Cross-Cultural Knowledge Transfer of Turkish Expatriates in a Serbian Subsidiary

Aksu Silik
Karina Strukova

Second Cycle

Date 2017/02/01

Supervisor: Daniella Fjellström
Examiner: Maria Fregidou-Malama
Abstract

Aim: The aim of this research is to investigate the role of culture in the process of knowledge transfer through expatriates, while also aiming to identify factors that are influential in this process other than culture.

Method: The aim has been reached by adopting a qualitative case study, with a focus on a single case. Semi-structured interviews have been conducted with expatriates to gain data.

Findings: The study proves the importance of culture in a cross-border expatriates knowledge transfer. Hofstede’s cultural dimensions have been found to be determinants in this process. Language has also been outlined as an important component in this regards. In addition, type of knowledge, recipient’s ability to absorb, and the source’s capabilities to transform are also influential factors stated by expatriates.

Limitations: The study is limited to a single company. Further, the data have been collected only from expatriates, not the local employees’ point of view.

Suggestions for future research: Further research can be done in the same field, but with focus on different sectors, and different countries. The academic world can also benefit from studies that focus on countries that are different from each other, in order to understand how the knowledge transfer is effected by those differences.
“Research is to see what everybody else has seen, and to think what nobody else has thought.”

Albert Szent-Gyorgyi (Bioenergetics, 1957)
Table of Contents

Chapter 1- Introduction ............................................................................................................ 8
  1.1 Background ...................................................................................................................... 8
  1.2 Motivation of the Study ................................................................................................. 9
  1.3 Problem Discussion ....................................................................................................... 10
  1.4 Purpose & Research Questions .................................................................................... 11
  1.5 Delimitation ................................................................................................................ 11
  1.6 Thesis Outline ............................................................................................................. 12

Chapter 2- Theoretical Background ...................................................................................... 13
  2.1 Knowledge Transfer ..................................................................................................... 13
    2.1.1 Knowledge ............................................................................................................. 13
    2.1.2 Process of Transfer ............................................................................................. 14
    2.1.3 Role of Language ............................................................................................... 16
  2.2 Expatriates .................................................................................................................... 17
    2.2.1 Expatriates knowledge transfer .......................................................................... 19
    2.2.2 Difficulties in Knowledge transfer .................................................................... 20
    2.2.3 Language ........................................................................................................... 21
  2.3 Cross Cultural knowledge transfer ............................................................................... 22
    2.3.1 Cultural Dimensions and Knowledge Transfer .................................................. 24
    2.3.2 Language in Culture ......................................................................................... 31
  2.4 Knowledge Transfer from Turkey to Serbia ................................................................. 32
  2.5 Conceptual Model ....................................................................................................... 34

Chapter 3- Methodology ...................................................................................................... 36
  3.1 Research Approach ...................................................................................................... 36
  3.2 Research Strategy ....................................................................................................... 36
  3.3 Case study .................................................................................................................. 36
  3.4 Data collection ............................................................................................................ 37
    3.4.1 Secondary data .................................................................................................. 37
    3.4.2 Primary data ....................................................................................................... 38
  3.5 Interview Process ....................................................................................................... 38
  3.6 Data Analysis ............................................................................................................. 39
  3.7 Validity ....................................................................................................................... 40
  3.8 Reliability ................................................................................................................... 41
  3.9 Ethical Considerations ............................................................................................... 41
  3.10 Limitations ............................................................................................................... 41

Chapter 4-Empirical Findings ............................................................................................. 42
List of Figures

Figure 1.: Academic standpoint of the study ................................................................. 10
Figure 2.: Thesis outline ................................................................................................. 12
Figure 3.: Levels of Knowledge Transfer ...................................................................... 14
Figure 4.: Elements of Knowledge Transfer ................................................................. 15
Figure 5.: International Knowledge Transfer Model .................................................... 16
Figure 6.: Power Distance effects on knowledge transfer ............................................ 24
Figure 7.: Collectivism/Individualism effects on knowledge transfer ........................... 25
Figure 8.: Knowledge Transfer among Different Dimensions ....................................... 27
Figure 9.: Uncertainty avoidance effects on knowledge transfer .................................. 29
Figure 10.: MAS/FEM effects on knowledge transfer .................................................... 30
Figure 11.: Conceptual Model ....................................................................................... 35
Figure 12.: Revised Conceptual Model .......................................................................... 60
List of Tables

Table 1.: Types of knowledge based on Collectivism vs Individualism .......................................................... 26
Table 2.: Comparison of Turkey with Serbia based on Hofstede’s Cultural Dimensions .......................... 33
Table 3.: The location of Turkey and Serbia on power distance vs. individualism dimensions ............ 34
Table 4.: Interview Details .......................................................................................................................... 39
Table 5.: Interviews results ........................................................................................................................ 51
Chapter 1- Introduction

This chapter will present background of this research. It will outline motivation of the study, problem for discussion, purpose and research question, as well as delimitation and outline for the whole thesis.

1.1 Background

Globalization of economic activities has influenced the world in many aspects. Companies are in constant need of investing abroad, selling their products to new markets, accessing raw materials, and cheap labour costs (Friedman, 2006). The benefits of international trade are infinite. In this sense, international transactions, and especially FDI, is an important part of global economy and is significant option for mobilizing valuable assets, such as technology, capital and human skills to another market (Gestrin, 2016). In fact, the FDI outflow of the world has been recorded to increase from $709 billion to $2.111 trillion through the last ten years 2005-2015. (WorldBank, 2016). FDI is also an opportunity for developing countries, since with receiving investment from abroad, new job opportunities arise, and the country can benefit from the inflow of technology as well as knowledge (OECD, 2016a).

With this scenario, where cross-border investment is a huge opportunity for growth, it is crucial for companies to successfully transfer their knowledge to these new markets (Javidan, Stahl, Brodbeck & Wilderom, 2005; Bhagat, Kedia, Harveston & Triandis, 2002). In this sense, knowledge transfer is as an important competitive asset of a company (Argote & Ingram, 2000; Barner-Rasmussen & Björkma, 2007). The capability of transferring knowledge to another unit enhances the performance of both home and host entities and promotes the innovativeness of the company (Bhagat et al., 2002; Choi & Johanson, 2012). With the increasing globalization, companies are becoming more competitive, while their privilege stemming from how effective they are in their knowledge transfer (Bhagat et al., 2002; Hedlund, 1994; Barner-Rasmussen & Björkma, 2007).

In this sense, companies try to utilise their resources in order to achieve successful knowledge transfer (Tan & Mahoney, 2006). Nonetheless, transferring knowledge may not be as easy as it is when transferring data (Szulanski, 2000). Knowledge is much deeper and more difficult to transfer (Bonache & Brewster, 2001). Generally it is embedded in people, and requires human interaction to achieve greater outcomes (Bhagat et al., 2000; Bonache & Brewster, 2001). In such circumstances, when companies’ business do not rely solely on knowledge transferrable through computers and softwares, they turn to more interactive strategies, they consult to expatriates (Szulanski, 1996).

Expatriates are traditionally defined as skilled employees sent abroad for certain period of time and then repatriated back home (Bonache et al., 2001). Companies invest in expatriates, and send them abroad in
order to control, report, transfer knowledge and entrust them many other tasks (Tan & Mahoney, 2006; Caligiuri, 2000). The roles and assignments of expatriates can be discussed in pages, yet, this study will focus on a single role-knowledges transfer. Transferring knowledge through expatriates has been referred as a successful way of maintaining and transmitting knowledge (Bonache & Brewster, 2001; Koveshnikov, Wechtler & Dejoux, 2014; Welch & Welch, 2008).

Knowledge transfer through expatriates literature has mostly focused on the characteristics of knowledge, e.g. explicit, tacit, etc. (Riusala & Suutari, 2004; Riusala & Smale, 2007), how the characteristics of knowledge influence expatriation policies (Bonache & Brewster, 2001), the role of knowledge sender and receiver in the process (Wang & Fang, 2014) and their personal traits (Caligiuri, 2000), the ability and the willingness of expatriates to transfer knowledge (Minbaeva & Michailova, 2004); senior expatriates’ role in innovation and their cultural intelligence (Elenkov & Manev, 2009); the barriers of language (Fukuda, 2015; Zhang & Harzing, 2016) and the expatriate’s experience in the knowledge he/she is transferring (Hebert, Very & Beamish, 2005).

Culture had been playing a minority role in all the studies regarding knowledge transfer through expatriates. Even though studies refer to culture (Brewster & Bonache, 2001; Elenkov & Manev, 2009; Hebert et al., 2005; Choi et al., 2012; Caligiuri, 2000), no study as per our knowledge had focused on culture solely, and considered other factors as complementary. On the other hand, studies regarding knowledge transfer take culture as an important player in the process, and imply that companies need to understand the importance and the process of knowledge transfer, and how it is dependent on not only the home but also the host country’s culture, values and capabilities (Javidan et al., 2005; Kogut and Zander, 1992; Fjellström & Zander, 2016). Consequently, the importance of culture in process of knowledge transfer cannot be underestimated (De Long & Fahley, 2000; Fjellström & Zander, 2016)

1.2 Motivation of the Study
As per the above explanations, it is inevitable to ignore culture when it comes to knowledge transfer through expatriates, since studies point in this direction. Nonetheless, interestingly, none are vividly referring to it. This is the main motive for the present study. An academic gap that needs to be explored.

The present study will include language as a part of culture (Hofstede, Hofstede & Minkov, 2010), a shortfall in other studies, where language is considered as an individual element. Finally, the present study will acknowledge factors that apart from culture may influence the process of knowledge transfer taking the expatriates perspective.
1.3 Problem Discussion

Bonache and Brewster (2001) have studied knowledge transfer and expatriates, yet they did not focus on culture. Nonetheless, when concluding their debates, they have encouraged further studies to focus on variables that may influence this process of knowledge transfer, including culture. On the other hand, Bhagat et al (2002) have focused on culture and knowledge transfer, and even though they have been referring to human variable of this process, they have not taken the perspective of this variable, not specifically expatriates. Interestingly, they have concluded their paper by stating that one should be aware of the influence of individual’s abilities, and how much it can impact the process. Lastly, Lucas (2006) had also investigated how culture affects knowledge transfer, yet, neither him had taken expatriates into consideration.

After reviewing the literature of knowledge transfer and how it is connected to company’s performance and competitiveness, we have seen that expatriates play a crucial role. On the other hand, when knowledge transfer and expatriates are the case, studies imply that culture may play a moderating role as well. As a consequence, we have concluded that for a knowledge to be successfully transferred, expatriates are necessary, and that culture is playing an important role in this process. Thus, we have concluded that a study should consider all the three variables. In this sense, we believe that, by conducting this study, not only academic world, but also managerial and practical worlds will benefit, while it also will take forward the implications of the above listed studies. By being motivated by this gap, we have carried out an investigation that takes the expatriate perspective, and will explore how those employees transfer knowledge in a cross-cultural setting.

Below is the academic standpoint of our study. It consists of three phenomena; knowledge transfer, expatriates and culture. It is also showing the academic gap (dashed-line area). As it can be seen in the figure, the authors have identified the key articles within its academic area. Those articles have been listed in the figure. Nonetheless, the main focus has been given to the intersections of the phenomena, mainly the intersection of knowledge transfer and expatriates, and knowledge transfer and culture. As a result, the bordered area in the figure is the scope of this study, while the dashed-line is the area that has not been addressed previously.

Figure 1.: Academic standpoint of the study
1.4 Purpose & Research Questions

The aim of this research is to investigate how culture influences expatriates’ knowledge transfer to a foreign subsidiary and identify other factors, which are believed by the expatriates to be influential in this process of knowledge transfer. For this purpose, a Turkish company, which has wholly owned subsidiary in Serbia, has been investigated.

The study aims to answer the following research questions:

1. How culture influences knowledge transfer from/through expatriates to foreign subsidiary?

1.2 What other factors influence knowledge transfer from/through expatriates to foreign subsidiary?

1.5 Delimitation

The present thesis focuses on knowledge transfer through expatriates. It is known that knowledge can be transferred through other media, yet, the scope of this study does not cover all the possibilities, e.g. trainings etc. Further, as a factor influencing this process, mainly culture (including language), together with receiver’s and sender’s capabilities, their willingness and lastly type of knowledge have been taken into consideration. All other possible factors have not been taken into consideration. Also, the
study takes expatriates perspective into consideration, even though other perspectives exist as well, e.g. employees, company representatives etc.

1.6 Thesis Outline
The first chapter represents introduction, where the focus of this paper is presented, with the aim and research question that needs to be addressed through the thesis. In second chapter, important theories and frameworks are addressed, in order to provide background and literature review for the research. Third chapter is methodology, which includes the research methods of collecting data and analytical procedures. Chapter four demonstrates data gathered from interviews and all the primary data. Next chapter five outlines analytical part, where discussion on finding and previous literature has been shown. To summarize the study, the thesis concludes with a conclusion section, which answers the research questions, provides limitations, implications and suggestions for further research. (Figure 2)

Figure 2.: Thesis outline

Source: Own construction
Chapter 2- Theoretical Background

This chapter will present existing theoretical background relevant for this research. It will also present conceptual model of this study, which has been created by the authors based on the theories throughout the chapter.

2.1 Knowledge Transfer

2.1.1 Knowledge

There is no universally accepted definition of knowledge, although most of the scholars agree on the fact that it is a unique asset that stems from experiences and learning (Bhagat et al., 2002; De Long & Fahley, 2000). Knowledge is a resource that is in an individual or collective, or embedded in a routine or process. Embodied in a language, stories, concepts, rules, and tools, knowledge is resulting in an increased capacity for decision making and action to achieve a purpose. (De Long & Fahley, 2000) Knowledge is a concept, which “evolves continuously as the individual and the organization adapt to influences from external and the internal environment” (Rivera-Vazquez, Ortiz-Fournier & Rogelio Flores, 2009, p.2). Knowledge is different from data or information, it is more wider, deeper and prosperous (Bhagat et al., 2002).

There are different types of knowledge, one of them is tacit vs explicit. Tacit knowledge has been mainly defined by Polanyi (1962), and adopted by many. This type of knowledge is possessed, but hardly explainable. It is grounded in individuals, and mostly transferred through applications (Bonache & Brewster, 2001, Welch Welch, 2008; Suppiah & Sandu, 2011). Moreover, it is hard to document (Suppiah & Sandu, 2011). This knowledge occurs from experience, and is commonly represented in organizational culture, practices, functions, norms, values and actions (Bhagat et al., 2002). Due to this nature of tacit knowledge, often individuals know more than they are able to transfer (Kogut and Zander, 1992). On the other hand, explicit knowledge is arranged and integrated with official regulations, processes and tools, and is easier to transfer. (Bhagat et al., 2002; De Long & Fahey, 2000). Explicit knowledge can be detected, as it includes rules, technologies and data (Suppiah & Sandu, 2011).

The other types are simple vs. complex and independent vs. systemic. The former category, which argues that knowledge can be simple or complex, comes from the question of how easy they are transferred. Complex knowledge requires more information to transfer. On the other hand, in the following category, independent knowledge can exist without any extra knowledge, while systemic knowledge requires support from supplementary knowledge. (Garud & Nayyar, 1994 after Winter, 1987; Bhagat et al., 2002).
2.1.2 Process of Transfer

Knowledge transfer can be defined as an effort of companies on replicating an intangible asset and putting it in function in another setting, with highest efficiency (Szulanski, 2000; Minbaeva, Pedersen, Björkman, Fey & Park, 2003). There are two types of knowledge transfer, interorganizational, which is formed by the transfer among organizations, and intraorganizational, which is formed in the same organization, among employees (Figure 3) (Wilkesmann et al., 2009). This study focuses on inter-organizational knowledge transfer, specifically from headquarters to a subsidiary.

Figure 3.: Levels of Knowledge Transfer

The background of the knowledge, such as type and origin (Bresman, Birkinshaw & Nobel, 1999 influence the transfer of it (Bhagat et al., 2002). Companies operating internationally put high emphasis on effective knowledge transfer between the operational entities (Minbaeva & Michailova, 2004). It is a competitive advantage of a company (Matherly & Nahyan, 2015). Nonetheless, the right understanding of knowledge background is essential for effective knowledge transfer (Choi & Johanson, 2012). Its value increases if the recipient can effectively use gained knowledge and utilize this knowledge for effective implementation (Minbaeva, Pedersen, Björkman, Fey & Park, 2003). As mentioned before, valuable knowledge is mostly tacit or “sticky”, which means that it is difficult to document (Szulanski, 1999) and is ingrained in organization and culture (Choi & Johanson, 2012; Bresman et.al., 1999). Therefore, most efficiently it is transferred by face-to-face interactions (Enderwick, 2011). This leads to the assumption that knowledge transfer involves dual relationships, which evolve between the holder of the knowledge and the recipient of it. (Martins, 2012; Bresman, et.al.1999).

Lucas (2006) developed a model in which he explains the relationship between the knowledge and its transformation. The model has been illustrated in Figure 4. According to this model, the process of knowledge transfer usually has three dimensions; the type of knowledge, the embodiment and the transformation. The type can be either tacit or explicit, both can be embedded in people, processes, practices, technologies and routines. Embeddedness means that the knowledge is difficult to transfer if

the embedded context is not present, e.g. people embedded knowledge requires physical presence of the holder. The final element of this process, which is the transfer, shows where the knowledge needs to be adjusted to the new context. The perception of the knowledge and how people see the opportunities in acquiring the knowledge is shaped by the social context, i.e. Culture. (Lucas, 2006). The present study explores how the knowledge is embedded in ‘people’ part of the figure.

**Figure 4.: Elements of Knowledge Transfer**

![Diagram of Knowledge Transfer](source)

*Source: Lucas (2006, p.261)*

According to Martins (2012) the process of knowledge transfer to another entity through people section of the above graph depends on three factors;

1. **The recipient’s ability to absorb the knowledge;**

   The culture that the recipient belongs shapes the perception and eventually the understanding of the knowledge that is being transferred (Bhagat et al., 2002). For this reason, personal relationships, and trust between the sender and recipient enhances the process (Choi & Johanson, 2012). To facilitate the transfer, networking is essential due to the continuous nature of the process (Choi & Johanson, 2012). Notwithstanding, the type of knowledge affects the ability of absorbing knowledge, and as also mentioned before, explicit knowledge is easier to absorb. (Martins, 2012)

2. **The climate of the transfer;**

   This part of the process is influenced by the motivation of provider and receiver to engage in the process, the importance of the subsidiary, organizational culture etc. (Martins, 2012). Willingness to share the
knowledge can occur when there is a sense of integrity and belonging (Bresman et al., 1999). This process is affected by the culture as well, since some cultures prefer to share knowledge more than others, e.g. collectivist cultures (Bragat et al., 2002) and

(3) **the capability of the source to transfer the knowledge**

As mentioned before, the most valuable type of knowledge is tacit. This leads to the assumption that the best way to transfer the knowledge is via the demonstration of it, which in most instances requires face-to-face interactions. Further, the capabilities of the source are influential as well. (Martins, 2012) For instance, practical skills and experience stimulate the effectiveness of the knowledge transfer. (Kogut and Zander, 1992)

### 2.1.3 Role of Language

Knowledge transfer requires language (Buckley, Carter, Clegg & Tan, 2005). Language is a significant element of cultural context, which affects international transfer and how information in received and perceived. Transfer of knowledge, practices and assets across cultures is done through communication. Expanding on that, communication in general is used through the use of language. Therefore, language is an important part of organizational knowledge transmission. (Brannen, 2004) Language plays a role at different stages of knowledge transfer. It outlines the important role of individuals as a key player in knowledge transfer, in a way in which it is used. (Welch & Welch, 2008) To demonstrate visually, Figure 5 represents the model of international knowledge transfer, which illustrates the presence and role of language in knowledge transfer. Tacit knowledge transfer is perceived a relatively costly, compared to explicit knowledge. Language in this regards, is a form to transfer tacit knowledge, therefore also costly. Costs arise when different languages need to be learned and implemented within the organization. Transfer medium, is represented in face-to-face format and different channels, i.e. internet. All of those requires knowledge of language, especially in face-to-face, especially for tacit knowledge. Information and communication technology helps to improve language abilities and overcome difficulties. (Welch & Welch, 2008).

**Figure 5.: International Knowledge Transfer Model.**
Language supports communication capabilities. (Peltokorpi & Vaara, 2014) However, on its own, language cannot secure effectiveness in knowledge transfer and communication. (Peltokorpi & Vaara, 2014; Buckley, Carter, Clegg & Tan, 2005). In addition, language can stimulate forming of groups and teams, but on the other hand can isolate those from others. Language is creating patterns for networking. Language-based network supports the knowledge transfer, giving easier access. Although, does not guarantee effectiveness in communication. Furthermore, trust affects openness or closeness of knowledge transfer. Language in return might stimulate trust. Inability to obtain common language, leads to mistrust which leads to knowledge transfer ineffectiveness. Movement of employees, or in other words expatriates, can be both ways. If expats know the language of host country, they become valuable asset, but in another regards, if the common language is not known, it can become a negative aspect. Motivation to share knowledge is also affected by language competence. (Welch & Welch, 2008).

Moreover, common language supports knowledge transfer in regards of increasing not only trust but also a common vision (Barner-Rasmussen & Björkma, 2007). However, language occurs in a different way based on the situation and status of the receiver. It means that selectiveness of knowledge transfer will depend on the receivers’ level in the society. (Bhagat, Kedia, Harveston & Triandis, 2002).

2.2 Expatriates
Expatriates are traditionally defined as skilled employees sent abroad for certain period of time and then repatriated back home (Bonache et al., 2001). In other words, expatriates are employees who have
residency at the same country as company's headquarters, sent to the foreign subsidiary for work (Tan & Mahoney, 2006). Expatriate employee is type of employees that bring special knowledge, assets and technologies into the company. Their work agreement is usually non-standard, for a fixed period of time, often full time, in company’s overseas place of business. It can include different types of works, salaries and qualifications required. Usually expatriates can be represented as high pay professionals in variety of fields. (Matherly & Nahyan, 2015)

There are different types of expatriates’ assignment present. Minbaeva & Michailova (2004), outlined 4 types. First is traditional (long-term) expatriate assignment, representing the move of the employees, usually manager, to the other country with the family for the period of time above one year. Second is short-term assignment, for specific period of time, generally less than a year. Family can follow the employees. Third is international commuter, the employee who contributes to the host country business from home country, on weekly basis. Family in this case remains at home. Fourth type is frequent flyer, the employee who travels regularly to host country but main living and family is based in home country. (Minbaeva & Michailova, 2004)

The interest in employing expatriates is represented in their experience and ability to transfer knowledge to accomplish abroad tasks (Bonache et al., 2001). Expatriates have more knowledge and networking in regards of internationalization, than local employees. Not to mention, expatriates had more training and expertise within the organization. (Tan & Mahoney, 2006)

Moreover, they are keener to work for the best interest of the company, because their job depends on the success of the subsidiary they have been moved to (Tan & Mahoney, 2006). In addition, according to Hedlund (1994), they are more loyal to the company than local employees, while Tan & Mahoney (2006)’s study findings questions their loyalty. The characteristics of expatriates are known and organization tailored. Therefore, this not only makes it simpler for the company to choose the right candidates to send abroad, but also makes it easier to control and know what to expect from them there. In addition, expatriates are a good way to solve hiring and managerial problems. In addition, expatriate can benefit the company by affecting the behaviour of local employees in foreign subsidiary, making it up to the standards of the organization. They are often used as a linkage between headquarter and foreign subsidiary, therefore cooperation between headquarters and subsidiary tends to be better. This also helps to reduce transaction expenses. Although, expatriate might face competition from local employees, if there is need for the company in local knowledge and connections. However, if the company has enough
competence in foreign market, expatriates with foreign knowledge will be seen as priority. (Tan & Mahoney, 2006)

2.2.1 Expatriates knowledge transfer
International business is dependent on expatriates and their ability to transfer knowledge (Koveshnikov, Wechtler & Dejoux, 2014; Welch & Welch, 2008). For many companies, knowledge transfer through expatriates is an effective and cost efficient way of increasing the performance of the subsidiary. One of the main reasons to expatriate staff is to coach local employees how to do business (Boyacigiller, 1990), meaning transferring knowledge and practices of home country. Another important reason for companies to employ expatriates is to enhance the development of the organization and the employees in it. By sharing their knowledge, expatriates increase the effectiveness of the subsidiary. (Enderwick, 2011) Moreover, the use of expatriates helps business to control overseas operations better. Expatriates can boost global experience into the business. (Boyacigiller, 1990).

Furthermore, a lack of educated workforce could affect the need of expatriating home country employees. In fact, expatriating home employees is costlier than employing local employees, but if expatriates can provide more managerial benefits to the business and offer efficient links, costs become a second concern. (Boyacigiller, 1990; Enderwick, 2011) Effective knowledge transfer and further benefits for organization can reward investments in expatriates. (Matherly & Nahyan, 2015) Expatriates moving to another country within the organization are assumed to participate in skills and knowledge transfer. Those people are picked based on their skills, abilities, attitudes and flexibility to expatriate knowledge to other country. Expatriates are mostly transferring tacit knowledge, which is part of the person and only can be received if the person is willing or able to share-transfer it. (Matherly & Nahyan, 2015) Trust and feeling of responsibility seems positively affecting willingness of knowledge transfer in expatriates. (Minbaeva & Michailova, 2004).

Expatriates strengths in knowledge transfer include knowledge of home country market, field and company and ability to provide good linkages with host country as well as create effective host networking. They are keen to have knowledge and experience in different markets and countries, and are employed to share it. They also possess favourable amount of company and field knowledge when abroad. This includes market knowledge and network knowledge, which refers to the knowledge in building networking with host country and with home country. (Enderwick, 2011)
Knowledge transfer involves expatriates and their communication with local staff (Choi & Johanson, 2012). It facilitates development of the organization (Matherly & Nahyan, 2015) Expatriates facilitate flow of knowledge between organization and its foreign facilities. (Choi & Johanson, 2012) The knowledge that is received by effective expatriates needs to be implemented into the organization. (Matherly & Nahyan, 2015) Personal characteristics, background and expertise, for example in the particular country and field, play an important role in knowledge transfer, as involves personal cooperation. (Choi & Johanson, 2012) Relationship creation capability of expatriates is important aspect as well, as directly affecting knowledge transfer. Building strong relationships can facilitate the transfer to be more effective. (Choi & Johanson, 2012) To strengthen the relationship that support the transfer technical meetings, visits and training programs can be used (Bresman et.al.,1999).

Stronger ties with authority and often-high positions, as well as support from other expatriates can explain expatriates knowledge transfer effectiveness (Hedlund, 1994). Yet, collaboration with local employees can help expatriates to transfer knowledge more effectively, due to their knowledge of the local culture and networking. Motivation, ability and willingness to learn of both parties are essential for success. It is delicate process, which can involve different interests and conflicts between people. (Matherly & Nahyan, 2015) Furthermore, the transfer of tacit knowledge needs regular personal interaction, visits, meetings and face to face contact, to be able to build matching local competence. Progress and adjustment of knowledge is necessary for the transfer (Choi & Johanson, 2012)

2.2.2 Difficulties in Knowledge transfer
There are barriers affecting knowledge transfer for expatriates. Although, transferring knowledge is one of the key purposes of expatriate employees, sometimes people might lose personal motivation. The demand from authority might stimulate knowledge sharing, but personal feeling of importance to share the knowledge is also important. In addition, personality plays an important role, which can affect both ways, positively and negatively, depending, for example, how open the person is. Effectiveness also depends on individual characteristics, attitudes, behaviour and emphasis, and diligence. In addition, ability to share the knowledge for recipient to understand correctly plays a vital role. (Minbaeva & Michailova, 2004)

Due to the often fix contract used for expatriates, the rate of staff turnover for the company can increase, which in return can lead to loss in necessary knowledge. This also affects the long-term goal of the organisation, as expatriates, due to the nature of the contract, perceive short-term interests. (Matherly & Nahyan, 2015) Moreover, due to the limited time of work, the need of efficient knowledge transfer is
essential. (Matherly & Nahyan, 2015) Studies show that there is a chance for knowledge to get lost when employees sent back home, as the tendency for not getting similar position when repatriating leads to leaving the company. (Tan & Mahoney, 2006)

Furthermore, knowledge transfer is not necessarily an easy and naturally occurring process between expatriates and locals. Differences and similarities between the people can support grouping of people, which in return can negatively affect knowledge transfer. Applying the knowledge effectively can also be time consuming. (Matherly & Nahyan, 2015) Moreover, difficulties when moving to new country, such as new environment can affect knowledge transfer. (Choi & Johanson, 2012)

Appendix 1, represents barriers to knowledge transfer. It can be seen that knowledge interpretation and perceived value can be affected by others with similar experience. Often expatriates are unsure what kind of knowledge exactly needs to be shared. (Enderwick, 2011)

2.2.3 Language

Language is an important factor facilitating expatriates’ knowledge transfer. Knowledge transfer and communication can be affected if there is an absence of required language. (Welch, Welch & Piekkari, 2005) As mentioned earlier, knowledge transfer involves expatriates’ communication with locals (Choi & Johanson, 2012). Therefore, as language facilitates the communication, it can have an effect on expatriates’ ability to communicate with colleagues. Moreover, it could lead to exclusion from day to day communication. (Selmer & Lauring, 2015)

Language ability and proficiency influence expatriates’ adjustment. Moreover, the complexity of the host language also plays a role. Some languages are easier to adjust which is more beneficial for expatriates. Some language that is more complex for expatriates, influence communication ability and ability to adjust to the new environment. In other words, complex languages make knowledge transfer more difficult for expatriates. On the other hand, easy language is simpler to adapt and get proficiency. (Selmer & Lauring, 2015) Proficiency in language supports better linkages and facilitates knowledge transfer. (Peltokorpi & Vaara, 2014) Moreover, it is good for inter unit relationships (Barner-Rasmussen & Björkma, 2007).

Language contributes to the creation of relationships between expatriates and host subsidiary, as well as parent company (Welch, Welch & Piekkari, 2005; Marschan-Piekkaria, Welch & Welch, 1999). Expatriates can be effective in solving cross-cultural communication issues, in a way of overcoming
language barrier, providing good networking and gaining authority (Marschan-Piekkaria, Welch & Welch, 1999). In foreign subsidiary expatriates with certain language skills, often play a language node role. (Welch, Welch & Piekkari, 2005; (Marschan-Piekkaria, Welch & Welch, 1999b)

Since English has become an international language, this simplifies international communication and need for language training. Countries and companies that use English, help expatriates to adjust and communicate easier. (Selmer & Lauring, 2015) However, if expatriates do not know the host country language, training should be provided for socio-cultural adjustment. (Selmer & Lauring, 2015; Chang, Gong & Peng, 2012)

Some expatriates might face difficulty in overcoming language barriers. In addition, expatriates might prefer to communicate mostly with other expatriates due to the language barriers. This in return might influence knowledge transfer to local staff. (Chang, Gong & Peng, 2012; Welch, Welch & Piekkari, 2005) Moreover, sometime expatriates have to use intermediaries for communication, to overcome language barriers. On the other hand, in some situations expats play a role of cultural mediator between different subsidiaries. (Marschan-Piekkaria, Welch & Welch, 1999) Not to mention, that expatriates, without language knowledge, might face problems when communicating, because of the wrong perceptions. (Welch, Welch & Piekkari, 2005)

The level of employees and their level of language can affect success of the knowledge transfer of expatriates. It is often the case that higher-level employees have better understanding of the language and general understanding and command. This is return can delay transfer and increase costs. In addition, language can influence the position and opportunities for expatriates in another country. For example, expatriates that are able to learn host language might get higher positions and further promotions. (Buckley, Carter, Clegg & Tan, 2005; Welch, Welch & Piekkari, 2005)

2.3 Cross Cultural knowledge transfer
Culture is "the collective programming of the mind which distinguishes the members of one group or category of people from another." (Hofstede et al., 2010: 5). Studies that investigating cross-border transfer of knowledge have found a significant impact of culture on the performance of the subsidiary (Rivera-Vazquez et al.; 2009; Fjellström & Zander, 2016), and also it has been stated that higher the cultural distance, the more challenging is the process of knowledge transfer (Bhagat et al., 2002; Wilkesmann, Fischer & Wilkesmann, 2009; Chen et al., 2010). The dimensions of culture; norms, values, practices, language etc. have an important influence on employees and their behaviour, and therefore it
is important to study and acknowledge these diversities in order to increase the effectiveness of knowledge transfer (Boh et al., 2013; Chen et al., 2010; Bhagat et al., 2002; Fjellström & Zander, 2016).

There have been many studies in the field of culture, and cultural differences, yet, the most influential ones so far have been the studies of Hall (1999), Hofstede (2010), Trompenaars & Hampden-Turner (1997), and House et al. (2004). House et al. (2004) is known for the GLOBE (Global Leadership and Organizational Behaviour Effectiveness Research Programme) studies. Yet, this study will adapt the model of Hofstede et al (2010), due to the fact that the majority of theories in knowledge transfer, such as Lucas (2006); Chen et al., (2010); Boh et al. (2013) etc., adopt Hofstede et al. (2010)’s four dimensions. In addition, due to the same reason, the other two dimensions of Hofstede (long-term vs short-term orientation and indulgence vs restraint) will not be used in the present study.

Hofstede’s Cultural Dimensions by Hofstede et al. (2010)

- **Power distance (PDI)** – the extent to which more powerful members of society practice power over the subordinates, or less powerful members. In high power distance cultures, authority is acceptable and expected.

- **Individualism/collectivism (IDV)** – the extent to which individuals place more importance to individual goals compared with group or collective goals. Collectivist cultures put more emphasis on the benefit of the group rather than their own.

- **Uncertainty avoidance (UAI)** – the extent to which people see the future, whether they plan ahead or wait until they face it and the degree to which the members of a society feel uncomfortable with uncertainty and ambiguity

- **Masculinity/ femininity (MAS)** – the extent to which the dominant values of a society emphasize those characteristic of men versus women.

It is necessary to point out that the findings of Hofstede et al. (2010) are generalized for the society, and there exist ecological fallacy in the interpretation of the statistical data. Ecological fallacy means that the results may not be applicable for all the participants, since the conclusions were drawn from group data. (Bochner and Hesketh, 1994). Also others argue that the initial study has been carried out more than three decades ago, and in that time period, the validity may have changed, and also the interviewees were mostly female, which may have made the study biased (Wilkesmann et al., 2009). For this reason, different results from diverse studies, but in the same field meaning knowledge transfer, will be presented.
2.3.1 Cultural Dimensions and Knowledge Transfer

**Power Distance**

According to these dimensions, research studying cross cultural knowledge transfer have found that in high power distance (hereafter PD) cultures, subordinates are more submissive around their managers, and are against conflicting behaviour, meaning they generally agree with their managers (Hofstede et al., 2010), and do as they are told to (Chen et al., 2010). High PDs prefer more autocratic and paternalistic managers (Hofstede et al., 2010). Further studies suggest that, high PD employees are less open with their supervisors, and are also mostly directly and closely supervised. In addition, PD distant employees are more task-oriented. (Bochner and Hesketh, 1994). Further studies argue that smaller the PD between managers and subordinates, the easier is the process of knowledge transfer. The lack of formal distance causes smoother knowledge flow in both directions. (Rivera-Vazquez et al.; 2009; Lucas, 2006). It has been also found that employees from low power distance are more intrinsically motivated to share their knowledge (Wilkesmann, 2009). In addition to that, Lucas (2006) further argues that small PD of provider and small PD of acquirer results in a successful knowledge transfer, whereas large PD of provider and small PD of acquirer does not add value to the process, since the acquirer is always accepting whatever the provider gives (Figure 6). This assumption is further developed by Wilkesmann et al. (2009), who argue that the knowledge flow from high PD to low PD is generally only from the top to the bottom, meaning one-way (Chen et al., 010). Wilkesmann (2009) argues that another reason for this is that the subordinates are hesitant to talk, and managers are keener to boss-knows-everything attitude. Therefore, in a scenario where acquirer has low PD and provider has large PD, fast knowledge transfer occurs, but on the other hand, it harms the assimilation and creation of further knowledge (Bhagat et al., 2002). Consequently, the recipient is a good knowledge receiver but not a good knowledge creator. (Li, Chang, Lin & Ma, 2014; Bhagat et al., 2002).

Figure 6.: Power Distance effects on knowledge transfer
Individualism vs. Collectivism

This dimension of culture has been found to be the most influential in the process of knowledge transfer (Bhagat et al., 2002; Javidan et al., 2005) A study has found that individualistic cultures are less keen on sharing and receiving knowledge, unless they can somehow benefit from it (Lucas, 2006). On the other hand, collectivistic cultures see the knowledge rather a property of the organization, and have no problems with sharing it (Bhagat et al., 2002). For instance, a study has found that in collectivistic cultures, the sender is willing to share knowledge which took him/her long years to acquire with the receiver in order to make the process easier (Chen, Sun & McQueen, 2010). There are also other studies supporting this statement, and agreeing that knowledge transfer is easier in collectivistic cultures (Rivera-Vazquez et al.; 2009; Wilkesmann et al., 2009; Chin et al., 2010), while stating that a possible reason for this may be that individualistic cultures do not encourage knowledge sharing (Boh et al., 2013). Studies also add that collectivistic cultures prefer more face-to-face knowledge transfer (Wilkesmann et al., 2009) and they are more willing to participate in training programmes for effective knowledge transfer (Chen et al., 2010). It has been also observed that, in collectivistic cultures, if the receiver does not absorb the knowledge, the sender would think that there is something wrong with his/her teaching method instead of blaming the receiver (Chen et al., 2010). The relationship between these dimensions of culture with respect to knowledge transfer has been illustrated in Figure 7 below.

*Figure 7.* Collectivism/Individualism effects on knowledge transfer
When it comes to characteristics of knowledge, it is argued that individualistic cultures put more emphasis on explicit and independent knowledge, while they have no preferences in simple vs. complex knowledge. On the other hand, collectivistic cultures prefer tacit and systemic knowledge, and neither they do they have preferences in simple vs. complex knowledge (Table 1). (Bhagat et al., 2002).

Table 1.: Types of knowledge based on Collectivism vs Individualism

<table>
<thead>
<tr>
<th></th>
<th>Simple vs complex</th>
<th>Tacit</th>
<th>explicit</th>
<th>independent</th>
<th>systemic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individualistic</td>
<td>No preference</td>
<td>x</td>
<td>x</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collectivistic</td>
<td>No preference</td>
<td>x</td>
<td></td>
<td></td>
<td>x</td>
</tr>
</tbody>
</table>

Source: Bhagat et al. (2002)

**Individualism vs. Collectivism and Power Distance**

Bhagat et al., (2002) investigate the effects of culture on knowledge transfer, while interpreting the differences from a perspective of four characteristics of culture; namely collectivism, individualism, horizontalness and verticalness. They argue that the effectiveness of cross border knowledge transfer is causally influenced by the characteristics of knowledge, while moderated by culture and cognitive styles. The study mainly focuses to prove that the transfer of any kind of knowledge is affected by culture. The different types of knowledge have been indicated in the 2.1 section of this research. The model of Bhagat et al., (2002) is illustrated in Figure 8.
The authors include horizontalness and verticalness in their study due to the fact that these dimensions describe the information flow directions. The horizontalness refers to a society in which the flow of communication is both from top to bottom and bottom to top. In vertical societies, generally the flow of information is from top to bottom (Bhagat et al., 2002). “At the level of societies, the horizontal versus vertical distinction is identical to small versus large power distance” (Hofstede et al., 2010: 486). For this reason, we will analyze this dimension as high vs low power distance.

The study develops four types of societies that differ in the way of knowledge transfer; namely horizontal individualism, vertical individualism, horizontal collectivism and vertical collectivism. For practical reasons, they will be referred as low PD+individualism, high PD+Individualism, low PD+collectivism and high PD+collectivism, respectively. Most relevant characteristics of these contexts are listed below.

- **Low PD+individualism**- members are independent, but equal with status. They do not like to “stick out”. Explicit and independent, logical knowledge of its context is mostly preferred. Country Examples: Sweden, Denmark. (Bhagat et al., 2002)

- **High PD+Individualism**, - perception is dominant. People are independent of each other and they like to “stick out”. The knowledge should be with cause-effect relationships, explicit and credible. Country examples: The U.S., United Kingdom. (Bhagat et al., 2002)

- **Low PD+collectivism**- members feel like they are part of a group and each is equal (no status). Knowledge should be tacit and systemic. Country examples: Israel, Japan. (Bhagat et al., 2002)

- **High PD+collectivism**, Employees are more perceptive to knowledge that comes from authorities and that includes information about hierarchy. Country Examples: China, India, Brazil. (Bhagat et al., 2002)

The knowledge transfer process and difficulty between these four types is illustrated in the below Figure 8. (1: most easy to transfer, 2: more difficult to transfer, 3: most difficult to transfer)

Figure 8.: Knowledge Transfer among Different Dimensions
Further studies investigating how both dimensions of individualism and power distance effect the knowledge transfer have found that, countries belonging to individualistic and low power distance context, are more selfish and prefer not to share knowledge, even though they have the capacity to do so. They are less willing, and even try to avoid knowledge transfer (Li et al., 2014). And also it has been found that if they see a benefit in the process, as Lucas (2006) have pointed out, they will transfer the knowledge efficiently (Li et al., 2014). Employees in this context are keener on credible knowledge, and have higher absorptive capacity.

On the other hand, in countries where collectivism and high power distance is dominant, people are more willing to share knowledge (Lucas, 2006) and both sender and recipient put effort in encoding and decoding the knowledge, especially ambiguous and tacit knowledge. Thereby, there is a positive correlation between ambiguous knowledge and transfer performance. (Li et al., 2014). Employees in this context value more knowledge from authority (Bhagat et al., 2002), and seniors can force juniors to accept the knowledge, rather than having discussions (Li et al., 2014), which is not the case in individualistic and low PD countries, where people can discuss more openly (Chen et al., 2010)
Chen et al. (2010) found out that in high PD and collectivistic cultures, the recipients of knowledge did not discuss with the owner of the knowledge during the transfer, and preferred rather to self-study with other employees during their free time.

**Uncertainty Avoidance**

This dimension deals with the one’s willingness to change (Hofstede et al., 2010). “Change involves taking a “leap of faith” knowing that the future is unpredictable” (Lucas, 2006; 267 Employees that belong to high uncertainty avoidance (hereafter UA), are keener to follow instructions, they also have detailed directions and rules (Hofstede et al., 2010; Wilkesmann et al., 2009). When it comes to knowledge transfer, high UA means resistance to change, which can be a barrier for knowledge transfer (Lucas, 2006). Wilkesmann et al. (2009) argue that knowledge transfer to low uncertainty avoidance cultures is less organized, but more innovative. Innovativeness is due to the lack of regulations and a more open environment to new ideas (Wilkesmann et al., 2009).

The relationship between the expatriates and foreign subsidiary and uncertainty avoidance has been illustrated in Figure 9. According to the findings, if a subsidiary were located in high UA index, the transfer would be more difficult (Lucas, 2006). The employees would resist changing, will not be able to see the benefits of the knowledge transfer, and even would continue to work as they used to before. In such cases, it is suggested that expatriates should intervene and convince the subsidiary that they should follow the new way of working and consequently change. On the other hand, if a subsidiary is located on low UA, the knowledge transfer becomes easier, since the employees are open to change and embrace new information (Lucas, 2006).

Figure 9: Uncertainty avoidance effects on knowledge transfer
Masculinity vs. Femininity
Masculine cultures are more competitive and more assertive (Hofstede et al., 2010). “The dominant theme in masculine cultures is “may the best person win” (Lucas, 2006; 269). On the other hand, feminine cultures value more equal distribution of welfare and are more open to compromises and negotiations (Hofstede et al., 2010) and are more keen to trust and share their knowledge with the colleagues (Rivera-Vazquez et al., 2009). In summary, masculine societies are more competitive while feminine are more cooperative. When it comes to knowledge transfer, this dimension of national culture has not been studied by many, and therefore the extent to which it influences the process of knowledge transfer has not been determined. Notwithstanding, Lucas (2006) has found that the transfer face barriers only when the provider is masculine, while the acquirer is feminine (Figure 10). The reason has been shown as the aggressive way of imposing the knowledge by masculine culture can face resistance from the feminine, because they may perceive that masculine is superior, which they will not easily accept. (Lucas, 2006).

Figure 10.: MAS/FEM effects on knowledge transfer

Source: Lucas (2006, p.269)
2.3.2 Language in Culture

The Collins English Dictionary represent language as “A system for the expression of thoughts, feelings, etc., by the use of spoken sounds or conventional symbols”. In some way, it can be said that world’s communication is very much based on language. Language is valuable component of individual and culture. Rules and norms are embedded in language. (Hofstede et al., 2010) Bloch (1996) also outlined that language is part of culture and has linkages between two, particularly in the business situation. Good level of language facilitates the meaningful access to the culture. Culture also is build up in a language over music, literature, politics etc. It can be suggested that full cultural understanding can be achieved through expertise in spoken language. Languages that have same social and cultural existence do not exist. Same language is not necessarily representing the common culture. Although, some cultures might experience more common cultural similarities, even if the language is different. Usually there are cultural associations of the people speaking specific language. Spoken language in some way represents average cultural mind-set of the person. Some cultures show strong belonging to their language, demonstrating ethnocentrism. Different languages represent own attitudes, humour, personality and change in language makes people switch this characteristic as well. Differences in the culture influence the communication between people. Yet, individual differences within a culture also play a role in communication. Context of the culture affects the language. For example, in low context cultures importance of words is more powerful. Politics and religion can also influence language within particular culture. A real understanding of the “conversation” occurs when proficiency in language is advance and when there is a deep integration with the culture and society. (Bloch, 1996)
In regards of business context, language represents the most noticeable barrier between expatriates and foreign subsidiary. The nature of business requires people to meet, communicate and to do so effectively is impossible without common language. (Bloch, 1996) Common language facilitates communication (Kogut & Zander 1992; Hedlund, 1994). Differences in languages are unfortunate, due to the increasing internalization of the communication (Barner-Rasmussen & Björkma, 2007). Cross-cultural differences have an effect on business relationships, but without language, those relationships hardly anything can be done. Knowledge of the foreign language is essential in international business field, to gain an ability to perform in the best way and stabilize equality with a host and foreign society. Surely, there is an option to use third party as an intermediate between different languages. Not surprisingly, that any message can be translated, however translation has its own disadvantages, in regards of losing the meaning and atmosphere of the original message. Cross-cultural companies are in need for different language competence to successfully perform in foreign countries, as even simple transaction include cultural and linguistic aspects. Language is much more than just a way of dealing with issues in a business, it is the whole process for successful business deals. The issues in international business does not only include language, but also cultural parts that are embedded in this language. In addition, language communicated within a group has influence on the members. To be able to be part of the “group” as a foreigner language-cultural skills need to be obtained. Inability to gain these skills prevents the access to the culture and trust. In some cases, good offers from the partner can overcome those issues, but it is not always the case. Learning of foreign language in business context, stimulate the relationship and understanding, which further stimulate the successful negotiations and communications. (Bloch, 1996)

2.4 Knowledge Transfer from Turkey to Serbia

Based on Hofstede’s cultural dimension in regards of two countries (presented in Table 2), it can be see that both countries go hand by hand with each other. On average scale, the differences between the dimension of Turkey and Serbia are relatively small and according to Hofstede et al. (2010), these two countries are highly similar.

- **Power Distance**- As seen in Table 2 below, Turkey and Serbia have high PD. Following, Figure 6 (above) shows that knowledge transfer from high PD to high PD has limited success. Therefore, it is assumed that knowledge transfer would face difficulties between Turkey and Serbia based on this dimensions
• **Individualism vs Collectivism** – As seen in Table 2 below, Turkey and Serbia are both collectivistic. Following, Figure 7 (above) shows that knowledge transfer collectivistic to another collectivistic country may face no difficulties therefore would be successful. As a result, it is assumed that knowledge transfer would face no difficulties based on this dimension.

• **Uncertainty Avoidance** – Table 2 has shown that Turkey and Serbia are both high on UAI. Going back to the Figure 9 (above), knowledge transfer faces difficulties when being transferred from high UAI country to another high UAI country. Therefore, based on Lucas (2006) and Hofstede et al. (2010) knowledge transfer from Turkey to Serbia will face difficulties due to this dimensions.

• **Masculinity vs Femininity** – Based on this index, Turkey and Serbia are feminine countries, yet, the ranks are very close to the average, and therefore it can not be assumed that the countries show fully feminine characteristics (Table 2). Nonetheless, knowledge transfer is seen as successful when transferred either from feminine to feminine or from masculine to masculine cultures, (Figure 10). Therefore, it has been assumed that, regardless to which category they belong, due to the similarities, transfer of knowledge from Turkey to Serbia will face no difficulties.

**Table 2.: Comparison of Turkey with Serbia based on Hofstede’s Cultural Dimensions**

![Table Image](image_url)

*Source: Own, Adopted from: Hofstede et al. (2010)*
- **Individualism/Collectivism and Power Distance** - Further, referring back to Bhagat et al. (2002), who analysed knowledge transfer based on two dimensions, namely PD and collectivism/individualism, have concluded that countries located on same quadrat face no difficulties in knowledge transfer (figure 6, 10). In regard to this, as also shown in Table 3 (below), Turkey and Serbia are located both on the same quadrat, therefore based on Bhagat et al. (2002) and Hofstede et al. (2010), knowledge transfer among those countries would face no issues.

**Table 3.: The location of Turkey and Serbia on power distance vs. individualism dimensions**

![Graph showing the location of Turkey and Serbia on power distance vs. individualism dimensions.](image)

*Source: Own construction. Adapted from: Hofstede (2016a).*

2.5 Conceptual Model

Based on the theoretical background, the authors have developed a conceptual model as a visual illustration of the expatriates’ process of knowledge transfer to foreign subsidiary. The model demonstrates how culture, represented by cultural dimensions, influences knowledge transfer from/through Turkish expatriates to Serbian employees in subsidiary. In addition, the model demonstrates other factors that have an effect on such knowledge transfer.

As it can be seen, the three large arrows in the background stand for the sender, the transfer itself and the receiver relatively. Adapted to the present case, former being Turkish expatriates and Serbian employees. Continuing further dashed lines stand for different factors affecting knowledge transfer (‘other factors’ and ‘culture’). The authors have mostly focused on culture, yet, since the process is inevitably affected by holders and receiver’s capabilities, and the knowledge itself, they have been included as well. Those
have been illustrated in the top rectangle, under the name of ‘other factors’. The literature presented throughout the theoretical background have mostly referred to those three factors when analysing knowledge transfer, therefore the authors have included those three in their study.

Further, the rectangle below belongs to the cultural factor of knowledge transfer. It has two parts, language and the cultural dimensions. Cultural dimensions have been shown based on the assumptions of Lucas (2006) and his application of Hofstede’s cultural dimensions. Language has been presented as part of the culture, therefore has been included in the model as a vital factor in knowledge based on the literature. Figure 11 below is the conceptual model which will be used in the present thesis.

Figure 11.: Conceptual Model

Source: Own construction
Chapter 3- Methodology

This chapter will demonstrate research approach, strategy and method used in this study. Moreover, it will outline the data collected and how the process has been carried out. In addition, it will present the ethical considerations, validity, reliability and limitations of the present study.

3.1 Research Approach

The approach that this study has adopted is inductive in its nature. The reason we call this study inductive is due to the fact that we first observed an aspect of social life, which is the cultural barriers expatriates face when transferring knowledge, which in turn motivated us to investigate this specific field. Saunders, Lewis & Thornhill (2007) argue that inductive approach enables to explore a new phenomenon, which in our case is to understand how expatriates’ knowledge transfer is influenced by national culture of the subsidiary. Furthermore, according to Saunders et al. (2007) inductive approach is more appropriate when a small sample of subjects is present, which in our case are the expatriates of a single company.

This research approach we have selected has also leaded us to the research method we have chosen. It has been argued that inductive research is more suitable when the data collection method is qualitative rather than quantitative (Saunders et al., 2007; Easterby-Smith, Thorpe & Jackson, 2015). In line with this view, we have adopted a qualitative research method for the present study. “Qualitative data are pieces of information gathered from non-numeric form” (Easterby-Smith et al.: 129).

3.2 Research Strategy

The purpose of this research is to examine the relationships between culture, expatriates and knowledge transfer. We will answer our research question by exploring this field (Saunders et al., 2007; Babbie, 2013). Babbie (2013; 88) has pointed out that exploratory studies are mostly done for the following purposes; “(1) to satisfy the researcher's curiosity and desire for a better understanding” which is in our case our desire to understand the influence of culture on knowledge transfer of expatriates, “(2) to test the feasibility of undertaking a more extensive study” which we have done by mainly focusing on expatriates in order to generate more comprehensive results, and “(3) to develop the methods to be employed in any subsequent study”, which in our study is a case study through interviews.

3.3 Case study

Case studies are adopted when the research question aims to answer some phenomena by asking ‘How’ or ‘Why’, while with no desire to control the variables, and by focusing on contemporary events (Yin, 2009). In line with this statement, our research aims to answer the question of How, which is in line with
the chosen strategy. Saunders et al. (2007) further add that when a research is exploratory, it is suitable to adopt a case study.

Yin (2009) has distinguished between two types of case studies, single and multiple. Our study fits to the former type. Our rationale for carrying out a single case study are the facts that the theory we are adopting is specific and the circumstances are presented where the theories are believed to be true, for example in high PD cultures, knowledge transfer is mostly from top to bottom (Lucas, 2006). Here, Yin (2009) argues that a single case study is appropriate to decide whether the theories are correct, or some modifications are required. Another rationale is that the case of Turkish Textile Company sending expatriates for knowledge transfer to their fully owned subsidiary in Serbia is a rare and unique case, and we believe that it is worth analysing alone. Also we believe that, the present case study and its context has not been previously analysed, and this in turn creates the opportunity to access new information. The presence of a student having skills in Turkish, Serbian and English languages enables to approach the case from a unique way. This provides more efficient communication, which facilitates primary data collection. For this reason, a concentration on a single case study has been seen more relevant.

3.4 Data collection
3.4.1 Secondary data
For the literature review, secondary data have been used. Secondary data refers to those data that have been previously collected by others (Saunders et al., 2007; Easterby-Smith et al., 2015). Those data provide a foundation for a research, and enable to see what has been previously studied (Easterby-Smith et al., 2015). The secondary data used in this study are articles that have been published in relevant journals, which have been accessed through Google Scholar. Google Scholar has been preferred due to its comprehensive, yet easily accessible database. No theory has been in the theoretical framework that is not specifically referring to ‘cross-cultural knowledge transfer’. This in turn enabled us to have a more reliable and valid basis for the analysis section of this work.

In order to gather the data for theoretical background, the authors systematically reviewed the existing literature. Firstly, theories with high citations have been allocated. The allocation has been done by observing dominantly referred articles within newly published articles (within the same field). By doing so, we have been able to identify which theories dominate the fields of ‘knowledge transfer’, ‘expatriates’ ‘culture’ and the combinations of each, e.g. ‘knowledge transfer + expatriates’. The priority has been given to these theories. No theory has been used in the theoretical framework that is not specifically
referring to ‘cross-cultural knowledge transfer’ or ‘expatriates and knowledge transfer’. This systematic review has been illustrated in the introduction section of this study, as a Figure 1.

3.4.2 Primary data
Primary data for the present study have been collected through semi-structured interviews. Semi-structured interviews refer to the type where the interview questions are not strictly set, and can vary depending on the interviewee and the flow of the conversation. Generally, semi-structured interviews are analysed qualitatively. (Saunders et al., 2007). It has been also argued that it is beneficial to adopt semi-structured interviews in exploratory studies (Schindler & Cooper, 2013), due to the fact that they enable to see the real picture of what is happening, from a new perspective (Saunders et al., 2007). Since our study is exploratory, and in line with Saunders et al (2007) and Schindler and Cooper (2013) we believe that adopting semi structured interviews will be beneficial.

3.5 Interview Process
One of the authors, who have been a former employee in the organization, has contacted the company. After getting approval for conducting interviews with the expatriates and getting contact information, both authors sent the interview questions guideline (see Appendix 2) to the potential interviewees. This provided the opportunity for interviewees to have a look at the questions and prepare for the actual interview. Later, the interviewees replied to what date and time they are available to conduct the interviews.

Due to the distance between Sweden and Serbia, face-to-face interviews were not possible, but the interviewees agreed on communication through Skype. Details of the interviews can be seen in Table 5 below. The company policy does not permit the use of any kind of recorder, but if needed, the respondents were open to follow-up questions. Further, upon the request of the company, the company’s and respondents’ names have not been revealed, instead will be referred as ABC company and interviewees 1 till 9, respectively.

Majority of the interviews were conducted in English, although if the interviewees had difficulties in expressing themselves clearly in some parts, they were free to talk in Turkish. Also, few interviews were conducted only in Turkish. One of the interviewers is fluent in Turkish, therefore clear and detailed translation was offered to another interviewer has basic Turkish language knowledge. During English interviews the translation of some parts was conducted immediately to the other interviewer which didn’t make any difficulties for the process. In most cases, interviewees approved the translation. Both
interviewers were present during all interviews. Although, interviews that were made only in Turkish, were translated at the end of the interview. Having this language difficulty in the study, could not prevent authors from interviewing valuable for this research people. Therefore, authors had to compromise on ability of both interviewers fully participate in all the interviews’ communication processes. The author, who was not able to communicate effectively during Turkish interviews, was communicating more during English. The average time for the interviews was 45-60 min. All the information was carefully documented.

Table 4.: Interview Details

<table>
<thead>
<tr>
<th>INTERVIEWEE</th>
<th>DATE</th>
<th>LENGTH</th>
<th>Field of work</th>
<th>MEDIA</th>
<th>Years in comp.</th>
<th>Years in Serbia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewee 1</td>
<td>01/12/2016</td>
<td>Approx. 1 hr</td>
<td>Manufacturing</td>
<td>Skype</td>
<td>5 years</td>
<td>3,5 years</td>
</tr>
<tr>
<td>Interviewee 2</td>
<td>02/12/2016</td>
<td>45 min</td>
<td>Manufacturing</td>
<td>Skype</td>
<td>6 years</td>
<td>4,5 years</td>
</tr>
<tr>
<td>Interviewee 3</td>
<td>05/12/2016</td>
<td>1 hr</td>
<td>Pattern making</td>
<td>Skype</td>
<td>6 years</td>
<td>4 years</td>
</tr>
<tr>
<td>Interviewee 4</td>
<td>05/12/2016</td>
<td>Approx. 1 hr</td>
<td>Sewing</td>
<td>Skype</td>
<td>8 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Interviewee 5</td>
<td>06/12/2016</td>
<td>45 min</td>
<td>Washing</td>
<td>Skype</td>
<td>6 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Interviewee 6</td>
<td>06/12/2016</td>
<td>45 min</td>
<td>Washing</td>
<td>Skype</td>
<td>5 years</td>
<td>3,5 years</td>
</tr>
<tr>
<td>Interviewee 7</td>
<td>07/12/2016</td>
<td>Approx. 1 hr</td>
<td>Packing</td>
<td>Skype</td>
<td>10 years</td>
<td>5 years</td>
</tr>
<tr>
<td>Interviewee 8</td>
<td>07/12/2016</td>
<td>Approx. 1 hr</td>
<td>Sewing</td>
<td>Skype</td>
<td>6 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Interviewee 9</td>
<td>13/12/2016</td>
<td>Approx. 1 hr</td>
<td>Manufacturing</td>
<td>Skype</td>
<td>7 years</td>
<td>5 years</td>
</tr>
</tbody>
</table>

Source: Own construction

3.6 Data Analysis

The theory that the research has taken as a basis is an important tool when analysing the case study evidence (Yin, 2009). In our case, by presenting the theoretical discussion in chapter two, we aimed to have an overview on what has been previously done in this field. Later, we derived relevant questions for the interviews from those theories, which shaped our data collection plan. By having priorities on topics we would like to get information, we developed a strategy by which we can classify and interpret information provided. The strategy is as following:

After conducting all the interviews, information at hand had been analysed based on codes and the patterns, that those codes constitute. Codes stands for words that are dominantly present within a single answer. For instance, when a respondents answers as ’showing’ to the question of ’type of knowledge’, the response is coded as ’tacit’. This categorization stems from the literature review, where we have in detail explained the concepts, and now can relate them to the answers recieved from the respondents. Afterwards, we tried to find a patterns, meaning similarities, within the answers to the same question,
meaning within the codes (in our case 9 answers per question). The patterns have been identified by observing the responses and identifying majorities. For instance, some of the patterns we have seen are as following; (a) When asked about way of transferring knowledge, showing and telling both have been noted to be patterns (based on majorities within responses). (b) When asked how Serbian employees are perceived to absorb knowledge, majority reported that there is ’good absorption’, which is the pattern. (c) When asked about the importance of language, majority reported that YES language is very important, here the pattern is high importance of speaking the same language. (d) When asked about type of knowledge, the majority replied that tacit knowledge is more transferred, which is a pattern. All the patterns of the interviews have been listed in the Table 5.

Later, we have compared the results with our literature, in order to see whether there is consistency, or whether theories should be extended. Correlating knowledge transfer, expatriates, cultural dimensions, language and other factors theories and findings helped us to see where they divide and/or join.

3.7 Validity

“In conventional usage, validity refers to the extent to which an empirical measure adequately reflects the real meaning of the concept under consideration.” (Babbie, 2013; 153). In other words, whether the findings of the study are related to what has been intended to be studied (Saunders et al., 2007). In order to ensure the validity of the study, we have carefully formed the interview questions (see Appendix 2), and after the initial interview, we have eliminated the questions that do not contribute to the actual topic or do not add any insight. By doing so, we improved the validity of our study and reflection of the concepts that were studied.

Further, a valid study should “cover the domain of interest” (Zikmund et al., 2013). Translated to the present case, the authors had made sure whether the scope of the study is covering the phenomena ‘cultural influence on knowledge transfer of expatriates’ accurately. In the delimitation section of this study, the extend of study has been discussed, but this does not mean that we will reject what is relevant but not in the limits of the study. For this reason, we included language section in the work. We have seen a pattern in the literature that addresses language as a highly important factor in knowledge transfer, expatriates and culture, respectively, and in order to have a valid study, we included it in the thesis.
3.8 Reliability
“In the abstract, reliability is a matter of whether a particular technique, applied repeatedly to the same object, yields the same result each time” (Babbie, 2013; 150). In our case, it can be interpreted as whether the method we applied to measure the ‘cultural influence on expatriates’ knowledge transfer’ is reliable, meaning if the questions are asked again after a period of time, to the same respondents, would give the same results. The aim here is to minimize subjectivity in the study (Yin, 2009).

3.9 Ethical Considerations
Bell and Bryman (2007) identified eleven ethical principles that management and business researchers need to take into consideration. Briefly, a study should be formed as the following: Harm to participants should be avoided, and the safety of the participants should be ensured; Dignity of the participants should be respected; Privacy of the participants should be protected and not violated; Confidentiality of the research data, organization or individuals should be respected; Anonymity needs to be respected; Deception of the information provided should be avoided; Affiliation should be avoided, e.g. conflict of interests, revealing sponsorships etc.; Honesty and transparency should be always present; Reciprocity between the researcher and the participant should be present; and finally misrepresentation of data should be avoided. (Bell & Bryman, 2007)

We adapt these principles in our study as well, by first of all taking consent from the participants whether we can use the organization’s and the participants’ names in the study, further, by obtaining permission for interviews’ recording, and also by clearly explaining the aim of this study, in order to create a transparent image, and to have a reciprocal relationship. We are also committed to providing objective point of view in the process of data analysis.

3.10 Limitations
First of all, this study is limited to its research strategy. Having a case study as a method may give a rise to some criticism. First of all, as also argue by Easterby-Smith et al., (2015), case study is highly open to the interpretation of authors. Meaning, the results may be manipulated by the authors, and it is difficult to track down the reasoning behind the conclusions. In addition, case studies may allow the authors to generalize about phenomena from specific case(s). For instance, this study is subject to criticism that addresses the question, ‘Can these results hold universally?’ Nonetheless, as opposed by Yin (2009), some social complex phenomena are most efficiently analysed by case studies, and together with a logical reflection of theory on interview questions, and detailed and objective presentation of the results, we believe the critiques addressed to the study design will be satisfied.
Another limitation is the language of the interviews. When it comes to explaining a process of a complex phenomenon the Turkish expatriates in Serbia are more fluent in Turkish language, and for this reason, interviews have been partly carried out in Turkish language. Therefore, translation process and reliability can be seen as limitation, as only one author is fluent in Turkish language.

**Chapter 4-Empirical Findings**

*The section presents the findings gathered from the interviews.*

4.1 The company Profile

ABC is a private textile company located in Turkey. Initially it was part of a bigger company, but later one person, who is now the owner of the company, bought the shares. Since that time, ABC operates as a single entity. The company established a wholly owned subsidiary in Serbia in order to expand their business activities across borders. The entity is a manufacturing unit, and is present since 2011. The company chose Serbia for its economical position, strong know-how in textile industry as well as its closeness to the European market (company’s website). There are around 500 employees in the company overall, including the staff in Serbia.

The company has customers across Europe, mainly in Scandinavia and Italy. It operates based on orders received from those customers, which the company is mostly producing in Serbia. Therefore, the Serbian part of the company has a high influence on the company’s operations and profit.

4.2 Expatriates

The expatriates who have participated in the present study have minimum five years of experience working for the company, and are highly skilled in the field. Their overall experience in textile industry is around 10 years. All the expatriates have been working for minimum three years in the Serbian subsidiary, and are highly familiar with the local staff, culture and the environment. Those expatriates travel to Serbia on a regular basis, and depending on their tasks. Respondents noted that Turkey and Serbia are close, and it is not difficult for them to fly frequently, or if needed stay for couple of weeks in Serbia.

They also all hold supervisory positions within the company. For instance, the expatriates all are responsible for the employees and are generally in the roles such as managers or responsible of a specific
department or task. Besides, of knowledge transfer, they are also responsible for making sure that every step of an order is following pre-set dates and quantities. Those orders are sent by the customers, and then from the HQ it is determined how much will be produced in Serbia, and when they should be finished and shipped. They are also controlling the subsidiary’s operations and are reporting back to the HQ regarding whether everything is going as planned, or whether there is something that needs attention.

Continuing, interviews revealed that all the respondents spent a lot of time with local employees. For instance, respondent 8 said that, as in every company, people who are assigned to control or keep an eye on employees should allocate their time mostly by being around them. Therefore, he continued, it is inevitable not to work with them. Only one interviewee (respondent 5) said that spends time with Serbian employees only when necessary. When asked why, the respondent reported that his assignment is more based on controlling/planning and reporting. Others either spent all the time, or at least very often during the day- minimum half of the time.

When asked about what skills they possess and which they believe can influence knowledge transfer, most of the interviewees stated that their experience was very important. Here, the experience refers to the background in textile, and the time spent working with textile. They have also stated that for them to be efficient, they should be able to resolve every job related conflict, and respond to every question in the most efficient way. For instance, a respondent noted that when employees ask questions, they should be able to answer 100% right. In addition, the knowledge in the field has been noted as a major component influencing knowledge transfer. Other than experience and knowledge, one interviewee stated that having good communication skills is important. The respondent gave an example of how it is easier when people know each other, and in order to know each other people should communicate not only for job but also for other things, for example during the breaks, only to get to know each other. Lastly, an interviewee also mentioned language skills as a necessary component (language has been referred later by more than one interviewees to be an important component of knowledge transfer)

4.3 The knowledge transfer to Serbian Employees
All the expatriates stated that even though Serbia has a background as a strong know-how in textile country, transfer of knowledge was necessary, in order to keep consistency and to have error-free production. This is due to the fact that, textile is a broad industry, includes everything from socks to t-shirts. Yet, each has a different process of making. Therefore, it was impossible to avoid knowledge
transfer, as it was part of the project. The main responsibility that was required by local employees was a persistent and identical production, and to reach the goals with minimum flaw. For instance, if a textile band (consisting of 10-15 employees) does not reach the amount per day, the whole production would be delayed. This would delay the shipment date, and that is something that the company cannot afford. For this reason, if an employee is not capable of producing the amount, either he/she is trained or replaced. In order to reach that, expatriates had to closely watch the employees, to make sure that they follow all the steps, train them and intervene when necessary.

Knowledge transfer was most intensive in the initial establishment of the subsidiary (back in 2011). The most dominant knowledge, outlined by interviewees, that was required to be transferred is the production know-how. For instance, some garments had specific methods to be produced, which local employees have not encountered before, therefore had difficulties to create an identical item. In this stage, the Turkish expatriates were closely working with the local employees, by showing the process step by step, explaining the production know-how and making sure they understood. With time, the local employees gained experience, and were less dependent on others and became more confident in the production.

Here is what an interviewee said about the importance of unique knowledge in textile industry:

“Washing process in textile is very complicated, 5 minutes more in the boiler can ruin the whole collection... For this reason, we had to make sure they understood the importance of ‘knowing’ and ‘understanding’... They should be able to decide when no one is around to ask ...To make it happen, we had to give them the knowledge they need to perform.” (Respondent 4)

Going further, majority reported that the local employees had also difficulties reading the software that the company is using, which included every single detail regarding the orders. This software was developed in Turkish office, and used since the establishment of the company. It is very specific to the company, developed based on demands from each department throughout the years. In this software every single detail of orders and everything the company had produced are kept. For instance, the ordered quantity, yarn color, yarn number, washing process, sewing process etc. All these necessary details used by each department have special coding, therefore someone outside the company cannot understand them. In addition, through this software, the HQ can track the order and see the stage of the process. Serbian employees are responsible for updating it. New orders are entered in software in Turkey, and Serbia should be able to open it and understand instantly what is required. It took time to make Serbian
employees understand the logic behind it. Therefore, on a frequent basis, employees that were working closely with it were taught how to utilize it.

In addition, other examples of transferred knowledge mentioned by interviewees include the specific knowledge for textile, e.g. understanding material quality, accessories etc.

The majority of the interviewees outlined that in general Serbian employees have good knowledge absorption. One of those respondents stated that generally it is enough if they show/tell the knowledge once. Serbian employees pay a lot of attention when learning something, so mostly they absorb it right away. However, one interviewee mentioned an average knowledge absorption by local employees. Moreover, the same interviewee mentioned that when HQ sees an outstanding employee, they take them for further training in HQ.

4.4 Ways to Transfer Knowledge
The most efficient way to transfer production knowledge, reported by majority of the interviewees, has been physical presence and “showing”. By “showing” the knowledge, expatriates noted that the local employees had fewer difficulties to understand, and their ability to perform independently became stronger. For instance, one of the interviewees stated that, he had difficulties to explain how to carry out a specific task, and after a meeting with the employees, he had seen that they could not fully understand what is required from them to do. After that, he decided to “show” the process, and then he acknowledged that they understood better. He further stated that even though it is more time consuming, transferring knowledge by “showing” is more efficient, due to the fact that some type of tasks is difficult to put in words, especially when both parties don't speak the same language.

Four interviewees outlined that only “showing” is not enough. They stated that usually the process of knowledge transfer requires both, “showing” and “telling”, or it depends on the situation. For instance, when knowledge is new, “showing” and “telling”, are both beneficial. On the other hand, another example given is when the employee feels that it is difficult (the task), as a complementary “showing” may be needed with “telling”. Interviewees noted that mostly it depends on situations, they had many examples that it makes it difficult to generalize.
Since the company wanted to have an identical structure in Serbia, as it is in Turkey, Serbian subsidiary follows the same steps as HQ. For instance, when receiving an order for a new item, the local employees have been shown how to understand what the customer is asking for. They had to learn how to read the documents (the ones that come from the customers, or from the HQ directly) or software (the one that company is using) carefully and to make sure that no single detail goes. In order to do so, few interviewees mentioned arrangement of meetings with employees that work for the specific department. In these meetings, expatriates explained how to transfer the data knowledge necessary for production, and local employees kept notes and asked questions if they needed to. This helped local employees to understand the task, and provide the ability to do it on their own without assistance. Nonetheless, one interviewee mentioned that expatriates always kept an eye on the local employees, and asked to be included in all electronic mails. This enabled full control over the subsidiary. They also reported to HQ based on employees’ performances.

4.5 Culture
When asked if culture has an impact on knowledge transfer, all interviewees outlined that culture has an effect on knowledge transfer in one way or another. The importance of culture has influenced the business in many different aspects. Majority has stated that cultural differences are more visible in the initial stage of interaction, with time, both parties acknowledge the differences and get used to it.

4.5.1 Turkey vs Serbia
Interviewees have contradictions regards to the Serbian culture. Most of them stated that both cultures are highly similar, while other two stated they are more differences. In addition, two more interviewees pointed that there are both, differences and similarities between two cultures. The subsequent section will give further details regarding the similarities and differences.

Similar:
An interviewee has stated that:

“Serbia is only different from Turkey because they speak a different language, and have a different religion...I believe that we are very similar. That’s why it was not very difficult to teach them something...They always understand what I mean to say.” (Respondent 5)
Another interviewee stated that he had no difficulties understanding Serbian culture, but he believes that this is because of the regular travels, and previous experience working closely with people of different backgrounds. For this reason, the interviewee stated that, when compared with all other countries and seeing so many different people, Serbia did not seem much different to Turkey.

**Different:**
Other two interviewees that believe that both cultures are different, based their arguments on the fact that Turkish way of working is different than Serbian. Turkish people are highly devoted to their tasks at work, and can sacrifice their free time to work excessively in order to finish what they have been assigned. On the other hand, Serbian people highly value their spare time, and put more importance on leisure. This causes difficulties, because the motivation that drives them to work more efficient is different.

Another argument was based on the way people express themselves. Serbian employees were hiding their emotions at workplace, and were not having close relationships with co-workers. In comparison, Turkish express their emotions more openly, especially when they are angry or happy, and want others to acknowledge it.

> “Such behavior has advantages and disadvantages in every case... The important thing is to understand it and use it to your purpose ... less open employees focus more on the task, but you never know what they think.” (Respondent 6)

An interviewee has reported that Serbian culture is more similar to Western, rather than Turkish. Another interviewee reported that the biggest issue is with meals at work. Turkish cuisine is totally different.

Two others stated that there are both differences and similarities and had difficulties to pick only one.

**4.5.2 Power Distance**
When compared Serbia to Turkey in regards of power distance, all the interviewees agreed that there are more similarities. In both countries, managers are highly respected, generally followed and not questioned. Subordinates do as the manager says, and only other managers can question the competence of the other manager. Yet, one interviewee noted that it is more productive to transfer knowledge to a
Turk rather than Serb, because Turks can make suggestions when asked, and be more constructive. They develop the knowledge. Further, they (Turks) are more open in work environment and “you can understand on their faces what is going on” (respondent 4), which is not always the same with Serbs, where employees are less willing to question anything and are in general applying exactly the same way they learned.

Majority of the interviewees agreed on the fact that Serbs work without questioning. They pointed out that orders or knowledge have never been doubted or discussed. Nonetheless, one interviewee stated that sometimes the orders and knowledge were discussed, if not clear, but it’s rare, and it happens mostly from specific employees, those that are more qualified and have more experience. Two other interviewees outlined that it depends on the situation. In some cases, they ask, but not directly to the provider of the knowledge, rather to a more qualified co-worker. However, one respondent said that, he/she had witnessed that sometimes orders and knowledge were discussed or doubted. Nonetheless, based on overall responses, it can be said that Serbs work without no or limited degree of questioning, and highly obey the authority.

4.5.3 Individualism vs Collectivism
The interviewees all agreed that they want to share their knowledge and provide extra information. They stated that that is their task, and they feel responsible for doing it effectively. One of the interviewee said that:

“I never thought about not sharing what I know... I have always tried to figure out how would be the most effective way for me to make it easier for them to learn.” (Respondent 9)

Three interviewees said that it is always more beneficial to transfer the knowledge and explain how they can apply it, where they can use it etc. One interviewee pointed that their task is not just to transfer the knowledge, but also to make sure that it is transferred correctly. For instance, the expatriates try to tell more about the task and background, to make sure employee do in right way and avoid failure.

Two interviewees stated that, extra information for knowledge depends on the knowledge itself. For instance, some employees already know about its background, so than it is not necessary. One interviewee said that some employees prefer to ask colleagues, rather than managers/supervisors, if
something is not clear. Another two interviewees stated that, generally employees ask further questions when they have the need.

“You cannot always determine how much to tell, so you wait until they start implementing, eventually they come back with more questions” (respondent 4)

4.5.4 Uncertainty Avoidance
The respondents have all agreed on the fact that the company prefers to have structured instructions when it comes to the tasks and daily working activities, and generally, subordinates are told exactly what to do. Everybody knows who is supposed to do what, when they are supposed to finish, and how they are supposed to work.

In regards to accepting changes, none of the interviewees could recall the situation where local employees were not happy about any changes made in the way of doing business. Some pointed out that they could not remember any dissatisfaction regarding changes that have been made.

“They had to follow the changes, there have never been any obvious objections to it” (respondent 1)

4.5.5 Masculinity vs Femininity
The question of collaborative vs competitive brought many discussions in the interviews. Majority of the interviews agreed that Serbian employees are willing to collaborate. To summarized, it can be said that they are more collaborative. Generally, people come to the workplace, perform their responsibilities, and when the time comes they leave to their homes.

“Competition is not very possible, because there, people are assigned to perform a specific task... there is no room for competition” (respondent 4)

On the other hand, one interviewee stated that Serbs are more competitive. Another interviewee said that it is not easy to generalize, and that it depends on the task the employees are assigned. This interviewee pointed that some departments have little competition. Two others, interviewees pointed that it depends on the situation and on the person. Although, one of this interviewee also stated:
“It’s mostly not about competition… it's about not losing their face in front of us” (Respondent 3)

Lastly, none of the respondents outlined any competition from other expatriates. All agreed that expats were more collaborating with each other and other employees.

4.6 Other Factors Influencing Knowledge Transfer
When asked what factors in their opinion influence knowledge transfer interviewees outlined many different factors, some stated more than one. The most common factor that has been repeatedly reported has been the expatriates’ and Serbian employees’ capability to transfer/receive the knowledge. The second most important factor has been argued to be different language. Majority of the respondents agreed on the fact that language is an important factor in knowledge transfer. Further, some of the interviewees stated that explanation of more difficult task is influencing the ability of the recipients to absorb gained knowledge. For instance, some tasks are difficult to process by the local employees, and require more time spend together in order to make the transfer more efficient. Other factors stated by interviews are as following; willingness to learn, motivation, the perception of the job and the feeling of responsibility. Those factors are not considered for general patterns, as mentioned only once or twice. Interestingly, one respondent has noted that some employees if they don’t like the task they don’t feel responsible for it. This in turn affects their performance and hinders the process of knowledge transfer.

4.7 The Role of Language
All participants agreed that speaking the same language when transferring knowledge was very important. However, two of those respondents also pointed that some knowledge was transferred mostly by “showing”, and in those cases, language was not so essential. However, even when showing, talking sometimes was still essential, which therefore made it difficult to explain correctly if there was no common language.

All the respondents stated that inability to speak the same language made the process of knowledge transfer difficult and more time consuming. Although, inability to speak the same language did not totally hinder the process. Nonetheless, when asked to compare, most interviewees stated that the initial process of communication was the most difficult one. With time, both parties were able to speak same language, and were more comfortable in the process of knowledge transfer.
The interviewees mentioned different solutions that helped them to transfer knowledge without speaking the same language. Two respondents mentioned that interpreter were present when necessary. Another said that some expatriates were learning Serbian language prior to their assignment. One more interviewee pointed that Serbs willingness to learn highly supported the process. Five interviewees also mentioned that using English as a common language was a good solution. Furthermore, “showing” and demonstrations were used by all interviewees.

5. Interviews Outline

Table below show the summary and results of the interviews. The column called ’subject’ is the aim of the question, while the column ’pattern’ presents the result of all the interviews. Based on this table, the authors have identified main patterns, and have derived their conclusions.

Table 5.: Interviews results

<table>
<thead>
<tr>
<th>Subject</th>
<th>Pattern</th>
</tr>
</thead>
<tbody>
<tr>
<td>Time spent with Serbian employees</td>
<td>a lot of time</td>
</tr>
<tr>
<td>Turkish culture vs Serbian culture</td>
<td>similar</td>
</tr>
<tr>
<td>Type of knowledge</td>
<td>tacit</td>
</tr>
<tr>
<td>Example of knowledge transfer</td>
<td>garment production related knowledge</td>
</tr>
<tr>
<td>Serbian knowledge absorption</td>
<td>good absorption</td>
</tr>
<tr>
<td>Showing or Telling</td>
<td>both, depending on the situation</td>
</tr>
<tr>
<td>Expatriates’ skills influence KT</td>
<td>Experience</td>
</tr>
<tr>
<td>Factors effecting KT</td>
<td>All agreed culture affects KT. Language capabilities</td>
</tr>
<tr>
<td>Uncertainty Avoidance</td>
<td>low uncertainty avoidance</td>
</tr>
<tr>
<td>Collaboration or Competition Serbs</td>
<td>collaborative</td>
</tr>
<tr>
<td>Collaboration or Competition expats</td>
<td>collaboration</td>
</tr>
<tr>
<td>PDI</td>
<td>similar</td>
</tr>
<tr>
<td>Work without questioning</td>
<td>don’t question, do as they have been told</td>
</tr>
<tr>
<td>Provide extra info with knowledge</td>
<td>providing extra info. Is common</td>
</tr>
<tr>
<td>Speak same language</td>
<td>speaking the language is important</td>
</tr>
<tr>
<td>KT without speaking the same language</td>
<td>difficult and time consuming. “Showing” an demonstrations</td>
</tr>
</tbody>
</table>

Source: Own construction
Chapter 5- Analysis

This chapter will provide the analysis of the findings and previous theoretical background. Moreover, revised conceptual model will be presented.

5.1 Expatriates in Knowledge Transfer

The expatriates that have participated in the present study have been noted to be skilled, and experienced in the field they are working. Meaning, the respondents chosen are suitable as a data collection source, since they all fit the definition of Bonache et al. (2001) and Tan & Mahoney (2006), who argues that expatriates are skilled employees sent for certain tasks and period to another country. Also, Matherly & Nahyan (2015) argued that expatriates possess special knowledge, and are professionals in variety of fields. Our study supports those statements as well. All nine respondents have noted that their tasks are diverse as they have many responsibilities, such as knowledge transfer; control etc.

Further, our study findings show that the expatriates do not have a fixed/pre-determined agreement on the duration of stay, rather it is flexible based on the task. It has been noted that generally it is the task itself that determines the duration of the stay. Interestingly, Minbaeva & Michailova (2004), have sorted expatriates’ assignments and durations of stay into four categories, yet our study has not found full evidence for those categories, since the respondents stay in Serbia differs. We believe that the reason of these findings is the physical distance between Turkey and Serbia. Those countries are close to each other, and it takes less than two hours to flight from one to another. Therefore, we can take forward the argument of Minbaeva & Michailova (2004), and argue that physical distance between units should be included as a factor determining the categories.

Furthermore, there are evidence for the arguments of Tan & Mahoney (2006), who have stated that; a) expatriates affect behaviour of local employees - our study showed that local employees do as they are told by expatriates; b) they are a linkage between HQ and the subsidiary - our study showed that expatriates report on a regular basis to the HQ and act as a bridge; c) they are seen as a priority for the company - the company values them and gives them roles that are clearly superior to others. As a results, majority of Tan & Mahoney (2006)’s arguments are supported with the present study.

As per their task- knowledge transfer, our study revealed that indeed, the subsidiary’s performance is dependent on knowledge transfer, which has been previously noted by Koveshnikov et al. (2014), Welch & Welch (2008), Boyacigiller (1990). Further, effectiveness of subsidiary rely on expatriates’ knowledge
transfer, as Serbian employees’ performance depends on the knowledge they gained, more they know, better they can perform.

5.2 Knowledge Transfer
Based on the responses received, the authors have distinguished between tacit and explicit knowledge.

This categorization has been made according to the responses received, which have been coded based on the characteristics of the knowledge types. As it has been put forward by many (Bhagat et al., 2001; Bonache & Brewster, 2001; Welch Welch, 2008; Suppiah & Sandu, 2011, etc.) that tacit knowledge is embedded in individuals and mostly efficient when transferred through application (Enderwick, 2011).

In fact, it has been noted that, especially the knowledge of production know-how required the expatriates presence to support the employees almost all the time. In addition, it was more productive when it was “shown”, rather than explained. The expatriates that transferred tacit knowledge have chosen showing over telling when it came to the question of which one they prefer. We believe that the reason behind this is the fact that tacit knowledge is embedded in individuals, and they feel more efficient when they show it, since tacit knowledge is difficult to explain. Overall, these results show that there is evidence for the above authors’ arguments, which argue that tacit knowledge is more efficiently transferred when sender and receiver are physically present together (face-to-face interaction), as this facilitates better interaction.

Continuing, some of the knowledge transferred by expatriates can be classified as explicit. The respondents gave some examples, for instance the reading of the company’s software or reading through the customers’ orders, which authors outline as explicit, due to the fact that it is easily detected (Suppiah & Sandu, 2011). Here, “telling” was more important, and transfer was smoother and faster.

Important to mention, that it has been also noted that the knowledge transferred has not been limited either to be tacit or explicit, in fact, due to the dynamic nature of the knowledge, it required the expatriates to mix it. That's where some respondents gave the response as ‘both’, when the question was aiming to distinguish between tacit or explicit. In some cases, showing was more dominant, while in others telling. Nonetheless, the most effective knowledge transfer required the expatriates to use both, show and tell. The reason, we believe, is the fact that daily business life is complex, and is based on demands. Expatriates had to adopt the knowledge to the local environment (Choi & Johanson, 2012), therefore, they often mixed the methods of knowledge transfer.
5.3 Cultural Dimensions in Knowledge Transfer

5.3.1 Power Distance
As it has been argued by Hofstede et al. (2010), Chen et al. (2010), high PD managers are more paternalistic and their subordinates are keener on following the managers, agreeing and avoiding conflicting behaviors. As it has been seen in the present case, the expatriates have shown that they are generally “telling” the local employees what to do, how to do, and mostly don’t encounter any oppositions from the subordinates. Further, as for the response received, it has been seen that Turkey and Serbia are quite similar in this dimension. Therefore, the present case supports the arguments regarding the characteristics of a high PD culture, and also supports the argument of Hofstede et al. (2010) that Turkey and Serbia are both high PD (Table 4).

When it comes to knowledge transfer, based on the Hofstede et al. (2010)’s assumptions, Lucas (2006) argued knowledge transfer from high PD to high PD results in limited success and requires expatriates’ involvement (Figure 4). Nonetheless, when asked about whether the subordinates follow the requests with little questioning, the majority of the responses received showed that the Serbian employees generally do as they have been told. Although, it has been also noted that they do not put anything extra on what they have been told. This is an interesting finding, since it contradicts the findings of Wilkesmann (2009) who argued that acquirer does not built on the knowledge when he/she is located in low PD. Yet, by the present case, we have also seen that acquirer is in high PD but nonetheless does not add value to the knowledge. As per the reason for this contradiction, we believe that the high respect to the authority and the environment in the company are factors that block the local employees from putting on to the knowledge, and taking it as it is.

Nonetheless, there is no evidence that this can hinder the process of knowledge transfer. As a consequence, these findings contradicts Lucas (2006)’s argument that the knowledge transfer from High PD to high PD has limited success (Figure 4), on the opposite it shows good knowledge transfer success.

5.3.2 Individualism vs Collectivism
The present study has found evidence regarding the arguments that this specific dimension has higher influence than the other ones in regards to the willingness to share and receive knowledge (Bhagat et al., 2002; Javidan et al., 2005). The authors have witnessed during the interviews that the most influential factor of culture on knowledge transfer is the willingness to share/receive it. This in turn has been mostly
connected to the collectivistic nature of a culture, where people are more willing to share knowledge, even though they don't benefit from it (Lucas, 2006; Bhagat et al., 2002; Chen et al., 210; Rivera-Vazquez et al.; 2009; Wilkesmann et al., 2009). The expatriates that participated in this study have been transferring knowledge to the local employees for a long time, and when asked how they feel about sharing their knowledge, they did not mention anything that can be seen as a proof of reluctance to knowledge transfer. For this reason, the present case supports the arguments that collectivistic cultures, such as Turkey and Serbia, share and receive knowledge easier and as also there is evidence for the Figure 5, where Lucas (2006) argues that knowledge transfer from collectivistic to collectivistic culture results as ‘greater success’.

When it comes to the type of knowledge and how it is connected to collectivistic/individualistic dimension of culture, Bhagat et al. (2002) argued that collectivistic cultures prefer tacit and systemic knowledge, while they have no preferences when it comes to simple vs complex knowledge. Based on the responses, it has been shown that extra information is generally beneficial, but it also depends on the knowledge. Nonetheless, we can assume that in the present case, while transferring knowledge expatriates had to transfer “background” knowledge for better understanding, which is classified is complex as requires additional information. Therefore, we can say that, even though Bhagat et al. (2002) argued that collectivistic cultures do not have preference on complex knowledge, the present case proves that complex knowledge is more preferred. When it comes to the systemic and tacit knowledge, our study findings support Bhagat et al. (2002), and it can be said that collectivistic cultures prefer systemic and tacit knowledge over independent and explicit (Table 1).

5.3.3 Uncertainty Avoidance
Based on the interviews made, the study supports Hofstede et al. (2010) categorization of Turkey and Serbia as countries with high UAI. This stems from the fact that it has been seen that instructions and detailed directions are more dominant in the way of working rather than unstructured and less organized working environment, further supporting Wilkesmann et al., (2009).

Nonetheless, it has been seen that Serbs respect for Turks eliminates their reluctance to learn. A common discussion among all the interviews was that Serbian employees highly respect Turks and the company, due to the fact that the company recruited lot of locals, and decreased unemployment in the city. Also the company has good ethics of conducting the business, and respects the employees. Overall, it can be
said that such culture within company eliminates the possible side effect of high uncertainty avoidance on knowledge transfer. As a consequence, the present study has not found any evidence supporting Lucas (2006)’s argument that believes that knowledge transfer from high UAI to high UAI country has limited success (Figure 6). In our case, we have not found any obstacle of negative affect of high to high uncertainty avoidance on knowledge transfer, moreover changes were accepted easily without any contradictions.

5.3.4 Masculinity vs Femininity
According to Hofstede et al. (2010) Turkey and Serbia are similar in their masculinity/ femininity dimension, and they have scored below 50, so Hofstede et al. (2010) have categorized them as feminine countries. Our study supports these findings, since the majority of the respondents stated that Serbian employees are “collaborative”, while few others stated that they are competitive. We believe that the diversity stems from the fact that the expatriates work with different kinds of tasks and transfer knowledge to the employees they need to. This in turn creates different working environments, where in some cases, as also an interviewee has pointed out, there is no room for competition. Nonetheless, since the majority has argued that they are more collaborative, the authors have concluded that Serbia is more feminine than masculine which reflects on the knowledge transfer.

Expatriates themselves argued that they are collaborative, yet, since the data have been collected only from their perspective, we cannot argue the generalizability of their own personal views regarding themselves. Nonetheless, based on the responses, the authors have concluded that both cultures show more feminine than masculine characteristics.

Approaching the concept from the knowledge transfer perspective, going back to the Figure 10 of Lucas (2006), the knowledge transfer from feminine to feminine have been shown as successful, so based on the interviews, it can be assumed that the similarities of both cultures on this dimension does not hinder the process of knowledge transfer, on the contrary, it is promoting it.

5.4 Turkish Culture vs Serbian Culture
All the respondents agreed on the fact that culture influences knowledge transfer, therefore, it can be said that this study is justified by investigating culture in the process of knowledge transfer through expatriates.
When it comes to the similarities/differences between Turkish and Serbian cultures, even though the majority of the interviewees stated that they are similar, other respondents argued that these two cultures are different. It can be assumed that the reason of different answers to this question stems from the fact that all the expatriates don’t have the same task, some of them transfer different type of knowledge, and have different perceptions of the culture. Also the question has been too general, and the interviewees reflected on their general view. When going more in detail, especially in cultural dimensions, they gave examples that are more concrete. They have shown us when both cultures are similar and when different, especially with the focus on the process of knowledge transfer.

Nonetheless, we also believe that, culture is a variable that can be interpreted in different ways, and each individual can have personal opinions regarding a culture; stemming from experience, relationships, time spent etc. For instance, we have noted that the differences/similarities were more vivid in the initial establishment, but with time, both parties got used to them and recognized them less. In addition, the subsidiary is located in one city, which makes it difficult to generalize for the whole country.

5.5 Language
Language has been mentioned in the literature as an important component of knowledge transfer (Buckley, Carter, Clegg & Tan, 2005; Brannen, 2004, Welch & Welch, 2008). The findings of the present study facilitate these theories. It was found that in knowledge transfer, language plays an important role and Welch & Welch (2008) said the same. Moreover, findings had shown that even when the transfer of knowledge were conducted by showing, some parts of it still required common language to communicate the details. In this regards Welch & Welch (2008) pointed out that when transferring tacit knowledge, which is commonly conducted by face to face interactions, it might require the presence of the same language. In addition, same authors pointed that transferring tacit knowledge is costly (Welch & Welch, 2008). Considering the fact that face to face presents for knowledge transfer requires expatriation of the staff, it become costlier for the company than recruiting locals (Boyacigiller, 1990; Enderwick, 2011).

Some authors noted that expatriates might have language as a barrier for knowledge transfer (Chang, Gong & Peng, 2012; Welch, Welch & Piekkari, 2005). In this study, finding outline that inability to speak the same language slowed the process of knowledge transfer and made it more complicated. Welch, Welch & Piekkari (2005) support this statement by stating that knowledge transfer without speaking the
same language can be affected in a negative way. Moreover, as mentioned by Selmer & Lauring (2015), speaking different languages affects communication process, and as a consequence- the transfer process. Further, Peltokorpi & Vaara (2014) pointed that language proficiency promotes effective knowledge transfer, therefore putting in other words, inability to speak the language can result in complication of the transfer, which again is supported by our findings. Not to mention that language facilitates communication (Kogut & Zander 1992; Hedlund, 1994), therefore if can be pointed that if there are difficulties in communication, there will be difficulties in knowledge transfer.

Findings outline that initial stage of communication affected knowledge transfer. Although, as was mentioned by interviewees, after some time, when both parties were able to speak common language, the process of knowledge transfer had significantly improved. On this, point Bloch (1996) suggested that expertise in spoken language provides better cultural understanding, which could lead to improvements in knowledge transfer. Furthermore, proficiency in language helps to adjust to the local environment (Selmer & Lauring, 2015). Common language stimulates the trust and trust, in return, affects knowledge transfer. (Welch & Welch, 2008). Therefore, elaborating on that with the findings, it can be said that over time while expatriates and locals were obtaining common language, their level of trust increased, which in return improved their knowledge transfer.

It was found that some expatriates interviewed succeeded in knowledge transfer without common language. Peltokorpi & Vaara (2014) and Buckley et al. (2005) said that language on its own cannot guarantee success in knowledge transfer, therefore it was interesting to find out other ways of transferring knowledge were used by Turkish expatriates. Demonstrations or “showing” were the most common methods. Martins (2012) also outlined that “showing” has been a very good way for transferring knowledge. Interpreters were also mentioned as a way to overcome language barrier by interviewees. Although, intermediaries are common practice in this situation (Marschan-Piekkaria, Welch & Welch, 1999), translations might be inaccurate (Bloch, 1996).

Moreover, the findings show that use of English as way of overcoming language barrier was used by expatriates. Selmer & Lauring (2015) also said that since English is used as international language it helps expatriates to be able to communicate.
5.6 Other Factors Affecting Knowledge Transfer

5.6.1 Capability of the Source
When it comes to the factors other than culture, affecting knowledge transfer, Martins (2012), Minbaeva, and Michailova (2004) have argued that the source’s capability to transfer has an important influence on the overall process of knowledge transfer. The present study has found supporting evidence for these arguments that expatriates’ capabilities to transfer knowledge are highly important. Some had referred to it as the knowledge, or communication skills, practical skills or experience, which are in line with Kogut and Zander (1992) who have studied these factors as the source’s skills in knowledge transfer. Further, Choi and Johanson (2012) also proposed that networking and relationships are essential in the process of knowledge transfer. Our study found evidence for this statement as well, by noting that expatriates found it useful in knowledge transfer to have good relationships with local employees.

Other findings of the present study show that expatriates feeling of responsibility to transfer the knowledge has a great effect on the process. Expatriates felt responsible for the employees. This is also supporting another argument of Minbaeva & Michailova (2004), who have stated that the feeling of responsibility in expatriates is fostering the effectiveness of knowledge transfer.

5.6.2 Recipient's Ability to Absorb
Martins (2012) and Minbaeva and Michailova (2004) all have argued that the recipient's ability to absorb and the sources have an important role on the overall process of knowledge transfer. In fact, during the interviews, the interviewers have been told that the Serbian employees’ capabilities to absorb and apply the knowledge are very important. Based on the responses received, it can be said that Serbian employees absorb information effectively which positively influence the company.

5.6.3 Type of Knowledge
As another factor that is highly influential in the process of knowledge transfer is the type of the knowledge. Here, it is mostly referred to tacit and explicit. These two were the most dominant knowledge types identified. For instance, we have noted that expatriates had to choose between showing and telling when it came to transfer, which, we believe is due to the nature of the knowledge. Further, as it has been also previously argued, the background of the knowledge or the extra knowledge and so on was required as well. With those examples, one can argue that type of knowledge is highly important in the process of
knowledge transfer, which is in line with the arguments of Bhagat et al. (2002), Martins (2012) and Lucas (2006).

5.7 Conceptual Model
Based on the study findings, the conceptual model that has been presented by the authors holds, except two assumptions. First of all, according to the model, the arrow from high PD of expatriates to high PD of Serbian employees shows that knowledge transfer has limited success. Based on the study findings, it has been concluded that knowledge transfer is successful even though both countries are located in high PD. Secondly, arrow from high UA of expatriates to high UA of Serbian employees outlines limited success in knowledge transfer. Here again, the present study has found no evidence to support this statement, and on contrary, had revealed that even though both countries are located on the similar degree of UAI, the knowledge transfer has great success.

We would argue that the reason behind this contradiction stems from the fact that cultural similarities (regardless of category) cannot hinder knowledge transfer. We believe that this is a crucial point to consider, since majority of studies compare cultures that are distinct from each other, and they do not have the opportunity to test theories that compare countries similar to each other. Our study plays an important role here, since we have been able to test these theories, and to see whether they hold in a situation where countries are assumed to be similar. As a result, we have seen that (1) high uncertainty avoidance is affected by high power distance, where respect to managers and supervisors surpasses the reluctance to change. In addition, it has been seen that (2) high power distance in both cultures does not negatively affect knowledge transfer. Although, both parties show same characteristics, one can be superior to each other, the one with more power and authority can lead the other one.

The figure below represents the improved conceptual model, which is based on the findings of this study. It demonstrates two major differences in knowledge transfer, making it great success through all cultural dimensions.

Figure 12.: Revised Conceptual Model
Source: Own construction
Chapter 6- Conclusion

By making this research, we have been able to fill the gap that exists in literature. Based on the findings of our study, we have answered the research questions that have been set. This chapter represents the concluding remarks of the study, and presents implications for both managers and academicians. In addition, limitations of the study and possible future research paths are presented within this chapter.

6.1 Answering Research Questions

**RQ: How culture influences knowledge transfer from/through expatriates to foreign subsidiary?**

In order to answer this research question, Hofstede’s four cultural dimensions have been taken into consideration. The authors investigated how those dimensions affect knowledge transfer through expatriates. Language is also considered as part of culture in this context. It has been found that indeed, culture plays an important role in the process of knowledge transfer, and while similarities can facilitate the process, differences can hinder it. Below are presented the findings for each dimension and language is presented additionally.

**Power Distance**

It has been stated in the previous studies that when both cultures are from high Power Distance, the knowledge transfer success is limited, nonetheless our findings show the opposite. From expatriates’ perspective, the knowledge transfer has not been negatively affected by high power distance in both sender and receiver. On the opposite side, it can be said that the transfer was successful. Therefore, it can be said that knowledge transfer from high PD to high PD through expatriates does not face any difficulties, except the fact that the receiver does not build up the knowledge acquired.

**Individualism vs Collectivism**

The knowledge transfer of expatriates is also dependent on individualistic or collectivistic characteristics of a country. It has been found that this particular dimension is affecting the willingness to share and receive knowledge. In our study expatriates come from a collectivistic country, therefore it was found that they have been willing to transfer the knowledge to foreign subsidiary. In addition, the receiver is from collectivistic as well, therefore, it has been found that similarities in this dimension smooths the process of knowledge transfer.
**Uncertainty Avoidance**

Although, previous studies outline limited success in knowledge transfer when both sender and receiver are from high UAI, our study has shown the opposite. The present study revealed that uncertainty avoidance similarities do not hinder the process of knowledge transfer, and the degree of power distance, which has been observed with power structure, can influence this dimension and can the negative effects of it on knowledge transfer. As a conclusion, we can argue that high uncertainty avoidance can be balanced with high power distance in both sender and receiver.

**Masculinity vs Femininity**

These study findings show that knowledge transfer from feminine to feminine country face no barriers, and this dimension affects the process in a positive way. Collaboration stems from this dimension, and it has been seen that by being collaborative, both parties benefit, and the knowledge transfer becomes more effective and fluent.

**Language**

The study outlines the importance of language in knowledge transfer of expatriates. Inability to speak the same language makes the process of knowledge transfer difficult and requires more time. Initial process of knowledge transfers and communication without speaking the same language is the most difficult for expatriates. Over time, the process gets easier as language is learned. Cultural understanding by learning common language leads to improvements in knowledge transfer. However, it was found that expatriates’ knowledge transfer to foreign subsidiary could occur without speaking its language. Demonstrations and “showing” is one of the most common ways to do so. Although transferring knowledge by “showing”, sometimes still requires common language, as some details need to be “talked through”. Moreover, interpreters are another option that helps to overcome language barriers. In addition, use of English language is another way for successful knowledge transfer without speaking host country’s language.

To summarize it can be said that expatriates’ cultural background has an effect on knowledge transfer and its effectiveness. In addition, the cultural background of the receiver also influences the process of knowledge transfer. Therefore, it can be concluded that culture has non-negligible contribution to expatriate knowledge transfer to a foreign subsidiary, although expats and receiver’s culture have to be considered. Moreover, some cultural dimensions could help to outline the culture and its possible effect
on knowledge transfer. In addition, language plays an important role in expatriate’s knowledge transfer to foreign subsidiary.

**RQ: What other factors influence knowledge transfer from/through expatriates to foreign subsidiary?**

Based on the theoretical background, the authors focused three factors, commonly outlined by expatriates, that in addition to culture are influential in the process of knowledge transfer. Interviews with the expatriates support the theories, and it has been concluded that those factors should be taken into consideration as well.

**Type of knowledge**

Face-to-face interaction becomes an important part for knowledge transfer in regards of both tacit and explicit knowledge. “Showing”/demonstrating seems to be a common way of transferring tacit knowledge to foreign subsidiary. Communicating by “talking” is outlined to be the most necessary way for effective knowledge transfer. Moreover, transferring explicit knowledge through software and documents was more difficult, due to the fact that it requires both “showing” and “telling”. As a result, both tacit and explicit knowledge are important to be used by expatriates for an effective cross-cultural knowledge transfer. Not to mention, that inability to speak the same language arises to be an important barrier when it comes to transferring any type of knowledge.

**Sender’s capabilities and willingness**

Furthermore, expatriates’ capabilities to transfer the knowledge play an important role. Their communication skills, ability to explain, practical skills etc., have an impact on the success of knowledge transfer. Moreover, expatriates’ previous experience is outlined to be in a high importance when transferring knowledge. Furthermore, expatriates perceive knowledge transfer as their main task and responsibility, therefore they have a strong feeling of responsibility for the success of the knowledge transfer to the subsidiary. Not to mention, the willingness to transfer the knowledge is not the least important aspect.

**Receiver’s capabilities and willingness**

On the other hand, when we talk about knowledge transfer, it is not only about expatriate’s capabilities and willingness to transfer knowledge, although it is very important, it is also about the receiver’s
capabilities and willingness to absorb it. Successful knowledge transfer depends also on receiver’s ability to absorb received knowledge and understand it. The better receiver absorbs the information; the more successful knowledge transfer would be. Senders, or in our case expatriates, role is to make sure the delivered knowledge is accurate and is correctly understood by the receiver. Moreover, task difficulty would affect knowledge transfer. Tasks that are more difficult require more time for explanation and understanding, therefore slow the knowledge transfer.

6.2 Limitations
The main limitation of the present study is the fact that the data have been collected from only one company. It would have been beneficial to increase the scope of the study and to make interviews with expatriates from different sectors and companies. Yet, due to time constraints, the authors have not been able to gain access to other companies. Consequently, the results of this study cannot be fully generalized, therefore can’t be guaranteed to be applicable to other sectors, countries and expatriates.

Another limitation is that the data have been collected only from expatriates, not the local employees. This, in turn creates the question whether the answers given by the respondents are truly reflecting the factualness of the case. Nonetheless, due to the fact that the authors were in Sweden during the time this thesis has been written, it was not possible to get access to Serbian employees, and to see the case from their perspective.

Moreover, this study collected data through semi-structured interviews. This can also be seen as a limitation, due to the fact that the authors cannot guarantee that the same results can be collected if an identical research would be carried out. The findings are specific for this study and the participants of it, and the interviews were conducted in a more conversation way rather than strictly following the interview questions. For this reason, the study is limited to the data collection method.

In addition, the number of respondents could not guarantee the validity for overall results. Moreover, translation and interpretation of the results could be affected by authors’ perception and ability to interpret the data correctly and accurately.
6.3 Implications

6.3.1 Theoretical implications

This study has several theoretical implications. Since the authors have identified a gap in literature, by conducting this study, it is believed that the gap has been filled. No previous study has focused on investigating all the three variables in cross border business, namely; ‘knowledge transfer’ ‘expatriates’ and ‘culture’. As a consequence, the present study adds value to the existing literature, by focusing on these phenomena. Further, by investigating expatriates and knowledge transfer, the study has adopted highly valid theories and developed a conceptual model, which can be adopted by others for future research with focus on other countries. Furthermore, even though the study has mostly supported the findings of Hofstede et al. (2010), some theories have not been applicable, such as Lucas (2006). The results of the present study have found contradicting arguments, such as countries with similar cultures, in particular high PD and UAI in both, still can transfer knowledge successfully, although Lucas (2006) states opposite. This adds the valuable implication to the theory, by introducing new perspective of similar cultures.

6.3.2 Managerial implications

There are several managerial implications of the present study. To start with, it has been found that culture plays an important role in knowledge transfer. For this reason, it is highly suggested to the companies operating in a cross-cultural setting to consider culture when working closely with local employees, especially for the process of knowledge transfer. The differences in culture affects the working environment inevitably, and in order to have smooth and less time consuming knowledge transfer process, companies and managers should be aware of the culture, and should try to find ways that fits both parties. Further, it is also suggested that before going to another country, the expatriates should be held to a trainee program, and especially should learn the language of the foreign country. As per the other factors influencing knowledge transfer, it has been found that the recipient’s capability to absorb and the provider’s capability to transfer the knowledge play an important role. As per these findings, it would be suggested to the managers to carefully select the expatriates, and make sure that they possess the right skills to make the process more effective. Also when hiring local employees, companies should make sure that they are capable and open to adopt new knowledge, and utilize it.
6.4 Contributions
This study mainly creates new theories by elaborating on the previous theories that have been used throughout the theoretical background and tested in empirical part. The authors have used many theories, but mostly referred to Bhagat et al. (2002), Lucas (2006) and Bonache & Brewster (2001) and Hofstede et al. (2010). Firstly, this study modified the implications of Lucas (2006) model applying it to expatriates’ perspective. By doing so new theories have been created. We believe that the perspective of Lucas (2006) of limited knowledge transfer between high PD and high UAI in both countries should be altered, since it does not hold in real world situation.

As an illustration, let’s say two individuals from a country A share same culture (both have high PD) and do not face difficulties in knowledge transfer. Here, if those two individuals would be from two different countries, A and B, that are similar in their PD dimension, knowledge transfer should be easy as well. It would be wrong to assume that knowledge transfer would be difficult. We believe that the argument of being in the same country holds in the second situation as well. Why should it be difficult if countries are similar? Here, we contradict the assumptions of Lucas (2006), and we say that assuming knowledge transfer from country A to B would be difficult when both are high PD and high UAI is wrong. Our study findings support this argument, and show that countries similar in PD and UAI dimensions face no barriers in knowledge transfer. Therefore, this study mainly contributes to the academic and practical world by showing that PD and UAI similarities should not be treated as barriers.

Secondly, we enchased the work of Bhagat et al. (2002) by implicating their implications in a setting that only includes human and face-to-face interaction. By taking only expatriates perspective, we outlined a more focused context. Lastly, Bonache and Brewster (2001) implied that culture may affect knowledge transfer of expatriates, and by taking their implications in our theory, we had the opportunity to extend it further, and to consider culture as a major component of knowledge transfer.

In addition, this study contributes to the theoretical word by showing that culture plays a vital part in knowledge transfer through expatriates to the foreign subsidiary. Moving further, the contradictions with previous theories in regards of culture in expatriates’ perspectives of knowledge transfer, contributes to the creation of new perspective in theoretical word. Nevertheless, these contradictions outline other factors that are important to consider when talking about expatriates’ knowledge transfer. Those factors are closely linked with culture and have influence vice versa, e.g. language.
Social contribution of this study includes the ability of the society to use the findings for better understanding of the cultural affect when expatriating and transferring knowledge. In addition, people who have difficulties in talking and/or listening can use “showing” in order to transfer knowledge. The findings outline that people with these difficulties/disabilities can be considered for expatriation, which reduces the social barriers for such people and opens new horizons for employees and employers. Adding to that, language should not be considered as hardly overcoming barrier, as some options how to deal with knowledge transfer when expatriating were offered for further implications.

6.5 Reflection on the study
Reflecting on this research, it can be seen that authors reached the aim of this study and were able to answer set questions. The study outlined cultural influence and other factors in knowledge transfer from/through expatriates to employees in a foreign subsidiary. The study outlines that some of the previous theories are not applicable for knowledge transfer between similar cultures, which revealed new theories and perspectives to consider. Overall, the authors have noted culture to be important in the process of knowledge transfer, and that apart from culture, there are also other factors that should be considered when transferring knowledge. With the findings, the authors reached their aim, answered both research questions, and filled the gap in the academic world.

6.6 Suggestions for further research
Due to the limitations of this study, it can be suggested for further research to focus on the same field, but with focus on different sectors, and different countries. As this research was limited to only one company and only two countries with similar culture, this would in turn tests the generalizability of the findings, and increase the validity. In addition, we would like to encourage future research, with focus on countries that are more different from each other. Based on our study, Turkey and Serbia have been found to be similar, and therefore the culture has not highly hindered the knowledge transfer process, although further studies can test present study by using other countries with similar cultures. On the other hand, future research can focus on countries that are highly different to see how the knowledge transfer is effected by those differences. Moreover, bigger scoop of the respondents should be used for better validity.
References


Jing Hua Li Xiao Ran Chang Li Lin Li Ya Ma, (2014). Meta-analytic comparison on the influencing factors of knowledge transfer in different cultural contexts, *Journal of Knowledge Management, 18*(2), 278-306.


**Books:**


**Internet Sources:**


**Appendices**

**Appendix 1**

<table>
<thead>
<tr>
<th>Table II</th>
<th>The relative effectiveness of expatriate and immigrant employees in knowledge transfer and utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Barriers to knowledge transfer and utilization</strong></td>
<td><strong>Expatriate employee</strong></td>
</tr>
<tr>
<td>Motivation to share knowledge</td>
<td>May be high on an individual basis</td>
</tr>
<tr>
<td>Areas of knowledge to be shared</td>
<td>Often unclear to expatriates. General versus market specific knowledge</td>
</tr>
<tr>
<td>Acceptance by others of the value of knowledge</td>
<td>Favour expatriates if others are receptive to new ideas and have international experience</td>
</tr>
<tr>
<td>Spatial proximity</td>
<td>Disadvantages expatriates until repatriation</td>
</tr>
<tr>
<td>Organisational similarity</td>
<td>Favours expatriates</td>
</tr>
<tr>
<td>Closeness of social relations or strong organisational culture</td>
<td>Favours expatriates</td>
</tr>
<tr>
<td>High levels of tacitness</td>
<td>Likely to impede transfer by expatriates</td>
</tr>
<tr>
<td>Screening of knowledge</td>
<td>Weakness of expatriates, heavily involved in the creation of knowledge</td>
</tr>
<tr>
<td>Knowledge capture</td>
<td>Part of experience</td>
</tr>
<tr>
<td>Knowledge distribution</td>
<td>Need to organisational barriers</td>
</tr>
<tr>
<td>Knowledge interpretation and perceived value</td>
<td>High if others have had similar experiences</td>
</tr>
<tr>
<td>Senior management support</td>
<td>Often weak</td>
</tr>
</tbody>
</table>

*Source: Enderwick (2011)*
Appendix 2
<table>
<thead>
<tr>
<th>Guideline Questions</th>
<th>Purpose (for overview only)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Both parties introduce themselves This is an open discussion</td>
<td>To get to know each other</td>
</tr>
<tr>
<td>1 Please can you give us some information regarding your position and responsibilities in the company?</td>
<td>Understand the person's current situation, their experiences and perspectives</td>
</tr>
<tr>
<td>2 How long have you been working for this company?</td>
<td>To know more about the expatriates and the company</td>
</tr>
<tr>
<td>3 Since when you work in Serbia?</td>
<td></td>
</tr>
<tr>
<td>4 Do you live in Serbia or do you visit on a frequent basis?</td>
<td></td>
</tr>
<tr>
<td>5 Does your work depend a lot on Serbian employees?</td>
<td>To discover the knowledge transfer frequency</td>
</tr>
<tr>
<td>6 Is Serbian culture different from Turkish according to your own experience? Can you give details?</td>
<td>To have an understanding of Serbian culture in expatriates’ perspective</td>
</tr>
<tr>
<td>7 What type of knowledge do you mostly transfer to Serbian employees?</td>
<td>To understand the type of knowledge</td>
</tr>
<tr>
<td>8 Can you give us an example of the kind of knowledge you transferred to Serbian employees?</td>
<td>To understand the context of knowledge</td>
</tr>
<tr>
<td>9 How good Serbs absorb the knowledge? (In other words, their willingness to learn)</td>
<td>To get the overall picture of knowledge transfer</td>
</tr>
<tr>
<td>10 In which way you prefer to teach? Is it more showing or telling?</td>
<td>To differentiate between tacit and explicit knowledge</td>
</tr>
<tr>
<td>11 Which of your skills have influenced knowledge transfer to Serbian employees?</td>
<td></td>
</tr>
<tr>
<td>12 Can you please outline the factors that have an influence on knowledge transfer? Is culture one of them?</td>
<td>To identify other factors that expatriates faced when transferring knowledge</td>
</tr>
<tr>
<td>13 Have you ever encountered a situation where you were transferring some changes in the way of doing business to Serbian employees, and they were not happy about it? Can you give details?</td>
<td>Uncertainty Avoidance dimension</td>
</tr>
<tr>
<td>14 Which word better describes Serbian employees, competition or collaboration? Why?</td>
<td>Masculinity vs Femininity</td>
</tr>
<tr>
<td>15 Which word better describes you and other expatriates, competition or collaboration? Why?</td>
<td></td>
</tr>
<tr>
<td>16 How do Serbs handle hierarchy, power allocation and decision making process compared to Turkish ones?</td>
<td>Power Distance dimension</td>
</tr>
<tr>
<td></td>
<td>Question</td>
</tr>
<tr>
<td>---</td>
<td>--------------------------------------------------------------------------</td>
</tr>
<tr>
<td>17</td>
<td>Do Serbian employees like to discuss, acquire or doubt your orders or your knowledge? Or do they work as you ask them to without questioning? Can you give examples?</td>
</tr>
<tr>
<td>18</td>
<td>Were you willing to transfer knowledge to Serbian employees and provide extra information, for example how to apply etc., if needed?</td>
</tr>
<tr>
<td>19</td>
<td>Was it important for you to speak the same language when transferring knowledge? Please elaborate</td>
</tr>
<tr>
<td>20</td>
<td>What was the process of transferring knowledge to Serbian employees without speaking the same language? Can you specify how you did it?</td>
</tr>
</tbody>
</table>
Thank you.