Charlie)

“I think we are medium. I mean, in some parts we have established functions, we have for instance, around the hydropower and the market analysis we have something we have defined as the Competence Hub (...)” (Robin)

The capabilities to transfer knowledge seem to vary between the different parts of the organization, which could also explain the discrepancies in the view on the firm's capabilities. Part of the answer to why the capabilities differ seems to lie in the organizational structure, where the business areas Markets & IT and Production are responsible for their respective tasks on a global level. There, the Competence Hub referred to by Robin has been established as one example, and in general people move around more as part of e.g. the process of constructing new assets. This functional setup is described by Taylor as *“the main sort of knowledge transfer mechanism in a sense”* for Statkraft. As such, part of the explanation for the capabilities found in some business areas can be linked to deliberate actions aimed to promote knowledge sharing, such as the Competence Hub. On the other hand, some knowledge sharing capabilities seemingly derives from the nature of the business unit's function, emerging as a side-effect rather than through deliberate action. The latter is described by Charlie:

“(...) we do tend to move people around for utilizing knowledge. And the side-effect of utilizing knowledge if you do it together with other people is that you actually share a little bit. So we do that, not necessarily in a very structured way and not in a knowledge centric, knowledge sharing centric type-structure, but really in a task-structure and in a strategy-structure (...)”

From the quote by Charlie it would appear that some business areas and functions within Statkraft hence are inherently inclined to transfer knowledge through the movement of people even though knowledge sharing in itself is not the deliberate purpose. This notion is fortified by Charlie who states that there are “*very limited arenas in terms of the sole purpose of transferring knowledge.*”. Generally, this lack of dedicated arenas for knowledge transfer seems holistically pervading within the firm. While there are examples such as the Competence Hubs, the emphasis put on such initiatives seems relatively low as described by Robin, who says “*so far, it’s not high enough on the communication agenda.*”. Acknowledging the value of knowledge transfer arenas and making the opportunities for employees to engage in knowledge sharing visible appears as one challenge for Statkraft in order to enhance their current capabilities.

Respondents mention that the occurrence of knowledge sharing is usually due to the aforementioned spillover effect from other activities, rather than as a presence of devoted forums and channels. Consequently, there is an awareness about the need for enhancing the capabilities for knowledge sharing and transfer by creating such arenas. Respondents mention how there is a need for a dynamic where knowledge can flow bi- and perhaps even multilaterally, and where the extensive knowledge from the various countries can truly be leveraged and utilized across markets. Taylor stresses the need for enhancing the knowledge transfer capabilities within Statkraft going forward:

“I think this is a key success criteria and the better we get at doing these kind of things the more likely we are to succeed and it becomes more and more important as we grow our international positions to get this dynamic right.”

Thus, while there are disparities within the firm in terms of current capabilities, the awareness and recognition of the importance of knowledge sharing and transfer amongst the respondents is evident. The business areas who hold capabilities to transfer and share knowledge within the unit seems to have attained them not through deliberate actions aimed to stimulate such capabilities, but through an organizational structure which inherently promotes them. A general lack of dedicated arenas for knowledge sharing and transfer offers an opportunity for improvement in order to enhance the capabilities within the firm as a whole.

5.2 External and Internal Barriers

5.2.1 Distances

Outlined in Chapter 2, various distances between units within a firm, which are elevated in a multinational setting, can pose as barriers to the transfer of knowledge. Further, the cultural and economic distance also affects the development of cognitive social capital, as shown in Figure 4. In the case of Statkraft, particularly cultural distance poses a challenge. The collective, value-based knowledge described as a main component for Statkraft can sometimes prove difficult to transfer. As described by some respondents, in some countries there are discrepancies between what is legally required and what is required in order to meet the standards of “The Statkraft way”, which can lead to problems when trying to disseminate the collective values of the firm. As expressed by Alex:

“There's definitely challenges. I think part of the problem is that we meet different standards and different attitudes and ingrained cultural attitudes, if you like, on how they do things in these different countries.”

Similar thoughts are expressed by Charlie, who says:

“(...) if you look at it from India, right, they definitely understand the Indian context. But they might have a hard time understanding the Statkraft context and what is important for the company as such, and sort of bridging these two contexts to make a platform (...) is really hard, because these lenses are not only cultural, they're also contextual.”

As such, cultural distance does not only seem to pose a barrier when aligning knowledge framed by values, but also comprise a different context in which to receive and transfer knowledge in general. Overcoming the contextual disparities is “*really one of the challenges in terms of being able to effectively transfer knowledge the way I see it.*”, according to Charlie. Respondents describe how the challenges arising from cultural distance is one potential tradeoff from being as localized as Statkraft are in many markets. In addition to the cultural distance, respondents mention how there is a central gravity of Statkraft located in Norway. A large portion of the business still originate from the Norwegian market, which creates what

Taylor refers to as a “*center-periphery challenge*” where a higher degree of empowerment might be necessary in order to promote and stimulate knowledge transfer from the units in the smaller markets. Taylor explains:

“(...) that's the challenge to try to shift that a bit so that we are able to empower the country organizations sufficiently in order to realize business, because they are closest to the markets and it's important to acknowledge their insights.”

The “*center-periphery challenge*” referred to by Taylor show some similarities with the NHI-syndrome (Gupta & Govindarajan, 2000a) as referred to in Chapter 2, which is related to economic or educational distance between transferor and recipient. However, there does not appear to be a reluctance to receive knowledge from certain units but rather a lack of opportunities for those units to engage in knowledge transfer. This links back to the finding that there is a lack of dedicated arenas for knowledge sharing within Statkraft, naturally making the opportunities to engage in such activities scarcer and more challenging, perhaps especially for markets in the periphery.

5.2.2 Practical Feasibility

As suggested by literature (Gupta & Govindarajan, 2000b), and fortified by respondents in Statkraft, non-codifiable knowledge is best transferred through people. After expressing their thoughts on the distances Statkraft faces and the possibility of pushing through those barriers, many respondents point toward the practical challenges of transferring people and consequently knowledge through socialization mechanisms. The challenge of transferring people seems to arise from three factors: motivating employees to engage in e.g. job transfers and expatriation, the costs such procedures infer and the potential reluctance of units letting their people go. For expatriation, there are often challenges involving the relocation of the employee's family, which could create a barrier both monetarily and practically. Kim mentions how such challenges can be at least partly mitigated by utilizing short-term solutions:

“You need to be flexible, you need to find I think these short-term solutions are a good idea, but they're expensive. So, there's also about the cost, you have to believe that there's a benefit and you know, the cost has to go somewhere.”

Short-term solutions might provide a good tool for knowledge transfer indeed, and demand less motivation from employees who are staid in a certain market and country in comparison to a two-year expatriation assignment. Regardless of the type or length of the international assignments or positions, the key seems to lie in encouraging employees to look for such opportunities, something that seemingly stands as an area of improvement for Statkraft. As explained by Kim:

“(...) it's about encouraging people to look for opportunities, but I don't think across the company that we're good at that. I think people are too afraid to lose good people etc. And so, it's something that we don't put maybe our employees development as number one on the list, and that's something that I think is very important.”

The fear of losing good people is a practical consequence of job-transfers, expatriation and other socialization mechanisms that might be undervalued by scholars. Yet, the balance between employees' development and the success of the single unit potentially produces a practical dilemma for firms. According to Kim, there are usually solutions for such situations. Still, in a worst-case scenario this can result in an indirect, unintentional form of knowledge hoarding within the units when there are no alternatives to transferring knowledge without also transferring people.

Ultimately, as with most decision-making processes within firms, weighing the costs against the benefits is what decides whether socialization mechanisms will be undertaken or not. Allocating resources to such mechanisms, which in turn helps promote knowledge sharing, is thought to be beneficial despite the associated costs, as explained by Robin:

“It costs to send five people from Brazil to Norway to spend two weeks here to get training and it costs to send people from us out to India to participate in workshops there for instance. What needs to be accepted by the managers is that this is worthwhile spending resources on.”

It could hence be concluded that the costs associated with practical activities that facilitates and stimulates knowledge sharing provides a barrier to implement and use such mechanisms. The last sentence of the quote from Robin provides a transition to another identified challenge

in creating knowledge transfer capabilities, namely realizing the value of possessing such capabilities and a commitment from managers.

5.2.3 Managerial Commitment

Showcased by the findings in previous sections, knowledge sharing within Statkraft mainly seems to arise as a side-effect from other activities, rather than from deliberate actions. The lack of dedicated transmission channels and arenas for knowledge sharing and transfer outside of individual business areas and units suggests that the topic is not perceived as a value-enhancer in itself. This somewhat mirrors the thoughts of Birkinshaw et al. (2010), who argues that managers view knowledge sharing capabilities as merely “nice-to-haves”. While knowledge sharing should not only take place on higher levels in the organization, respondents suggest that the tone from the top, and the extent to which knowledge sharing is encouraged, plays a role for employees’ degree of engagement and initiative. As explained by two respondents:

“The tone from the top is important, you need to accept that people spend time on sharing knowledge, but the knowledge sharing must be done at lower levels as well.” (Robin)

“(...) it's very dependent on the individuals both in the organizations and also who is leading the organization and how much pressure you put on this because you have to push the issue - if you don't push the issue it will not happen.” (Charlie)

While capabilities have been developed in some units, with the Competence Hubs providing one example, the overall tone from the top does not seem to encourage or spur knowledge sharing within the firm as a whole. Rather, knowledge sharing is seemingly perceived as a side project as expressed by Kim:

“(...) it's not measured, or it's not part, because it's not part of the structure we've implemented, you do it on the side and people think it's interesting (...) but it's not a, it's not something that is strongly encouraged.”

As proposed by Charlie, knowledge sharing will not emerge naturally, but rather needs to be fostered intentionally in order to develop. To deliberately encourage and foster knowledge sharing, there supposedly have to be a positive notion among the management about the value it could bring and a commitment to make it happen. At least previously, such realization and commitment seem to have been lacking, as explained by Robin:

“(...) it was a clear need of exchanging knowledge in a much more efficient way. And then I found that the top leaders were difficult to get across, to get them to understand that they needed to collaborate on knowledge sharing. They were building up their own kingdoms to put it in an edgy way, it was a great desire for the local organization to be independent.”

Who continues:

“If the leaders are always measured on their own profit and loss without any cross-functional follow up, then they might tend to be very, very focused on only their own business and not willing to spend time or costs on things cutting across other units.”

Outlined in the literature review, a solicitude solely covering the individual unit is a barrier to knowledge sharing (Szulanski, 2003) as managers will be unwilling to accumulate resources to it, despite a potential enhancement of the overall performance of the group. While Statkraft seems to have overcome the most tenacious tendencies of unit independency as explained by Robin, further emphasis on group performance could be an important part of encouraging knowledge sharing across the firm and increase the commitment from managers. The latter mirrors the findings of Gooderham (2012) in the Scandinavian MNE SCF, where a focus on the group performance metric elevated inter-unit collaboration and eventually knowledge sharing capabilities. Hence, a management attitude which emphasize collaboration, and through it knowledge sharing, could help diminish the barriers to the exchange of knowledge. However, that ostensibly starts with a realization of the value it could bring to the firm and a commitment for implementation.

5.3 Antecedents

5.3.1 Socialization and Motivational Mechanisms

As described in the literature review, management-initiated practices entail three main components: transmission channels, socialization mechanisms and motivational mechanisms, where the latter two is of particular interest for this paper as shown by the model in Figure 4. Statkraft deploys socialization mechanisms in the forms of job transfers, expatriation, and leadership programs. However, as outlined in previous sections of this chapter, the intention of transferring and sharing knowledge in such settings appears to be relatively low, and rather a potential spillover effect from other activities. When describing the use of socialization mechanisms in Statkraft, Taylor says:

“(...) it's still too much of an ad hoc activity and I think we need to be more targeted because it's really something that drives exchange of knowledge to use this.”

Similarly, Kim explains how knowledge transfer is not an explicit part of the forums which could act as good arenas for knowledge sharing:

“(...) it's knowledge transfer in the broadest sense, you're networking, you're understanding what your colleagues are working on. And I think corporate management really, we have a very open communication (...) but we're not creating, it's an information flow right. So not creating a knowledge transfer in that respect.”

However, there are initiatives aimed at creating more inclusion and empowerment through socialization mechanisms, which could subsequently open up channels and create arenas for the transmission of knowledge. As an example, reiterating the need to incorporate knowledge and insights from the units in the “periphery”, a leadership program is currently being set up where managements teams from all the different countries will take part, something Kim believes to be “*a huge way forward*”.

Socialization mechanisms are stressed by the respondents as important factors enabling knowledge sharing. Face-to-face interactions through for example job-rotations provide a good relational foundation and lowers the boundaries for more informal knowledge sharing activities. Robin explains how the social part should not be underestimated as it lowers the hurdle for initiating subsequent contact, as there is now a relationship in place between individuals who *“know each other and are safe to ask stupid questions”*. In the light of Covid-19, respondents share how external forces have revealed the internet-mediated transmission channels to be a rather efficient and suitable tool for exchanging knowledge. Yet, this requires previous interaction through richer transmission channels in order to lower the barriers to initiate contact and to create a safe environment for knowledge transfer, as explained to by Robin.

The process of motivating Statkraft’s employees to engage in knowledge sharing is a bit unclear due to the lack of dedicated channels and arenas within the firm. While believing that management needs to push the topic in order for it to happen, Charlie also stress that employees’ need to be intrinsically motivated in order for knowledge sharing to take place. When discussing intrinsic motivation, Charlie compares professional settings with the energized knowledge exchanges found at various Internet forums, and somewhat frustrated asks:

“(…) the key question is how do you create that fire in the belly? Is it possible to create that within a professional structure? Because you do have professionals who care about their profession, but do they really have this urge to share? (...) why are you able to create this kind of knowledge sharing on topics which are entirely unimportant, whereas for the really important topics it's extremely hard.”

While similar commitment might be hard to foster towards knowledge sharing in a professional environment, it most likely starts with enabling and encouraging employees to engage. Referring to the established Competence Hubs, Robin fortifies this point by saying that *“(…) we need to be visible, it must be visible that we actually do this, so people know that there are possibilities to participate”*. Such visibility of opportunities for knowledge sharing is ostensibly a key factor in order to lower the hurdles for employees to engage.

5.3.2 *Organizational Culture and Cognitive Social Capital*

As previously demonstrated, a significant part of the knowledge Statkraft is looking to transfer is based on unified values. As established in the literature review, the cognitive dimension of social capital is shaped through a common culture in the sense of sharing values, visions, and goals (Nahapiet & Ghoshal, 1998). For Statkraft, it is thus reasonable to assume that the degree of cognitive social capital is a crucial part in creating capabilities needed to transfer desired knowledge. Creating a common foundation of values seem to have been a focal point for the firm, as illustrated by the concept of “The Statkraft way” expressed by Alex:

“I mean, the whole Statkraft way, in a sense, you could argue is a kind of value system. You're trying to operationalize a certain number of values in terms of, you know, respect for human rights, maintaining good environmental and social standards, focusing on benefit sharing.”

While respondents express that an alignment of values is present across the firm, the overarching culture appears more ambiguous. Respondents point towards certain elements which are present throughout the organization, but simultaneously implies a lack of unification:

“(...) I think Statkraft has a very sort of relatively loosely defined culture. The culture in Statkraft depends on where you are, which I think is in contrast to some other companies where the culture is very clear. So I think we can name some elements to the culture in Statkraft but at the same time it's not very forcefully defined.” (Taylor)

“I think there is something about that we talk about Statkraft, the Statkraft culture, without maybe really knowing or defining that particularly well.” (Kim)

Despite the apparent lack of a unified culture, there are cultural traits professedly represented holistically within the organization. Distinctively, a sense of pride growing from working in a firm that provides clean, renewable energy through ethical, value-driven operations provides one such trait. Such a trait could arguably be defined as being part of a common vision, or at the very least common purpose, associated with cognitive social capital.

The overarching culture within Statkraft is acknowledged as an area that needs to be nurtured and advanced in order to achieve the desired capabilities for knowledge sharing across the firm. Simultaneously, many respondents stress the need to make room for local context and creating an overarching culture that permits localization. A distinction is made between what common traits are necessary to be maintained across the firm and what is deemed necessary in specific markets. Still the unified, holistically applicable portion of corporate culture is seen as a factor that could help foster and nurture knowledge sharing capabilities across the firm, as summarized by Robin:

“I think this culture part is important. To develop a company culture where you first of all care for the totality and not only your own unit, and if the managers do that and allow employees to collaborate across and make arenas (...) then I think you're having something that you can build on.”

A continuous effort to nurture the cognitive social capital within the firm therefore provides an important area of focus for Statkraft going forward, in order to enhance their knowledge transfer capabilities.

5.4 Summary of Findings and Analysis

The findings presented above show that Statkraft is primarily looking to transfer two streams of knowledge. First, the collective, value-based knowledge rooted in the behaviors and attitudes of the firm and its conduct. Second, inter-unit knowledge that leverages the experiences gained through the operations in the different markets. Generally, the knowledge looking to be transferred is of tacit nature. The firm shows disparities between units when it comes to the capabilities of transferring knowledge. Some units appear inherently inclined to transfer knowledge due to the organizational structure and possess more advanced capabilities than others. However, holistically the firm would be perceived to be in the earlier phases of developing capabilities, especially for inter-unit knowledge transfer.

Statkraft do utilize socialization mechanisms that could act as arenas for knowledge sharing. However, these mechanisms are seemingly not used for the deliberate purpose of transferring knowledge, which is rather viewed as a side effect of such activities. Moreover, while an

aligned set of values is argued to be present across the firm, the cognitive social capital is suggestively in further need of nurturing along with a more defined overarching culture in order to maintain and increase current knowledge transfer capabilities.

Three barriers to the development of cognitive social capital have been identified. First, the distances commonly faced by MNEs, with cultural distance as the focal point. Second, the challenges associated with transferring people, a necessity when looking to transfer tacit knowledge, creates a barrier in the form of costs and practical feasibility. Lastly, comprising a barrier to developing cognitive social capital and subsequent knowledge transfer capabilities is the realization of the value it could bring the firm and the associated lack of managerial commitment.

6. Discussion and Conclusion

This paper has investigated the development of cognitive social capital within Statkraft and the firm's subsequent capabilities for knowledge transfer. Guided by the model illustrated in Figure 4, the conducted research reveals interesting findings which will now be discussed. First, the implications of the current phase of Statkraft's abilities to develop cognitive social capital and knowledge transfer capabilities will be discussed. Then, a discussion on the way forward in order to enhance said capabilities will be provided. Lastly, this chapter will end this paper with concluding remarks and suggestions for future research.

6.1 Implications of Current Phase

The findings of the conducted research reveal several interesting areas for discussion. The current stage of Statkraft's knowledge transfer capabilities is one, due to the discrepancies among the units within the group. Some business areas seem inherently prone to transfer and share knowledge, potentially deriving from the organizational structure and function of those units. By performing their functions globally, the business area Production seem to have developed such capabilities. The unit's function comes with the innate movement of people, consequently inferring a higher degree of knowledge sharing compared to e.g. the more geographically oriented units of International Power. Further, the established Competence Hubs shows that deliberate action and managerial commitment is needed in order to create dedicated arenas and favorable conditions for knowledge sharing. Both examples hold insights for the creation of knowledge transfer capabilities on a firm-level.

As proposed in the literature review of this paper, firms in the earlier phases of knowledge transfer might need to introduce a firmer approach to knowledge sharing in order to establish necessary transmission channels and socialization mechanisms. The findings of this paper suggest that there is a need for more hierarchy and deliberate, purposive action from Statkraft in their current stage of developing knowledge transfer capabilities. In this sense, the findings of this paper relate to those of Gooderham (2012), where strict managerial intervention was necessary to increase inter-unit collaboration and eventually the degree of knowledge sharing. Derived from the findings of this paper, the level of managerial commitment seems to play an important role for the degree of hierarchy needed to develop cognitive social capital and

subsequent capabilities for knowledge transfer. For Statkraft, the implication of this finding implies that the firm needs to decide whether the development of such capabilities is of enough importance, which they seemingly are. Subsequently, Statkraft needs to wholeheartedly commit to fostering and nurturing the needed antecedents to create knowledge transfer capabilities through the continuous development of cognitive social capital.

6.2 Creating Capabilities

As the findings show, Statkraft is currently residing in a stage where there is a need for deliberate action from management to commit in order to enable and encourage knowledge sharing. Mirroring the words of Birkinshaw, Bresman and Nobel (2010), the knowledge transfer capabilities within Statkraft currently appears as merely “nice to have”, with knowledge sharing posing primarily as a side effect from other activities than intentional action. The barriers to transferring knowledge within the firm will not be overcome without a strong commitment from managers framed by a unity and a solicitude for the firm as a whole rather than individual units. Assumedly, this process will need purposeful actions to come into place, potentially through short-term hierarchical measures as shown in the case of the Scandinavian MNE SCF (Gooderham, 2012). Such deliberate action is illustrated by the creation of Statkraft’s Competence Hubs, where managerial commitment and initiative was needed in order to create arenas where employees can subsequently engage in knowledge sharing, as such arenas will not emerge naturally.

The continuous fostering and nurturing of the cognitive social capital within the firm seems decisive in order to expand the capabilities for knowledge transfer. The cognitive dimension of social capital appears partially present through the shared values as illustrated by “The Statkraft way”. The strong inherency with the values within Statkraft and the sense of pride associated with them seemingly constitutes a solid foundation for the overarching culture that is yet to be defined within the firm. Through the incorporation of knowledge sharing as a trait of the Statkraft culture, introjected motivation for knowledge sharing as presented by Foss et al. (2009) could be fostered amongst employees, making them more inclined to engage. As argued, this will commence with a managerial acknowledgement of the value of knowledge sharing subsequently followed by a commitment to implement the needed measures to promote and stimulate such capabilities.

6.3 Concluding Remarks

The problematization in the introduction of this paper stated that little focus has been directed towards firms in the early phase of developing knowledge transfer capabilities. As argued, the current state of the capabilities for transferring knowledge would influence what measures to be taken in order to enhance those capabilities. The purpose of this paper was therefore to research the challenges faced by emerging full-fledged MNEs in the early phases of developing knowledge transfer capabilities and propose how to overcome those challenges to enhance said capabilities. Through the deployment of a revised model of knowledge transfer, this paper has focused on the influences from socialization and motivational mechanisms, with the additional consideration of internal organizational barriers, on the development of cognitive social capital.

This paper presents two main findings. First, the unraveling of the internal organizational barriers to the creation of cognitive social capital and subsequent knowledge transfer capabilities. These barriers include a lack of managerial commitment to the development of cognitive social capital and an unwillingness to desirably utilize socialization mechanisms, through for example a “hoarding” of competent people within the own unit. The barriers also include the practical feasibility of deploying socialization mechanisms, e.g. the costs related to such practices. Second, derived from the findings above, this paper fortifies the notion that there is a need for a firmer, more hierarchical approach for firms in the early phases of developing cognitive social capital and subsequent knowledge transfer capabilities in order to enhance said capabilities.

For Statkraft, the findings and implications of this paper are clear. In order to further develop the firm’s cognitive social capital and knowledge transfer capabilities, Statkraft needs to commit and induce their managers to deliberately engage in activities and processes aimed to stimulate and promote such capabilities. Initially, this might require a more authoritarian approach in order to successfully implement such measures, as also suggested by previous studies (Gooderham, 2012). Hence, Statkraft needs to decide whether the potential knowledge transfer capabilities are worth the resources and devotion it will take to reach them and, if the answer is yes, fully committing to attain such capabilities.

6.3.1 Contribution and Suggestions for Future Research

This paper contributes in both a theoretical and practical manner. While adding to a scarce pool of research on firms in the early phases of developing knowledge transfer capabilities, this paper also extends on previous knowledge transfer frameworks through the incorporation of internal organizational barriers. The paper adds practical contribution by substantiating the way forward for Statkraft in order for the firm to further develop cognitive social capital and subsequent capabilities for knowledge transfer. As this paper deliberately puts emphasis on the cognitive dimension of social capital, further research should investigate the remaining dimensions in the light of the revised, extended model. Ostensibly, internal organizational barriers also infer implications for the development of structural and relational social capital, opening the door for intriguing future studies on knowledge transfer capabilities.

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Appendix

Appendix I: Interview Guide I

1. Respondent Context

- a. Tell me about your history and current position at Statkraft?
- b. What was the current state of the company when you started?

2. Company Background

- a. What is the size of Statkraft today: how many employees and offices are there?
How many countries do you operate in?
- b. What are the firm specific advantages of Statkraft from your point of view? What kind of products/services do you offer?
- c. What are the revenue streams of Statkraft? Is it dependent on the country/market?
- d. How is the energy market structured? What does the competition look like? How do you manage state regulations and compliance in different markets?

3. Internationalization

- a. When did Statkraft first venture abroad and why?
- b. What is the current internationalization strategy?
- c. Will the strategy change in the (near) future?
- d. Does Statkraft seek collaborations when expanding abroad? What kind?
- e. How do Statkraft usually fund new ventures abroad? Debt-market, government funding?

4. Subsidiaries

- a. What is the functionality of the subsidiaries? What do they look like? Does it depend on the country/market?
- b. Is knowledge transfer needed for carrying out the tasks in the subsidiaries in a wanted way? How do you transfer it?
- c. What does the expatriation process look like when sending employees abroad?
Training?
- d. What transfer costs are Statkraft experiencing (e.g. social capital; trust, common mindsets) in internationalization?

- e. How does the corporate culture and language of Statkraft affect subsidiaries and the internationalization process?

5. Ownership and Governance

- a. Looking at the bigger picture, is being state-owned an advantage or disadvantage for Statkraft? Why? How does it affect the internationalization strategy and operations?
- b. How is the governance of Statkraft affected by state-ownership? Does this affect the boundaries and therefore possibilities of the firm?

6. Additional Comments

Appendix II: Interview Guide II

1. Respondent Context

- a. Tell me about your history at Statkraft?
- b. What is your current role and what does it entail?

2. Industry context

- a. What characterizes the industry that Statkraft operates in?
- b. What kind of knowledge is at the core of this industry?

3. Current phase of knowledge transfer

- a. What kind of knowledge does Statkraft want to transfer?
- b. Are there specific directions for the knowledge you are looking to transfer (uni-, bi- or multilateral; to/from/between HQ/subsidiaries)?
- c. Where is Statkraft currently in terms of knowledge transfer capabilities?
- d. What challenges are you facing related to knowledge transfer? How have you tried to mitigate them?

4. Antecedents and management-initiated practices

Social capital refers to the network of relationships within a firm and having a shared identity, values, and trust. Commonly there is a distinction made between *structural* (the ties and

configuration of the network/organization), *cognitive* (shared goals, vision and values) and *relational* (trust between individuals) social capital.

- a. How do you build and maintain social capital within Statkraft?
- b. Does Statkraft have dedicated transmission channels for knowledge transfer? What do they look like?
- c. What kind of socialization mechanisms does Statkraft deploy (e.g. employee training, expatriation, job transfer)? How do you engage employees to take part?
- d. How does Statkraft motivate employees to engage in knowledge transfer?
- e. Is there a unified organizational culture within Statkraft's business units and subsidiaries? What does it look like? Is there a universal corporate language?

5. Additional Comments