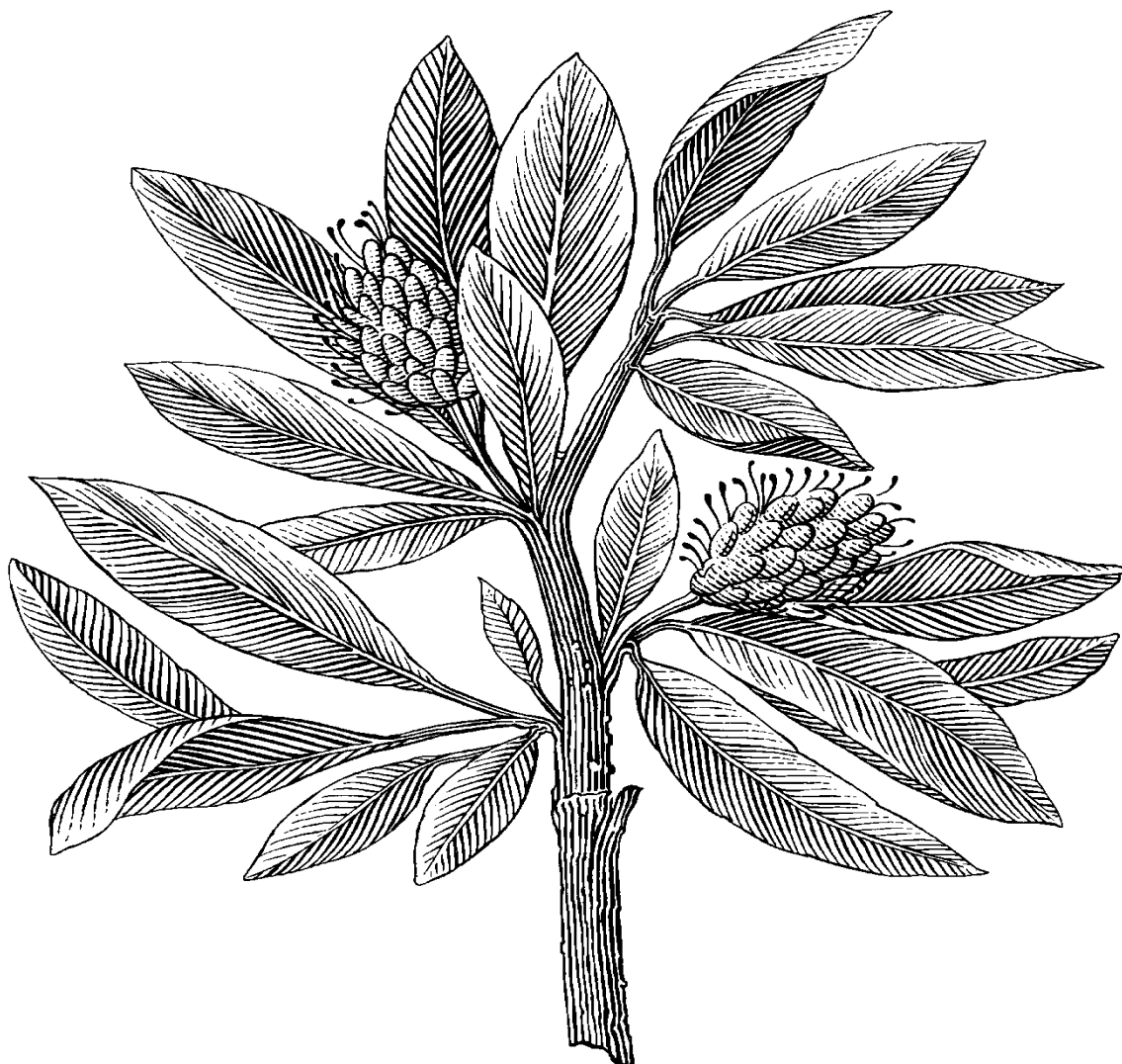


Bachelor Thesis

Knowledge sharing

- A case-study about how institutional environments in different countries can affect small and medium sized companies

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Abstract

The purpose with this research is to increase the understanding of how important knowledge sharing is within companies. It is also important to examine the institutional environment within countries and how this can affect a small and medium sized enterprise. In order to research these aspects we formulated a research question that resulted in; *How can the institutional environment in different markets affect the knowledge sharing within an SME?*

In our literature review we define what knowledge is and how it can be shared within companies. To get the understanding of the institutional environment we used a model that defines the different aspects that can impact companies within the society. We also examine what categories small and medium sized enterprises (SME) compared to large firms. To gather our information for our research we used a qualitative method with an abductive approach. We conducted a case-study about Scandinavian Orthopedic Laboratory (SOL). In the empirical chapter the respondents answers were structured so that we in the analytic part could compare and analyze the answers compared to the theory.

The conclusion indicates that the institutional factors within the society do affect companies, some factors more than others. Being an SME has made the knowledge sharing easier but it also indicates that it is important that everyone is included in the decision-making.

Abstrakt

Syftet med den här uppsatsen är att öka förståelsen om hur viktigt kunskapsöverföring är inom företag. Det är också viktigt att undersöka den institutionella miljön inom länder och hur den miljön kan påverka små till medelstora företag. För att kunna undersöka dessa olika aspekter har vi formulerat en forskningsfråga; *Hur kan den institutionella miljön inom olika marknader påverka kunskapsöverföring inom ett SME?*

I vårt litteraturavsnitt definierar vi vad kunskap är och hur kunskap kan bli överfört inom företag. För att få en förståelse om den institutionella miljön använde vi oss av en modell som definierar olika aspekter som kan påverka företag inom samhället. Vi undersöker också vad som kategoriserar ett litet till medelstort företag (SME) jämfört med ett stort företag. För att få den informationen som vi behöver för vår undersökning har vi använt oss av en kvantitativ undersökningsmetod med en abduktiv ansats. Vi genomförde en fallstudie om Scandinavian Orthopedic Laboratory (SOL). I det empiriska kapitlet har intervjupersonerna svar blivit konstruerade så att vi i det analytiska kapitlet kunde jämföra och analysera svaren jämfört med teorin.

Slutsatsen visar på att de institutionella faktorerna inom ett samhälle påverkar företag, vissa mer än andra. Att vara ett litet till medelstort företag har gjort kunskapsöverföringen enklare men det visar också på att alla inom företaget ska vara inkluderade i beslutsfattandet.

Keywords

Institutions, the institutional environment, knowledge sharing/creation/transfer, small and medium sized enterprises.

Thanks

As an introduction we would want to extend our gratitude to the people that has been involved during our research process and has made this research possible. First we would like to thank the people that we interviewed at SOL, founder and CEO, Begnt Söderberg, the managing directors Teddy Fagerström and Anna Lapinska and finally the CPO Chanida Atsawasaengrat. Without them this research would not have been possible.

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1. Introduction

In the first chapter a background presentation for our research will be made. Further the problem discussion brings up the complexity of knowledge sharing within small and medium-sized companies and how the institutional environment can impact the sharing within different countries. In the end of this chapter our research question will be presented.

1.1 Background

“Globalization means an increase in the permeability of traditional boundaries, including those around countries, economies, industries and organizations” (Thomas & Inkson, 2009 p. 11).

The foundation of globalization has been the increase of companies' movement from their national market to new markets and as a result the world economy is changing (Wild, 2008). The concept of globalization was founded in the 1960's and it has become a used term that affects people all over the world (Steger, 2009). Globalization has various meanings and can be described as a process or condition that is affected by for example economic, political, cultural and environmental factors. It can also be defined as a process where people, products, information and money can move across open borders (Lassarre, 2012). Steger (2009) describes that globalization is affecting the world in different ways. The concept can be transferred into “planetarity” because the entire planet is affected.

In the beginning of the twentieth century many large multinational corporations was established and changed the world for example through mass production and economies of scale (Burns, 2011). This has to some extent changed and in recent years small firms have become a world known phenomenon and today, 99.8 per cent of all companies in Europe are small and medium-sized enterprises (Lassarre, 2012).

Small firms are different from larger firms not only when it comes to the size of the company but they also tend to lack financial resources and small firms is considered to be more reliant on fewer customers than larger firms (Burns, 2011). According to Hollensen (2011) the owners of SME's tend to be more involved in especially the product development and are known to overlook the different sections in the company

closely. The owner is often a craft expert with a high knowledge about the product but can lack knowledge about the business disciplines. This is one major difference from a large firm where they usually have specialists on different departments in the company and they are usually experts within their fields (Hollensen, 2011).

In the increment of globalization firms take every opportunity to improve their competitive advantage and this can be made through expanding their business into a new market (Cavusgil, 2002). It is essential for companies expanding to examine the institutions in the countries' that they are establishing in to see how these different institutions can or will affect their performance on the market. According to Jansson (2007) institutions are defined as markets and societies where behavior and patterns are created. As a result the institutions affect each other when it comes to rules and behavior and in the end this affects the companies operating on the markets.

Institutions and markets change over time (Jansson, 2007). There is a difference on how the markets transition processes has been in different parts of the world especially between the former centrally planned economies in Eastern Europe and the countries in East Asia. When the communist society was destroyed new institutions needed to replace the old ones and it happened fast. In East Asia it has been more of a gradual process. The communist political systems are still in place in some of the Asian countries, for example China. In the eastern economies they needed to change their entire society over night while in Asia the changes were only made in the economic and related institutions. Most of the communist system has mostly disappeared in large parts of Asia but it has not lead to a change in the political systems (Jansson, 2007).

The conclusion that can be drawn from the previous section is that companies operating in a country in Eastern Europe will be affected differentially from the institutions than companies operating in Asia. When small firms want to expand their business it is important to examine the institutional environment within the country that they found attractive for their business.

The employees, working in a company are inheriting the behavior and rules from the institutional environment within the country (Jansson, 2007). According to Wang et al (2001), knowledge is embedded in the routines and behavior of the employees and the organization. When sharing knowledge within the company the institutional environment can as a result affect this process.

When small firms expand it is the knowledge and previous experience of the founder that is the base for the decision to take the next step in their expansion process (Hollensen, 2011). According to Wang et al, (2001) the ability of sharing the knowledge will depend on the ability of the founder to be able to share and to communicate the knowledge and previous experience in the most suitable way to the employees. Learning from experience is according to Darr & Kurtzberg (2000) something that can be proven to be beneficial for the company. If the employees learn from the previous experiences of the founder it will become easier to share the knowledge within companies because then the employees knows that it has worked before. To be able to share the experience that the founder possesses there are different aspects from the institutional environment within the countries that can affect the sharing of knowledge to the employees.

1.2 Problem discussion

The institutional environment is affecting companies that are operating on different markets in different countries (Jansson, 2007). Szulanski (1996) states that for companies to become competitive on the market companies need to improve and develop their organizational learning and the transfer of internal capabilities. To transfer capabilities within the firm can seem to be easy but according to Szulanski (1996) the process is difficult.

The process of globalization has opened up for knowledge sharing and knowledge has become a competitive advantage for firms on the international market (Argote & Ingram, 2000, Chong et al, 2010, Kalling et al, 2003). According to Easterby-Smith et al, (2008) there are empirical research that shows that companies can improve their business due to knowledge sharing within the firm but they also state that it is a complex phenomenon that needs further research.

To share knowledge within a company can seem to be easy but it can be a difficult process (Szulanski, 1996). Knowledge sharing can be defined as the knowledge that can be acquired by one group within the organization and then being transferred to another division in the organization. Knowledge is seen as a company resource and according to Barney, (1991) a company's resources can create their sustained competitive advantage. Nonaka (1991) discuss the importance of companies understanding how they can with the help of knowledge transform the company to become more successful.

As mentioned before 99,8 per cent of all companies in the EU are small to medium-sized companies (SME) (ec.europa.eu) and Chong et al (2010) states the importance for further studies about the knowledge sharing within SME's. According to Burke (2010) it is of importance to share the knowledge that the company poses within the organization and with the rise of many new improving economies and more SME's establishing on these markets has made the knowledge sharing area even more interesting to research. The author also states that knowledge sharing is an importance building block for SME's (Burke, 2010). There is research that has been conducted on how knowledge is being shared within organization to other countries, but most research has been done on larger multinational corporations (Kostova, 1999). The inter-organizational transfer of knowledge within the firm has also been researched by Easter-Smith et al (2008) but the focus has been on the general firm and that proves even more that the need for more research on knowledge-sharing within SME's.

Markets and countries are different from each other because of different institutions that can define the markets (Schwens et al 2011). It is of importance to analyze the institutions to be able to understand the market. There are different factors within the institutional environment that can affect the company and the factors can be divided into two separate fields (Jansson, 2007). The first field is societal institution, and the second is organizational fields. The societal institution is affecting the company from one way were the company cannot affect the institutions factors comparing to the organizational field where there is a two-way influence between the company and the second field (Jansson, 2007). The institutional environment within countries can affect the sharing of knowledge between the employees that are working within companies operating in these countries. As mentioned in the background the behavior and rules within the institutions can affect the sharing process. When expanding it is of importance to analyze different aspects within the country and one way of doing this is to examine the institutions and to see how they will affect the sharing of knowledge within the company.

When examining institutions and the institutional environment it is important to understand that there are different kinds of institutions, which can be divided into formal and informal (Schwens et al, 2011). Informal institutions are based on cultural factors that define patterns of behavior that regards trust and identity. It also includes norms and behavior that comes from culture. Formal institutions are based on political rules, legal decisions and economic issues. If the informal institutional distance is

extensive it can result in difficulties when companies are doing business in a foreign country. The larger the differences are in the cultural aspects between the host country and the home country it can cause uncertainties to occur. The higher the risks are on the formal institution on the foreign market, the more challenges companies will face when adapting to political, economic and legal factors within the country (Schwens et al, 2011).

The intra-firm transfer of best practice is a model that examines the process of knowledge sharing within a company (Szulanski, 1996). The model consists of four different stages, the initiation, implementation, ramp-up and integration stages. These stages examines the best way for the company to share the knowledge within the company and what aspects that can affect the sharing of knowledge. For this research the initiation and implementation stages that are the first and second stages are the most relevant. The implementation stage is where the decision is made to proceed with the sharing. The first stage contains all the events that have led to the decision to share the knowledge and the second stage is where the sharing takes place. During the second stage there are factors that can influence the sharing of knowledge. This is where the institutional environment is going to be analyzed to see how these different factors are impacting the sharing of knowledge within the firm.

Research question:

How can the institutional environment in different markets affect the knowledge sharing within an SME?

Purpose:

The aim is to examine how the institutional environments in Poland and Thailand are affecting the knowledge sharing within an SME and to see how these different aspects within the environment can affect the knowledge sharing.

The purpose with our research is to develop a deeper understanding of how small and medium sized companies share knowledge within the SME and to get a better understanding of which aspects within the country that is affecting the knowledge sharing.

We are going to achieve this through conducting four interviews with employees within the company. The interviews will be done with employees that work on two different locations as wells as different positions to get a broader perspective on our research.

Delimitations:

In the literature review chapter we are discussing the Basic Institutional Model and in that model three institutional levels are represented; the micro, meso and macro level. We have decided to limit the theory and focus on the macro level with an influence of the meso level because we find that these aspects on a country level is best suited for our research. The decisions were also based on that the macro level cannot be affected by the company comparing to the other levels. We have chosen to include the government aspect from the meso level because we think that it is closely connected to the political and legal aspects within the macro level. The other levels are more relevant for an industry analyzes and a company analyze. We are also using a model called the intra-firm transfer of best practice and it contains four levels, the initiation, implementation, ramp-up and integration stages. The focus will be on the first two levels due to as mentioned before this is where the decision to share the knowledge is taking place and in the second stage is where the decision to proceed with the sharing is made. It is in these two stages where the environment within the country can affect the sharing of knowledge within the company and that was the base for our decision to only use these two stages. The last two stages examine the implementation of the knowledge and this is not the focus of our research.

2. Literature review

In this section we will present the frame of reference that we are using in our research. To get a better understanding of what knowledge sharing is a model of knowledge sharing is presented. Further to get an understanding on how the environment in different countries is affecting the knowledge sharing, a theory about institutions and the institutional environment is presented. In the end a short presentation will be made about what categorizes a small and medium sized enterprise. We will end this chapter with a theory synthesis for the reader to better follow which theories that we have chosen for our research.

2.1 Knowledge

Knowledge can be defined as “*information whose validity has been established through test of proof*” (Kalling et al p.57, 2003).

According (Nonaka et al, 2000) knowledge is dynamic and it can be said to be “just” information but when it is put into context the information becomes knowledge. Information becomes knowledge when humans interpret and use it.

There are two different knowledge types, tacit knowledge and explicit knowledge (Nonaka, 1991). Tacit knowledge can be described as knowledge that the individual person in the company possesses. Explicit knowledge is usually formal and systematic and can be shared within the firm. The author Nonaka, (1991) describes that the interaction between these two types of knowledge can become the future success for companies. When a person within a firm is sharing the tacit knowledge with the rest of the firm the knowledge becomes explicit. It could also be the other way around when the company has an extended explicit knowledge and then the employees take that into their own way of working and interpret that into their tacit knowledge.

According to Szulanski (1996) the transfer of best practice within a firm can be conducted through four stages. These are initiation, implementation, ramp-up and integration.

Initiation

The initiation stage consists of previous events that have led to the transfer of knowledge within the company (Szulanski, 1996). The transfer usually starts with a need for new knowledge within the company. The decision to transfer can be undiscovered but it has to be in line with what the company wants and needs. When the decision has been made to transfer the search begins and this can result in new knowledge that can be proven to be useful for the company. When the need has been established and a solution has been presented the decision to further explore the transfer is considered. This process takes time and it can require months of data collection and research (Szulanski, 1996).

Implementation

During this stage the decision is made whether or not to proceed with the transfer of knowledge (Szulanski, 1996). The recipient and the source of the knowledge exchange resources for the transfer to become successful. For the transfer to become successful the source has to adapt to the needs of the receiver so that the receiver of knowledge does not feel threatened of the new knowledge that is being introduced. If there has been problems from previous experiences this also needs to be taken into consideration.

The activities only continue until the receiver of knowledge has implemented it in the company.

Ramp-up

This stage starts when the receiver of the knowledge starts to use the knowledge in their daily work (Szulanski, 1996). In the beginning the receiver of knowledge is going to be solving problems that occurs from starting to use knowledge. At first the new knowledge is probably not going to be used in the right way but after some time it is going to become a part of the company (Szulanski, 1996).

Integration

The last stage is all about the integration of the knowledge within the firm (Szulanski, 1996) and this stage is fulfilled when the receiver achieves the result that they want from the knowledge transfer. The knowledge becomes a routine within the company. After some time all of the employees within the company start using the knowledge and after a while it is well integrated. The knowledge and new practice becomes institutionalized and is perceived as knowledge that is needed in their daily work.

2. 2 Knowledge sharing

According to Kalling (2003) sharing knowledge and experience can be executed in different ways that is best suited for the organization and the members of it. The knowledge sharing can be conducted through for example workshops, email, meetings or seminars. According to Kalling (2003) & Wang et al, (2001) one important aspect that needs to be considered is the interaction between the members of the organization when the knowledge is shared. The interaction should contain questions and discussions to make sure that the members interact with each other and can take in the knowledge and experience they get. Kalling (2003) point out that it is important to integrate the knowledge in the right way inside the organization, and that the members have the ability to use the experience and knowledge that is being shared and turn it into an asset. The knowledge sharing can be seen as a competitive advantage if it is dealt with in the right way.

2.3 Institutions

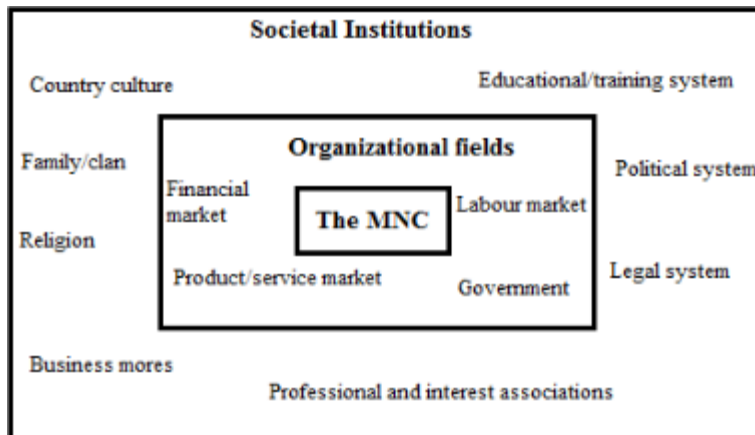
According to Scott (2008 p. 48) one way of describing institutions is *“Institutions are comprised of regulative, normative and cultural-cognitive elements that, together with associated activities and resources, provide stability and meaning to social life”*.

There are three different factors that can be said to have built the institutional structure; regulative, normative and cultural-cognitive (Scott, 2008). Theorists have identified all of these three factors as the base of an institution. The regulative aspect of an institution is that institutions restrain and regularize people's behavior. A tool to restrain and regulate behavior is done by establishing rules and by using sanctions. According to Scott (2008) the institutions purpose is to strengthen and restrain social behavior. The second aspect of an institution is the normative factor that is reflected by norms and values that are created by individuals in a specific country. The third aspect of an institution is culture-cognitive this means how people within countries see the social reality and through this find a meaning and everyday purpose within their society. It can also be described as the knowledge people within the country share. The three concepts can help categorize the social environment of a specific country (Kostova, 1999).

According to Jansson (2007) the structure of an institution is based on groups that are segmented in social levels that are affected by one another. People inside intuitions have for example behavioral patterns that make them act in similar ways to each other inside their institution. Institutions are based on factors such as; rules, habits, routines and behavior that is affecting people inside the institution. New members of institutions are quickly imitating these types of factors to become a part of the institution.

Characteristics of an institution can be divided into three factors; the first one is that institutions have rules that will impregnate the whole institution. The second factor is the ability to promote relations between individuals and groups and the last factor is foreseeability. Institutions are standardizing behavior and transferring rules that affect norms and the way individuals are thinking (Jansson, 2007). These patterns are reducing uncertainties and are stabilizing the institutions. All institutions have traditions and habits that affect the way of handling different situations. Behavior differs from individual to individual and inside different groups and organizations. If a behavior is repeated over time it can end up becoming a habit or tradition.

2.3.1 Table 1, The Basic institution model



(Source: Jansson, 2007)

According to Jansson (2007) the society is divided into different groups that are affected by rules that compose an institution. There are several factors that are affecting the institution and its environment. As the model describes the factors are divided into three levels; micro institutions, meso institutions and the macro institutions. The micro level represents the multinational cooperation (MNC) as an institution, and the micro level can be affected by the meso and macro levels and is located in the center of the model. The meso level represents the organizational field around the MNC's and it contains governments, products and services, financial markets and labor markets (Jansson, 2007). The government consists of authorities that are sharing common frames and the way of acting. Products and services markets represent different actors on the market and how they are connected to each other through competition. The financial market is based on capital and credit based systems. Credit based systems are financial intermediation that creates relations between banks and loan takers. The capital based market is when financial agents are competing with others for capital and assets. The labor market can be divided into two types of networks; market- based and organization-based reward systems. The market-based reward system is based on the individual professional and his/her craft competencies however the organization-based reward system is not dictated by the market but within the individual organization or through negotiations between employers and labor unions.(Jansson, 2007).

The macro level represents the societal institutions that can affect the micro and the meso level. The different institutions within the societal environment can in different

ways affect the environment of the institution (Jansson, 2007). The legal system is one of the factors that affect the institutional environment. It contains different rules and norms that the society needs to follow. According to Venkateswarlu et al (2012) there is a demand to form a legal system to be able to solve people's legal troubles and reduce risks in the society. The level of education differs between markets and can be a decision making point for companies when they choose to establish themselves on a new market (Jansson, 2007). A company can locate themselves where they believe the location will favor their business. The political system can affect companies operating on new markets. The political system can either be stable or unstable and this can also affect the companies (Jansson, 2007).

Business mores contains norms, values and code of conduct that can affect institutions within the society in different ways (Jansson, 2007). Business mores can in some markets be associated with corruption that can affect the institution. Corruption can occur when for example a company is giving extra money, favors or gifts to get special treatment. Values can be defined as the roots of the behavior in different countries (Jansson, 2007). Values can for example be the way people behave if they are hardworking, honest, have self-discipline and have respect for learning. Norms on the other hand are the guiding principles for the employees on how to behave in certain situations. It is also the behavior that is accepted within different groups. The culture differs from market to market and culture reflects people's behavior and gives an understanding on how people interact with each other (Jansson, 2007). Culture is close connected to religion and gives people security and the feeling of belonging. Culture and religion is built up by norms and values. According to Jansson (2007) understanding the importance of culture and religion shows knowledge.

One of the challenges companies are facing is the intercultural aspect when transferring knowledge between countries (Easterby-Smith & Lyles, 2003). The authors state that the communication process when transferring the knowledge becomes increasingly important and that culture has a major role to play in the transfer process. According to Magala (2005) culture can be described as a black box that contains values, meanings, norms and behaviors. This black box can also be described as an iceberg where factors that can be seen over the water's surface is behavior and abilities and under the water surface other factors can be found such as attitude, values, identity and beliefs (Warner et al, 2002).

2.4 SME versus Large firms

Globalization has created potential for small firms to grow and develop (Lind, 2012). A small firm is not just a smaller version of a large firm (Burns, 2011) there are several differences that separate them. Small and medium sized enterprises (SME) tend to approach risks in a different way than large firms that sometimes can be seen as irrational. When comparing small firms with large firms, small firms tend to have fewer resources and are more vulnerable when it comes to risk taking and a result of this is that it is important for SME's to have extensive knowledge to be able to survive on the global market (Mejri et al, 2010). Due to that the small firms often lack financial resources the key to success lies in investing more time instead of money (Burns, 2011).

Resources within a company can either be tangible and intangible and will affect the company's position on the market. SME's that have less resource often lack tangible resources for example financial or technology assets but they can compensate this by intangible assets that can be different types of knowledge (Mejri et al, 2010).

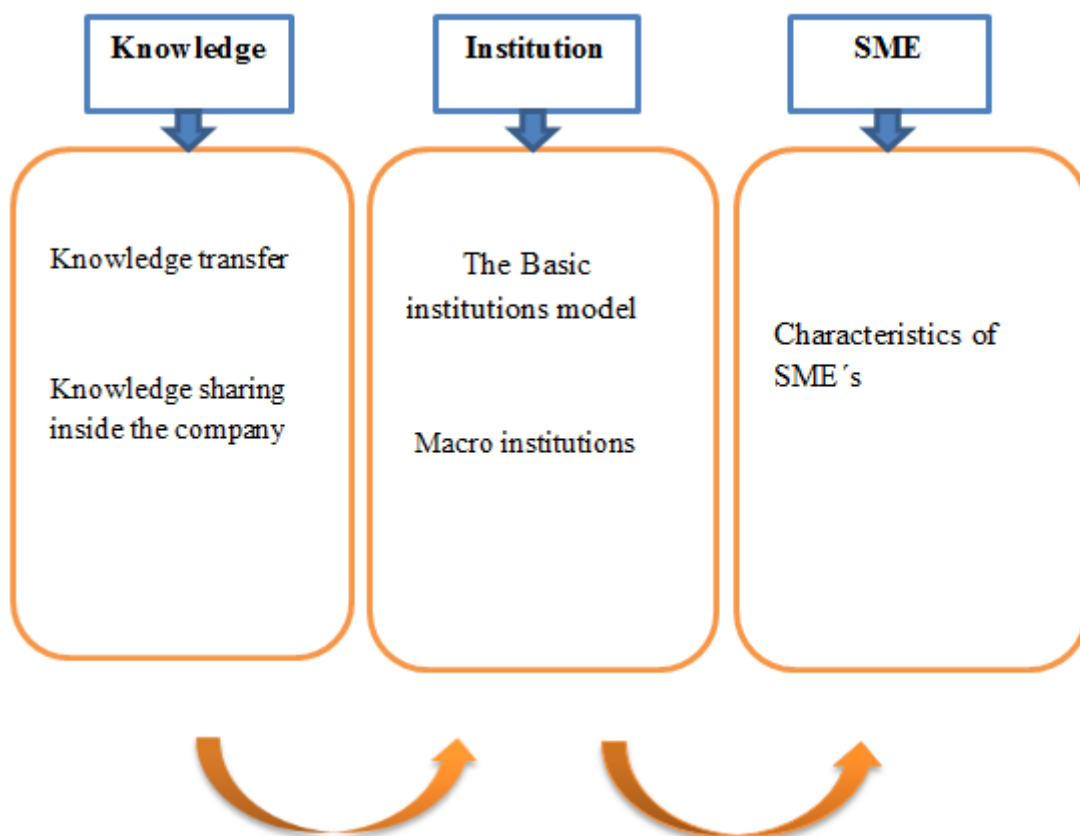
As mentioned previously SME's tend to have less financial resources than larger firms (Hollensen, 2011). Another characteristics is that the founder usually is a craft expert in the field and do not have an extensive business education. They tend to be closely involved in every part of the organization.

Larger firms tend to have more of a formal decision-making where long term goals are what the firm follows; smaller firms on the other hand tend to follow a more entrepreneurial decision-making process (Hollensen, 2011). This is characterized by fast changes in the decision-making and short-term goals. Employees within small firms are usually closer to the manager of the company. As a result the personalities of the employees need to match the managers to have a successful relationship and to be able to share knowledge within the company. Risk-taking is also something that differs between large and small firms. Larger firms tend to be more risk-averse and more focused on long-term opportunities than small firms. For small firms it can end up being different circumstances that will affect the decision-making process. New opportunities can occur that the small firms can take advantage of. The entrepreneur takes more risk due to the search for new opportunities and they tend not to gather all the relevant

information that is needed. Small firms are also more flexible than larger firms and they can react quicker to opportunities (Hollensen, 2011).

SME's have to overcome different barriers when entering a new market (Lassarre, 2012). The barriers can either be financial difficulties or unexpected problems that can arise from doing business in a foreign environment. Typical barriers can be finding the right information that they need about the foreign country. There can also be difficulties finding the right distribution channels that suit the company and also the complexity of the foreign channels. The political situation can be a barrier when the rules and regulation are not what the foreign firms are used to (Lassarre, 2012). There are of course many other barriers that the SME will face and that is why it is of importance to analyze the foreign environment before entering the market.

2.5 Theory synthesis



Model 3, Source: Theory synthesis (own model)

Knowledge is seen as a competitive advantage and it has become one of the companies' most important resources. It is of importance to share knowledge within the company and we find it interesting to research how different institutional environments in

different countries are affecting the knowledge sharing between companies that is situated in two different markets. The Basic institution model is used to better understand the macro level within the country and to see what aspects of that level affects the knowledge sharing within the company.

As mentioned in the problem discussion most research has been done on larger multinational corporations and that is why we found it important to research small and medium sized-companies and see how the institutional environment in countries affects them. The decision was also based on that the characteristics differ between large multinational corporations (MNC) and small and medium sized-companies (SME). SME's tend to have fewer resources than MNC's but they do tend to have more intangible resources for example knowledge. That is why it is of importance to further research how knowledge sharing is affected within an SME.

3. Methodology

We have decided to use qualitative method with an abductive research approach. Further we have decided to conduct a case study. The data collection is going to be gathered through primary and secondary data. Using both will give us a broader understanding of the subject.

3.1 Research approach

There are three different research approaches; induction, deduction and abduction (Alvesson & Sköldbberg, 2008). Which one to use in the research is based on what type of role the theory is going to have in the analyzing part.

According to Ghauri & Gronhaug (2010) induction takes general conclusions from the observations that have been conducted with the empirical material. The induction process is conducted through observations, findings and theory building, the result of this process should be managed to connect to theory and prove the theory right.

Induction is in most cases connected to qualitative research. An induction approach cannot be proven to be right to 100 per cent because the result of an induction is based on observation that can differ from case to case (Ghauri & Gronhaug, 2010). We have decided not to use the induction approach due to factors such as that induction draws conclusions from several cases and connects these into one general conclusion

(Alvesson & Sköldeberg, 2008). This approach is not relevant in our case because we are examining one case and not several and that is why we have chosen to use this type of approach.

Deduction on the other hand proceeds from one general rule and then concludes that the case explains a specific type of interest, this approach can be seen as less of a risk than using induction. According to Ghauri & Gronhaug (2010) deduction should result in logical results and need to be trustworthy and logical. This type of research is connected to quantitative research. The decision was made not to use the deductive approach because it drives from theory and then the theory is trying to be understood through collecting empirical data and then either the theory is proven to be right or the theory is adapted to the new findings.

Abduction should be the best-suited approach for case studies where one case is interpreted from an overall pattern that in the end can explain that specific case (Alvesson & Sköldberg, 2008). During the research process the empirical material is collected and theory can also be refined with new relevant theories. Since we are studying one case and then comparing our case with the reality the decision was made to use an abductive research approach. We wanted to examine the different patterns of the case-company and then try to explain the specific case and that was also one reason for choosing this approach. Alvesson & Sköldberg (2008) discuss when conducting a case study an abductive research approach is the most relevant to use. The abduction approach proceeded from empirical research as well as the induction approach but it does not rule out going back changing the structure of the theory as well. The abduction approach is combined by empirical research and theory and this can be used to find a pattern that can result in understanding the specific case and this is also a reason why we decided to use the abductive approach in our research. We want to get a deeper and more detailed view on one specific case that later one can be used by similar companies that are in the same position that our case-company and to be able to do that the focus needs to be on one company and this will be achieved by conducting an abductive research approach.

3.2 Research method

There are two types of research methods; qualitative and quantitative (Fejes & Thorneberg, 2009). The quantitative method is based on numbers to describe the reality.

When conducting a quantitative research method the authors examine and record “how many” that do something and then compare that to other research that has been done in that same field. By using a quantitative method the authors try to explain something through collecting data that is pre-conducted and then the data that has been collected is compared to the pre-made categories (Fejes & Thorneberg, 2009). The quantitative approach measures the answers through numbers and how many that is doing something. This method is not relevant in our case because we are not gathering data that later on will be compared to already pre-made categories.

Using a qualitative method the researchers are trying to understand and then analyzes the data that has been collected. The data is often collected through interviews or by observation. The decision whether to choose the qualitative or a quantitative approach is based on how the methods are used and what the purpose is with the research (Morgan, 2014). The qualitative approach has the purpose to try to understand the meaning of the subject being analyzed and then tries to analyze the different parts and as a result put all the different aspects together to get a broader perspective on the subject (Merriam, 2009). The qualitative research approach believes that there are several realities while the quantitative approach believes that there is only one reality and that everything is static and does not change (Merriam, 2009). In the qualitative approach the best way to achieve the results is to observe and document what happens in a real environment. We decided to use a qualitative approach since our methods of collecting data are interview-based. We are going to examine one company by establishing a real-time contact within them to better understand how they operate. We will then analyze the questions that we will receive from the interviews to get a broader and deeper perspective on the subject and this is why the qualitative method is best suited for our research.

3. 3 Research strategy

According to Yin (2014, p.16) a case study “*investigates a contemporary phenomenon (the “case”) in depth and within its real-world context, especially when the boundaries between phenomenon and context may not be clearly evident*”.

Further a case study can be defined as a research that will examine a phenomenon; it can be for example a person, company or a process (Thomas, 2011). The point of a case study is that the focus will be on the phenomenon that is particular rather than a general phenomenon (Thomas, 2011). In a case study the research is made to understand why

and how something is happening that is affecting the phenomenon. To provide the answer of why and how some things are happening the authors need to found evidence that can back up the result of the case study (Thomas, 2011).

To determine if a case study is the most appropriate way of doing the research is depending on factors such as what type of questions the authors will use, the degree of control they have and what result they can envisage (Merriam, 2009). It is also important to identify the specific field the authors want to examine to make sure that the subject has a clear focus when doing the research (Merriam, 2009). When doing a case study the authors can use an organization or company to understand the problem better, by doing this they will get a wider view on how the problem occurs for example by studying how the company or organization is operating (Höst et al, 2006)

A case study will give a deeper understanding and it is flexible where the authors can change the questions and direction during the research time (Höst et al, 2006). The data collection is most often qualitative instead of quantitative, both are applicable but the most common one to use is a qualitative focus (Höst et al, 2006).

When doing a case study the authors can use different techniques to collect the necessary data for example interviews and observations (Höst et al, 2006). Interviews are often conducted to get a greater understanding of a company. Interviews can be divided into three categories; first there are structured interviews that are based on questionnaires where the person being interviewed is answering them (Höst et al, 2006). Semi-structured interviews are based on the author's questions and can change the order of priority during the interview to be able to get the best answer as possible. The last category is open interviews where the people that are questioned will partly control the interview as long as they are keeping in line with the subject (Höst et al, 2006). The second technique of collecting information and doing research is through observations where the researchers under a certain period of time observe changes. These observations can be analyzed to find different patterns. The information from the observations will be collected and analyzed (Höst et al, 2006). The last technique of collecting information is to use archives from earlier analyzes that can help the authors to understand how others have done the research before and what kind of results they have gathered from it before. If the case study is made for a company the authors can then use the company's history archives to found a pattern of the decisions and the development the company in recent years (Höst et al. 2006).

3. 4 Design of the case-study

According to Yin (2014) case studies can be divided into single or multiple case studies. The need for a formal design when conducting a case-study is not necessary but having a design of the study can make it easier to do as well as more robust. Within these two there is the holistic and embedded analysis where holistic analysis is a single-unit of analysis and the embedded is conducted through multiple units of analysis. A case study is close connected to descriptive and exploratory research, and is often used in business studies when the phenomenon that is being researched is too complex to study outside the natural settings and the concept is hard to quantify (Ghauri & Gronhaug, 2010). One reason to use a single case study is to study the common case (Yin, 2014). Doing this the researcher can capture an every-day situation. The lesson can be that the social processes can be related to the theory. This is one reason why we wanted to do a single case study so that we could study one company's daily work and to get a more detailed view on how they are operating and are affected by different institutional environmental factors. This would not have been possible through conducting a multiple-case study.

3. 5 Description of the case-study company

Scandinavian Orthopedic Laboratory (SOL) is the case company that we are going to analyze and it is located in Thailand and in Poland. They are producing prosthetics that are custom-made to suit their customers perfectly. SOL was first established in Helsingborg, Sweden and for an extensive period of time they provided the University Hospital in Helsingborg with all prosthetics. For over 30 years they have been conducting business all over the world. They have been in Thailand since 2010 and provide prosthetics for private customers and customers that have subsidies from the Thai government. SOL has been in Poland since 2002 and they are also working close with institutions all over the world as well as the world health organization (WTO). Bengt Söderberg the founder has established the company on many different locations all over the world. The first expansion was to Iraq, he has also developed business in Great Britain, Israel and Poland. We have decided to focus on two of the markets. The decision was based on the types of markets. Thailand was an easy choice because we have connections there and we also had the opportunity to visit the facilities to come closer to the company. We decided on Poland based company because it is successful and has been operating longer on that market. When examining the knowledge sharing

the company in Poland can be seen as the model that the company in Thailand wants to work towards becoming.

The decision to interview the chosen four people were based their different positions in the company. Bengt Söderberg, the founder of the company was our first priority because we assumed that he would have the most knowledge about the transfer and sharing of knowledge within the company. The decision to interview the managing directors was based on that we wanted to interview employees within the company that work with the general questions, and they are located both in Poland and Thailand. Further we decided to interview a person that was working producing the product and how she perceives the knowledge transfer within the company.

The people that we have decided to interview are;

- Bengt Söderberg - Founder and CEO of SOL
- Teddy Fagerström - Managing Director in Thailand
- Anna Lapinska - Managing director in Poland
- Chanida Atsawasaengrat - CPO (Certified Prosthetics and Orthotics) in Thailand

3. 6 Data collection

There are two types of research data, primary and secondary (Nykiel, 2009). Primary data collection can be conducted through interviews or observing people of interest. The researcher interacts with the person by asking questions to come to a result. Secondary data is collected through a third party. The third party can be governments, agencies and publications. The best way is to gather the secondary data first before conducting for example an interview. It is often through searching the secondary data that the researcher will find reasons to conduct a primary data collection (Nykiel, 2009).

Secondary data

Secondary data is information that the researcher can find but has not collected (Nykiel, 2009). Usually secondary data can be findings in articles and books. The researcher can use secondary data to get a broader perspective on the subject and find information that can build their primary data collection. The benefits of using secondary data are that it is easy to gather information that is relevant for the research. The researcher has to be aware of and analyze the different sources and the researcher cannot control any of the

information in the articles and books. Secondary data can either be collected through external or internal sources. Internal data can be collected within the firm for example through their homepage and other sources. External data can be collected outside the firm for example in agencies and governments (Nykiel, 2009).

Primary data

Primary data is used when secondary data is not available or not enough for the research and the author for the research need to collect new information that is relevant and needed (Ghauri & Gronhaug, 2010). There are different ways of gathering primary data for example through questionnaires, experiments, observation and surveys (Nykiel, 2009). Even if the researcher conducts an interview or a survey, questions needs to be considered. Which type of data collection the researcher chooses depends on the purpose of the research being conducted (Kumar, 2011). Sometimes lack of resources can hinder the best way of doing the research and also the skills of the researcher. There are three ways of getting the information for the research these are, observations, interviews and questionnaires. We have decided to use semi-structured interviews in our research. A semi-structure interview results in information of personal and attitudinal material that goes under the name of social sensitivity (Ghauri & Gronhaug, 2010). When conducting semi-structured interviews the questions are pre-made but the interview is open where the questions can change (Höst et al. 2009). The decision on which interview type that is going to be used is based on the specific interview type and what structure the researcher wants (Merriam, 2011). When conducting a qualitative research method it is suggested to use a less structured interview. A semi-structured interview enables the researcher to get some basic answer that they need but the order of the questions is not determined. This makes it possible for the researcher to ask new questions if the structure of the interview were to take another direction (Merriam, 2011). The decision to use a semi-structured interview is based on these previous statements. We wanted the interviews to answer the basic general questions but we also wanted the person being interviewed to share their own personal opinions. Using a semi-structured interview enables us to get a more detailed view and more personal view of our case study.

The four people that we decided to interview work on different levels in the company and one of them is situated in Poland and two are working in Thailand and the last person is traveling back and forth between the different locations. Three of the

interviews were done through personal semi-structured interviews and the fourth through email. We asked the fourth person if we could have a Skype interview but she thought it was better through email.

3. 7 Operationalization

It is important to understand the theory to be able to better formulate the questions for the interviews (Jacob & Furgerson, 2012). According to Sohlberg (2009) operationalization is when the authors can modify theory into information and then interpret and design relevant questions. We used the theory to be able to structure the interview questions; it is important that the questions are adapting to the theory. Our operationalization is structure from three blocks of theory, Knowledge sharing, Institutions and SMEs.

Knowledge sharing

When formulating questions about knowledge transfer we decided to use a theory from Szulanski (1996). The theory brings up four different stages where knowledge is created and shared within the company. The questions will be constructed to give us answers about how knowledge is being shared within our case-company. The focus will be on the first and second stage. In the first stage the need of new knowledge is thought of and in the second stage the process to share the knowledge is started. When the transfer is started in the second stage the institutional environmental factors surrounding the company can affect the transfer and sharing of knowledge and that is why we have developed questions to try to see how these factors have affected the knowledge sharing within the company.

Institutions

When we structure the questions to the interview it is important to get a wider view of the company and to gather the information that we need to understand the environment that the institutions are surrounded by. According to Jansson (2007) there are different factors that affect the institution and its environment and it is important to get an overview of the factors that affect the institution to further understand if these factors have affected the sharing of knowledge within the company.

Small and medium size enterprise (SME)

There are differences between small and large firms and the way they can be affected by factors such as the environment and the market that they are operating in (Mejri et al, 2010). Questions will be constructed to find out if these institutional factors have affected our case company in any way just because they are a small and medium-sized company.

3. 8 The design of the interviews

We decided not to give the questions out beforehand because we did not want the persons that we were going to interview to prepare in advance. The first interview that we made was on the 28 of April 2014 and it lasted for 2 hours. We had to do this interview before the interview guide was finalized because Bengt Söderberg whom we interviewed was going back to Sweden. As a result the interview was conducted in a different way than the rest of the interviews. It did not affect the answers because the unfinished question contained the same content and it was the structure of the question that was not ready so we got the information that we wanted and needed. We did some changes to the interview questions because after the first interview we thought it was more relevant to ask questions about the institutional environment and not focus so much on the knowledge transfer. After making the changes to the interview questions we had the second interview on the 4th of May 2014 and it lasted for one and a half hour. The third one was on the 6th of May and the last interview we got the answer on the 6th of May by email. The negative aspects with receiving answers by email is that the answers tend to be shorter and the person has time to think about the answers before sending them back. The interview will not be personal and as the interviewer you are not able to ask follow-up questions.

3.9 Research quality

In this section the quality of the research will be analyzed and questioned. When collecting data, the result needs to be valid and also reliable and the people reading the research need to be able to trust the information in the research (Merriam, 2011).

Validity

According to Ghauri & Gronhaug (2010) validity is most common to use in a traditional research when using a qualitative research. One aspect that can influence the result of

the case-study is the researcher's previous experiences. It is of importance to make sure that the way that the case-study material is collected is suitable for the concept so the result is considered to be valid (Yin, 2014).

According to Yin (2014) the correct internal validity is when the investigator is giving the exact observation of the research and is not changing anything to make the research and observation connected to each other. Internal validity is all about to what extent the result needs to be consistent with reality.

There are different strategies that the researcher can use to determine the internal validity (Merriam, 2011). Triangulation is one way which means using several information sources and several methods to confirm the result of the study. Further the researchers can ask the participants within the study to audit the results and then determine if the results are valid or not.

External validity brings up if the research is generalizable or if it is just applicable for that specific research. For example if the research has been done for one specific company and if it is applicable for another company that is categorized in the same field it can be valid (Yin, 2014). The external validity has been proven to be difficult within the qualitative method when it comes to the factor to be able to generalize the research. When using a case-study the researcher chooses one company to get a detailed and deeper view of that case and not to find out something that is general for many (Merriam, 2011).

Reliability

According to Yin (2009) reliability means that if another researcher conducts the same research they will end up with the same result. Merriam (2011) also discuss that the research that has been conducted should be able to be replicated. The problem with this statement is that in the sense of researching humans it can become a problem because humans do never behave exactly the same every time. Due to this when conducting a qualitative research the results will most likely never be exactly the same and this is why the question should be “whether the results are consistent with the data collected” Merriam, (p.221, 2009). When conducting a qualitative research the best way for the researcher to prove that they have conducted a reliable research, is to show how they have managed to get that result (Merriam, 2009). When conducting a case-study it is

important to document the research so that if someone questions the research everything is written down so the result can be proven (Yin, 2009).

According to Merriam (2011) reliability and validity are connected and states that the internal validity is something that the author sound focuses more on because if the internal validity is high the reliability of the research is also going to increase.

In our research we have stated clearly which theory and which method we are going to use to make sure that the reader of our research will find it valid and reliable. We also recorded the interviews to make sure that we did not leave out any valuable information in or empirical section.

3.10 Research process

We started our research by examining different theories and through this we found the topic that we wanted to research and it resulted in a research question suitable for the research. During the research we had to make some changes to both the theory and the research question but the changes did not affect the basic structure. It was done to get a more narrowed perspective on the research question because we started out researching too broadly. We had established a contact with a company previous to the start of the research so the interviews were booked in advance and because we decided to do a case study the company was very much involved during the research.

A theory synthetize was made to make it easier for us to follow the theory and through operationalizing the theory we made the interview questions. After we had gathered the empirical data we started analyzing the collected data with the literature review as the basic model. This was then concluded in a discussion and conclusion where we related that back to our problem discussion and research question.

4. Empirical Data

In this section we will present the primary data that we have collected from our four semi-structured interviews that was made with our case company Scandinavian Orthopedic Laboratory (SOL). We will start with an update on the company and then a presentation on the four people that have been interviewed will be presented.

Scandinavian Orthopedic Laboratory (SOL) has been in Poland since 2002 and in Thailand since 2010. The founder Bengt Söderberg has previously established businesses in Iraq, Israel and Great Britain. To gather the primary data we made three interviews in Thailand where we got to visit the hospital where the company is located and one interview was made through email with an employee in Poland to get different aspects of the knowledge transfer and sharing within the company. We decided to do four interviews with different employees to get a broader perspective and from different angles.

Bengt Söderberg - Bengt Söderberg is an educated CPO (Certified Prosthetics and Orthotics) and he is the founder and CEO of SOL. Bengt started the company in Thailand in 2010 and is responsible for the company and to educate the staff. He is an entrepreneur and has started up companies in different markets where he has gained necessary experience. Through this he got the knowledge he needed.

Teddy Fagerström - Teddy Fagerström has been working in SOL, Thailand for 2 years and is the Managing Director. He takes care of general questions that appear within the company. Fagerström is an educated orthopedic sergeant. He moved to Thailand in 2004 and he speaks fluent Thai, and this has become a useful knowledge when the Thai culture can be different from both the Swedish and the Polish culture.

Anna Lapinska - Anna Lapinska is situated in Poland and she is the Managing director and is also an educated CPO. She is responsible for all the departments in the company in Poland and she also creates future goals that the company wants to achieve. Lapinska is also responsible for the PR and marketing and she has been working in the company since 2002.

Chanida Atsawasaengrat - Chanida Atsawasaengrat has been working within the company in Thailand since 2010 and is an educated CPO. Her responsibility's is to take care of the patients when they come to get treatment and she also takes care of the follow-ups.

Knowledge

Knowledge is seen as fundamental resource within the company and according to Söderberg there are two types of knowledge that he thinks is important to transfer within SOL to be able to run the business. The first is technical knowledge that helps the technician to create the products. The second knowledge is the attitude inside the company that reflects the whole business. Söderberg points out that a lot of times it is really important to have the right attitude towards the company, employees and customers. For Söderberg it is important that the employees that work within the company are both caring and humble and are willing to share the knowledge that they possess.

Stages in the sharing process

Initiation

Söderberg wanted to start a new company and saw the potential in the Thai market when he was there visiting the hospital. He was there for another reason but started discussing the matter with the board of the hospital in Phuket and he saw a need for his products on the Thai market. Söderberg needed to prove that the product that he could provide to the new market was demanded by the society. The quality of the product that he could provide was something that was missing on the Thai market. To prove the importance of the new product he needed to strengthen the argument with research and information that showed the quality of the product. Fagerström lived in Thailand when he got the request to start to work for Söderberg and the company SOL. Fagerström explains that he also saw the potential in the market and the need for the product, and with Söderbergs knowledge and experience the product could turn out to be successful on the market.

The knowledge that Söderberg possesses has proven to be the most valuable resource for the company explains (Fagerström). The experience that he got from opening up the same business in other countries and undergoing the same procedure has made it easier to open up in Thailand. According to Atsawasaengrat & Lapinska, the founder,

Söderberg has taught them the knowledge and techniques that they have needed and he brings in new knowledge and information to the company when it is required.

The knowledge sharing that has been the most useful is the knowledge that Söderberg possessed from previous experience in Poland. Söderberg mentions that it is not difficult to bring in the knowledge but to share the knowledge from a foreign country and transform it into knowledge that is applicable for that specific market, and interpret that knowledge has in SOL's case proven to be difficult (Fagerström).

Sharing the knowledge between the two countries is done through Söderberg (Lapinska & Fagerström). He is the one that travels between the two companies and monitors the development. If something is working well in Poland Söderberg is most likely to share that knowledge to Thailand and the other way around (Fagerström). This is also stated by Lapinska & Atsawasaengrat that if something is not working it is Söderberg that they ask if something needs to be changed. Söderberg states that it take a long time to get everything ready when setting up a company in a new market, and when that is done it takes even more time to make it a working company that runs smoothly. Up to this point it has taking six years in Thailand and the business are still not operating smoothly, but he explains that the time is one of the most important things when starting up a business and that it took up to eight years before the business was operating well in Poland (Söderberg).

Implementation

Atsawasaengrat, Lapinska, Fagerström all state that Söderberg brings in new knowledge and information if it is needed and is the main source of the knowledge. According to Atsawasaengrat as a receiver of new information and knowledge it is important to have previous knowledge and experience to be able to interpreted and implement the knowledge and information that has been transferred. Through the previous knowledge that she possesses she can determine if the knowledge can be useful or not. If the receiver of knowledge does not possess the right knowledge Lapinska explains that it can end up having a completely different meaning when it has reached the receiver.

According to Fagerström knowledge sharing has been proven to be very useful in SOL's case. For them it has been very important to bring the expertise from the field of work and teach the staff the real work because according to Fagerström they do not get all the knowledge necessary from the university. This is also stated by Atsawasaengrat

that they get the theoretical knowledge but the learning itself is achieved through practice.

A factor that can affect the transfer of knowledge is how motivated the staff is to share the knowledge that they have gathered (Fagerström). In Thailand the employees are not used to work in teams and share the knowledge that they possess. They are used to being taught what to do and then they do it but do not question the knowledge or try to improve it. In the company in Thailand it is according to Fagerström a question of personal chemistry where there has to be a connection between the employees so that they feel comfortable to share it with each other. Atsawasaengrat explains that sharing knowledge and interacting with each other is something she and her colleagues are learning every day and this is something that is needed be implemented more in the company.

Knowledge that has been transferred and used before are easier to implement than knowledge that has never been used before (Fagerström & Lapinska). As mention before Söderberg has been active in different markets and has a lot of experience with different cultures and markets. In a knowledge transfer process it is important to provide the knowledge with research and theory to prove that the knowledge is useful and correct to make sure that the knowledge will be perceived as reliable. If Söderberg has not brought in the knowledge himself he needs to analyze the knowledge before he can implement it to know if it will work or not in the company, (Fagerström). Trust is also something that is of importance for the company (Söderberg). The employees need to feel like they can trust the knowledge being transferred to be able to interpret the knowledge into their own.

According to Lapinska the company in Poland shares information and knowledge to each other on a daily basis. The sharing of knowledge has helped everyone to gain new knowledge and improve the work they are doing, one reason for this can be that everyone feels comfortable with each other and can have open discussions. The relationships within the company are well working and this is stated both from Fagerström and Lapinska. The personal chemistry is something that has been a crucial factor to be able to operate in both Thailand and Poland.

According to Fagerström the most important knowledge is being able to document everything that is being conducted within the company. The employees need to document everything from the first meeting with the patient to the end when the

procedure is done. This is something that they have been struggling with (Fagerström). At the moment the employees do not understand the importance of documenting everything and this is a knowledge that needs to be further transferred within the company. It is important to take the knowledge that has been working before and use that in Thailand (Fagerström). One example of this is a database that all previous cases are documented and everyone within the company shares the knowledge and then uses it within the company. This database includes cases from Thailand and Poland so the transfer of knowledge becomes extended when both parts of the company are bringing in their experience and knowledge. This is also one way of creating knowledge that both parts can take advantage of and use in their daily work.

All new employees get internal education when they start working at the company in Poland (Lapinska). The company in Thailand also has internal education for their employees but not to the same extent as in Poland (Söderberg). This is also one way of creating the knowledge within the firm.

Institutional environment within Thailand and Poland

Markets differ from each other and it is important to get the right knowledge and understand the environment that can affect the institutions within the country (Lapinska). According to Lapinska the Polish government has not put an extensive interest in supporting physically disabled people and as a result of this the government does not endorse disabled people that are in need of medical prosthetics. Today modern prosthetic and orthotic services that contain experience, know-how and technology is lacking in both Poland and Thailand (Söderberg). The Thai government does give companies that are certified through the board of investment tax exemption (Fagerström). They also receive money from the government when their customers are going there through the hospital, if they have insurance. Fagerström explains that the situation with the government in Thailand is the same as in Poland, that the government does not have an extensive interest in supporting disabled people. The knowledge in the countries on how to take care of their disabled people is absent in both the countries and this has put some constraints on the business in both Thailand and Poland (Fagerström).

The legal system within Thailand has impacted SOL in the sense of getting the right licenses necessary and that is why it is important to understand the environment within the country to be able to develop the company. Fagerström states as mentioned that they

have had difficulties getting the licenses necessary to be able to fully establish the business. To be able as a foreign company to establish their business they need to be certified by the Board of investment in Thailand otherwise a foreign person can only own 49 per cent of a company situated in Thailand (Fagerström). So to be able to set up the company they had to get certified by the Board of investment. At this stage they have a license to operate but they also need a license to import supplies from overseas. Getting that license to import supplies for their product has been one of their main issues (Fagerström). They are still waiting for the approval to be able to import supplement. The company has been waiting for more than one year for the distribution license and for now they have to rely on the supply from the Thai market. The reason that they need the license is due to the fact that the Thai produced material is not equivalent to the far superior quality material provided from producers overseas and that is why they want the license to be able to import the right quality supplies. The reason that they did not do this before entering the market was that the research that was needed was not done properly. If they had applied before entering the market they would have had the license at this stage (Fagerström).

Before the company was established on the Thai market there were different factors that needed to be considered before entering the market (Söderberg). Söderberg points out three factors that he needed to examine. As mentioned previously there are licenses that need to be approved by the Thai government and that is one of the factors to be able to start up a business there. The second factor is market demand, and according to Söderberg the demand was high and the product did exist but not with that high quality and function. The already existing product on the market was rare and indicated that the market demand was there (Söderberg). The last factor that Söderberg prioritized as one of the most important is a well-established education system that could provide the company with well-educated staff. Söderberg points out that it is very important to find the right person for the right position, otherwise it will not work. When employing a new staff member their values and attitude is as important as the education. The values and attitude that is required of the staff member is that they need to have compassion and be thoughtful because of the contact they will have with customers. They need to be able to give and show the customers that they have the employee's full attention and focus all the time that creates quality (Söderberg). The education that is required to work is a certified prosthetics orthotics (CPO). The education system in Thailand is very good comparing to Poland where Söderberg needed to internally educate the staff

to a wider extent than in Thailand. These three factors were building the ground that was needed to be able to start and run the business in Thailand. All these different factors were based on the previous experience that Söderberg possessed from building up the same company in Poland.

Aspects that can be difficult for new companies entering the Thai market are that it is not easy to find out what regulations and rules that applies to the company especially since SOL is a new business that is operating on a new field in Thailand (Söderberg). The knowledge about this type of products is very low and that is why it is even more difficult for them to grow fast on the Thai market (Fagerström). The Thai government does not provide the regulation policies in English and this makes it even harder for a foreign company to enter the market. The communication often needs to be done through an agent that knows the culture and language (Fagerström).

The education system in Thailand is of very high standards and finding the right skilled people to do the job has not been a problem (Fagerström). Söderberg explains that the education system in Poland was not good enough for the company so they did internal education for their staff. The university in Bangkok has one of the best programs for becoming a certified prosthetics orthotics (CPO). The only problem the company has is that the program is relatively new and has only been operating for nine years. This is the reason why Thailand lacks CPO's (Fagerström).

It is important to think about different norms and values in the country that the business is established in (Fagerström). In Thailand it is common for the employees to take the knowledge that they have been taught and then quitting the work and starting their own business (Fagerström). In the case of SOL because it is such a specific product and it takes many years to get the right knowledge the trust towards the employees are higher within this company. It would not be easy for the employees to take the knowledge and start-up a competitor business due to that they are relying on the knowledge and internal education from the managers (Fagerström). Saying that the employees do need to sign a contract saying that if they are being sent to a course they have to pay the price for it if they do not stay at the company for more than one year. This is one way of making sure that the knowledge is staying within the company (Fagerström).

Corruption is a factor that can affect the business environment and this can be seen in both Poland and Thailand (Söderberg). In Poland corruption can be seen through that people are favoring people on the business market to get a favor in return for example to

be able to speed up processes that needs to be done. The same type of corruption can be found in Thailand, and if companies choose not to give extra money or make a favor to speed up different processes or documentations that needs to be approved, the waiting time will be very long. Söderberg and Fagerström both explained that it would become much easier if they would use corruption in some situations. As mentioned before the company has some difficulties at the moment and is still waiting for documents that are needed. Fagerström & Söderberg knows that everything could be easier if they paid or did some favors to be prioritized, but they also know that if they do that they will face difficulties in the future that could destroy the company or create problems (Söderberg & Fagerström).

When examining the cultural differences and religion the main difficulties come from the cultural differences not religion (Söderberg). The Thai people are very humble and polite (Fagerström) and this can affect the business both in a positive and in a negative way. The employees tend not to ask uncomfortable questions and are not used to be a part of the decision-making process. This can become a problem because they are a small company and it is very important with everyone's opinion and working as a team. The employees do not bring up their own opinions but the employees rely on their manager instead (Atsawasaengrat). The cultural differences do not affect the final product but it can affect the process getting to that point (Fagerström). It is easy to teach the employees how to do it but as soon as they have the right knowledge they are very effective but they do not interact to improve the business they often see their work as just work. One complication that they have seen as a problem is that the owner Söderberg is from Sweden and is bringing Swedish culture of business into the company and it can be difficult to transfer the culture to a new market. The Thai people conduct business in a different way from Swedish people. For example the decision-making in Thailand, the employees do not feel left out if they are not a part of the process while in Sweden they employees feel privileged if they can be a part of that process (Fagerström). According to Söderberg the culture in Poland has not affected the company or created any difficulties, this is also stated by Lapinska.

Markets differ from each other in many ways and culture, corruption and attitude are a few factors that can be completely different from market to market. Söderberg explains that the attitudes towards disabled people are different from the western world. If a person is disabled or becomes disabled the situation is completely different in both Thailand and Poland compared to a person in the western world where they can get

good help and service. In Thailand the service and equipment is poor and the disabled people are unfortunately staying inside their houses instead of getting a better life by paying for a quality prosthetics.

According to all the persons that we have interviewed, the company is a working place where they are working in teams. Atsawasaengrat states that when she first started in the company she was uncomfortable to ask questions but now due to the working environment within the company she now feels more involved in the different processes. She mentions that Söderberg and Fagerström have brought in some of the Swedish way of working where employees can discuss issues with the ones in charge. According to Atsawasaengrat it is different to be employed by a foreign owned company than a Thai owned company. She used to work for a government owned company and in that company she did not feel that she could question the decisions made by the manager. This was something that she had to adapt to when she started working for SOL.

In Thai culture younger people, students and employees have a respect for their boss in a way that makes it complicated for them to discuss improvements and contributing with their own opinion. The communication inside the company can become more difficult when it comes to sharing knowledge and information between each other (Söderberg & Fagerström). Thai people expect the superior to know what decisions to make and what to do in different situations. So by having discussion groups and meetings where the employees need to share information can be hard sometimes because of the culture. They are trying to have meetings where the employees share their opinions. In the beginning it was one of their main issues but now when they have been operating for a while this has changed (Fagerström).

Sharing of knowledge within an SME

Fagerström explains that it is important to share the knowledge that has been gained with the rest of the company so that everyone gets the same information that is needed. It is especially important to share the knowledge when the company is small, to be able to always develop the company. When a company is small it is easier to see the development that the company is doing (Lapinska). According to Atsawasaengrat the Thai people are educated not to question decisions but in SOL she and her colleagues learn all the time to be more outgoing and ask questions. All employees understand the importance of sharing knowledge between each other because of the size of the

company and it is also easier to share the knowledge when the company is small and the staff can have open discussions. The benefit of being a small company is that the communication becomes easier even if the culture has affected that process to some extent. The time it takes to proceed with the paper work is less when the company is small (Atsawasaengrat).

Lapinska explains that the communication inside the company in Poland works very well and they have weekly meetings where they can discuss difficulties and other questions. She also states that the communications between Poland and Thailand is working well where the only problem is the time difference and the language. Lapinska states that being a small company makes it easier to communicate with each other and everyone will have access to the same knowledge and information.

5. Analysis

This section will present our analysis where we have studied and connected the empirical findings with the frame of reference. This chapter starts out with analyzing the knowledge sharing within the company and further we will present how the institutional environment has affected SOL. In the end an analyze will be made on how the company have been affected by the institutional environment from an SME perspective.

5.1 Knowledge sharing within the firm

Knowledge is dynamic and can change, it starts out as information but when it is being put into a context the information becomes knowledge (Nonaka, 1991). According Argote & Ingram (2000) & Chong et al, (2010) knowledge has become one of the company's most valuable resources.

Söderberg points out that in SOL's case there have been two types of knowledge that has been proven to be necessary for the company to become successful. First it is the technical knowledge and this is the knowledge that the employees need to be able to create and develop the product. Second it is important to have the knowledge about different attitudes to be able to understand the employees, the company and the customers. This is seen from Söderberg's point of view where he believes that different

attitudes within the country is important to have knowledge about, to be able to establish the business there. Further the attitudes that the employees have are really important for the knowledge sharing within the company.

We as researchers have perceived that if the employee's attitudes are similar, it is easier for the company to work towards the same goals. It makes it simpler for the managers to introduce new knowledge if the employees want to achieve what is best for the company. This can also be seen from the empirical material were Fagerström mentions that in Thailand it is common to only do what is asked from employees. They do not tend to be creative and do things that's is not within their work description. For new business establishing on the Thai market it is important to analyze the different attitudes within the country and according to us, if the company does not understand this, it can make it difficult for them to become successful. The awareness of different attitudes becomes very important.

According to Kalling (2003) knowledge can be shared in different ways to fit the employees and the company. For example the knowledge can be shared through emails, seminars, workshops and meetings. It is important that the employees interact with each other so the knowledge and experience can be implemented as an asset and that everyone understands and learns from.

The empirical material shows that there is a connection between the theory and the empirical research when it comes knowledge being shared through interaction between people, this is applicable when the employees of the company gets internal education to receive the knowledge that is needed. Internal education is also something that SOL is using to create the knowledge inside the firm (Atsawasaengrat & Lapinska). According to Fagerström they have internal education to keep the knowledge in the firm. The employees learn from each other and are spreading the knowledge through interaction on a daily basis (Lapinska). Fagerström mentioned the importance of teamwork within the company. In fact SOL encourages their employees to work in teams, (Lapinska). It is important with teamwork to make sure that the knowledge that is being shared is interpreted in the right way. Working in teams is something SOL does to make sure that everyone can be a part of the decision making and development process.

5. 2 Knowledge transfer

According (Szulanski, 1996) there are different stages in the transfer and sharing of knowledge within the firm. There are four stages in this process; the initiation, implementation, ramp-up and internationalization stages. The stages that this research has been focusing on are the first two stages, which are the initiation, and the implementation stages because these are where the knowledge is needed, created and shared.

The initiation stage starts with previous events within the company that has led to a need for knowledge transfer and sharing (Szulanski, 1996).

Söderberg went to Thailand six years ago and saw the need and potential for his company product on the Thai market. The product existed on the Thai market but it was not up to the same quality as what SOL could offer the market. Söderberg saw the potential to transfer the knowledge from the Polish market to the Thai market. When Söderberg started the company in Poland the market was unstable and it took him eight years before the company became successful. When he first started the company in Poland the market for prosthetics did not exist but now twelve years later the awareness about prosthetics has grown in Poland. The society in Poland is becoming more acceptant of disabled people and the people living there have now understood that they have the right to get the best quality products. Söderberg explains that he saw the same potential on the Thai market six years ago as he did twelve years ago in Poland.

We as researchers have perceived that the decision to expand was because he saw a need for his products on the Thai market. Söderberg saw a lack of knowledge within Thailand about prosthetics and he knew that he could become a part of making the population in Thailand aware of that there are high quality products to receive. The previous experience becomes an important part within the decision-making to expand and we consider that without the knowledge and the experience it would have been difficult for him to establish the business in Thailand. Söderberg has through his previous experience been able to transfer knowledge between Poland and Thailand and he knows what type of knowledge that is the best to transfer. One example is that he understands that it takes time, up to several years to establish a new business on a new

market and this is the type of knowledge that he has brought with him into the business in Thailand.

The implementation stage is where the decision is made to share the knowledge within the firm (Szulanski, 1996). The surrounding environment can affect the receivers and the sources capability to share the knowledge within the company. Relationships are important in the company to foster the knowledge sharing (Szulanski, 1996).

Fagerström mentions that the personal chemistry and good relationships within the company is very important to be able to share and interpret the knowledge. Attitude is an important factor for the company and it is close connected to personal chemistry. Atsawasaengrat also discuss the importance of the well working relationships and if everyone is willing to share the information within the company the knowledge can be shared successfully between the employees. However as we perceive the information, relationships can also be connected to the attitude within the company and that without the right attitude and motivation the knowledge sharing process can become less successful.

We consider that without the personal chemistry it will become difficult to be able to discuss important matters, because without the chemistry the employees can interpret discussions as personal and that it is something wrong with their way of working. This is why it is so important with good relationships in the company so the employees know when not to take it personal.

If the knowledge sharing is going to become successful or not can depend on the relationship between the source and receiver of knowledge (Szulanski, 1996). According to Atsawasaengrat it is important as a receiver of knowledge to have the right knowledge to be able to determine if the transferred knowledge is useful to implement or not. One aspect to think about is that the receiver of knowledge might not be willing to take in the knowledge that someone else has come up with and might not be willing to implement the knowledge. According to Söderberg knowledge needs to be proven to be useful so that the employees are willing to implement it. Atsawasaengrat believes that without the knowledge that she possesses from her education and previous

work it would be more difficult for her to interpret the most useful knowledge to use in SOL.

We confirm the importance of having the right background knowledge to be able to interpret knowledge and share it. Particularly in SOL where the knowledge is industry specific and that shows how important education is to be able to make the right decisions in the company to always develop it.

The transfer of knowledge between Poland and Thailand is done through Söderberg and because he is the founder of the company we believe that his intentions are to transfer all the necessary knowledge that is needed to make the company in Thailand as successful as in Poland. The empirical research has shown that Söderberg is the main source of knowledge and it is through him that the knowledge is being transferred between the countries. All the employees within the company both in Thailand and in Poland believe that Söderberg as the source is reliable when it comes to the transfer of the most suitable knowledge. This can be related back to the section about having the right previous knowledge to be able to interpret and use the knowledge.

5.3 Institutions

There are different factors that define the institutional structure; regulative, normative and cultural-cognitive, that can affect the institution in different ways (Scott, 2008). The structure of the institution is based on groups that affect each other in the society (Jansson, 2007). People inside institutions are affected by each other through rules and routines that result in behavioral patterns (Scott, 2008 & Jansson, 2007).

To get a deeper understanding on exactly which of the different institutions that is affecting the company we decided to use the Basic Institutions model to further see which factors that are affecting our case company in our research.

The model divides the society around the company in three different levels; the micro, meso and macro levels (Jansson, 2007). We have been examining the institutions within

the macro level but with an influence of the government in the meso level that we believe is a part that we found necessary to examine.

The government has impacted the company in the sense that they do not receive the support from neither the Thai nor the Polish government (Söderberg & Lapinska). The company in Thailand is receiving some money from the government but not enough to give the patients the best products that they deserve. According to Atsawasaengrat & Fagerström the disabled people in Thailand do not feel comfortable to go outside and they are not aware that there are quality products to get.

We consider that the governments within the two countries need to become aware of the situations for the disabled people. Without the support from the government in form of subsidies it will be hard especially for the company in Thailand to keep growing on the market.

The legal factor is within the macro level and it can impact companies in different ways (Jansson, 2007). The legal system within Thailand has affected the company when it comes to receiving the right license to import supply into the Thai market (Söderberg). The company has been waiting for more than one year to receive the right paper work. They have the license to operate but it is the license to import that they are missing at this stage. To be aware of the regulations that are applicable when operating in Thailand is not easy for foreign owned companies. The policies and regulations are not provided in English, making it difficult for foreign owned companies to operate on the market. Fagerström points out that without someone that knows the language and knows how business is conducted it can be challenging to operate in Thailand.

We as researchers consider that the empirical research shows that market research needs to be done properly before entering the market. Without the right knowledge companies can end up doing the same mistakes as our case-company. It becomes even more difficult when companies are already within the market and then realize that there is more legal aspects that they need to consider. According to Fagerström the need for local knowledge is one important aspect and our case-company has managed to understand the need of local employees working within the company to better understand the culture in the country. However we saw some difficulties for SOL,

because the founder is foreign and Söderberg is bringing in the Swedish way of thinking and this makes it difficult due to that he sometimes lacks the knowledge to understand the Thai market.

Corruption and the legal system is according to us closely connected. It is important for companies to consider and analyze how integrated the corruption system is in the country. According to Fagerström & Söderberg (2014) corruption can be found in both the Thai and Polish market where they have had the opportunity to do favors for different persons. For example giving gifts or money and as a result the time it would take to proceed with paper work would as a result be shorter. They explain that the company have decided to not be a part of corruption because it can result in legal difficulties in the future.

We understand that corruption is well integrated in the Thai system and that is affecting companies operating on the Thai market. In Poland the situation was worse twelve years ago but has now improved. The company has made the decision, not to be involved with corruption because it can end up affecting them negatively in the future. Corruption is something that companies in Thailand face every day (Fagerström) it is a part of the country culture.

Education is one other institutional factor that can influence the company within the macro level. According to Jansson (2007) the level of education can differ between markets and can become a decision making point for companies when they want to establish on a new market.

Söderberg explains that one criterion he usually analyzes before he decides to enter a new market is the education system. This is done to be able to hire well-educated staff that can help him develop the company. The education system in Thailand is of good quality compared to the education system in Poland and that has resulted in more internal education in Poland than in Thailand. As Söderberg mentions in the empirical section he had difficulties hiring well-educated employees in Poland due to the education system. Due to that the education system in Thailand was of high quality, made him make the decision to expand there. The decision was also based on that he did

not need to educate the staff in Thailand as long as in Poland due to better previous knowledge of the employees in Thailand.

According to us education can be connected to previous knowledge that we mentioned in previous section. It is important not only when it comes to the employees having the right previous knowledge but also how well the education system is in the country. If the education system in the country is well working the need for further education is not necessary to the same extent.

Further, business mores is another factor that can be found in the basic institutional model and contains norms and values that can affect the institution (Jansson, 2007) Norms and values can be connected to culture, family clan and religion. Business mores can affect the institution when it comes to the way of doing business. Norms and values influence the way people within institutions behave. Different markets have different culture and this makes culture very important to examine for firms (Jansson, 2007).

When it comes to the decision making process Söderberg & Fagerström wants the employees to be a part of the process. For the employees in Thailand this does not come naturally to them. Atsawasaengrat points out that she used to work for a Thai owned company but now when a company that is foreign employs her, she can tell a difference. In SOL she feels that she is a part of the decision-making and she can question the decisions made by the managers. According to Söderberg another aspect that has affected them is that the Thai people are very humble and polite. This can be related back to the decision-making process were they do not want to say anything that is against what the managers are saying even if they know that they are right.

The cultural differences have to some extent affected the relationships within the company in Thailand but it has not affected the production process (Fagerström). The cultural differences were more noticeable in the beginning when they did not know each other but this has changed since they have been working close to each other developing a stable and trustworthy relationship (Fagerström).

We as researchers consider that without well working relationships and organizations that foster knowledge sharing it would be difficult to transfer knowledge within the

firm. Thai people are raised and educated not to question decision processes or be a part of the decision-making. This has complicated knowledge sharing within the company because the employees have difficulties sharing experience and knowledge with each other. This difficulty can hinder the knowledge and information to flow smoothly inside the company and that can affect the work and it can take longer time to make important decisions. It is hard to bring in new knowledge in the company if the knowledge is going to be embedded within one employee because of the problem with discussion and sharing. We understand that this problem has improved but it is still a working progress. The time it takes to improve this type of behavior can affect the company depending on how long it can take to change the behavior of the employees.

5. 4 Sharing of knowledge within an SME

According to Burns (2011) a small and medium sized enterprise (SME) is not categorized just for its size, there are a numbers of factors that defines an SME. They are often more vulnerable when it comes to risk taking and often lack tangible resources, but that can be complemented by intangible resources for example different types of knowledge (Mejri et al, 2010). The employee's within an SME is often more closely involved in the organization than employees that work in a large firm (Burns, 2011).

Being a small company has made it easier for SOL to share the knowledge within the company. They are trying to make all the employees within the company to become a part of the decision making processes. Lapinska states that when the company is small it is easier to follow the development of the firm. Atsawasaengrat mentions that the time it takes to proceed with paper works takes less time because they are a small company.

We consider that if the company would have been a large firm it would have been difficult to involve all the employees in the decision-making. Involving the employees is something we consider is crucial for SOL to develop their company because the employees have a change to say what they want and change things that they are not satisfied with.

The decision making processes and communication tend to be quicker and more flexible and the employees often have a closer connection to the manager than in large firms (Hollensen, 2011).

According to Lapinska & Atsawasaengrat being a small company has made the communication easier within the company between Poland and Thailand.

Atsawasaengrat mentioned that she used to work for a large company and during her time there the decision-making was only made by the managers, they did not involve any of their employees. This has been one of the major changes for her because when she started at SOL she was expected to be involved with the decision-making process and she was expected to have a close connection to all the managers within the company. This was difficult for her in the beginning but this has changed now when she has gotten used to this. The decision-making process and communication between Poland and Thailand are easier to handle when the firm is small (Fagerström & Lapinska). The communication within the firm is through emails, and on both the locations they have weekly meetings where they discuss the happenings of the week. According to Söderberg it is important with meetings so that the employees can express if they are satisfied or unsatisfied with something within the firm and that it is important to bring up what needs to be changed to be able to develop the firm. All the employees understand the importance of sharing the knowledge between each other because of the small size of the company (Lapinska, Atsawasaengrat, Fagerström & Söderberg).

We as researchers have perceived that the internal communication inside the company in both Thailand and Poland is well working because all the employees state that the size of the company helps them to share knowledge and communicate easier with each other. However we consider that the size of the company has not affected the knowledge sharing but the cultural differences have affected the communication within the company in Thailand because the Thai people have difficulties to question the decision made by the managers.

6. Discussion and conclusion

In this section we are going to present our result from the research that we have conducted by answering the research question. Further we are going to present our recommendation that we have concluded for our case-company.

Concluding the research question:

In our research, knowledge has been shown to be a very important resource within companies. Our aim was to examine if the institutional environment within the countries has affected the sharing of knowledge and if the size of the company has had an impact on these factors. This lead down to the research question: *How can the institutional environment in different markets affect the knowledge sharing within an SME?*

We consider that the institutional environments affect small firms and one of the major aspects that we found was the cultural difference. Small companies can easier share knowledge inside the company however due to cultural differences the knowledge sharing can be hindered. For companies operating on different markets they need to be well educated about the cultural aspects of the country that they are going to establish their business in. Culture is closely connected to attitudes and the institutional environments within the society that the company is operating in can affect these attitudes within companies and it can affect the work inside the firm.

We consider that if there is a difference in attitudes between the employees and the managers this will affect companies. If the employees are “just” doing their work because they have to do it, they will have a different attitude compared to the manager that wants to keep developing the company. This can also be related to cultural differences within the countries, if the founder and the employees do not have the same attitudes they can misinterpret knowledge that is being shared within the company. To foster knowledge sharing within companies we argue that teamwork has a positive impact and make employees get involved. Cultural aspects such as different attitudes that exist within different countries can affect the company, however we can conclude that working in teams is benefical for the knowledge sharing. This can be related back to the institutional environment where we conclude that the culture within the society in different countries is affecting the attitude of the employees and this can impact the knowledge sharing.

The knowledge sharing is also affected by the norms and values within countries that are also related to culture. Further the characteristics of SME's have been shown to affect the sharing of knowledge for example due to the closeness between the founder and the employees. The sharing of knowledge also becomes easier when the company is small, the decisions- making processes involves all the employees within the company and this is one aspect that we consider to be a crucial factor for companies to become successful on new markets.

We consider that the government cannot directly affect the knowledge sharing inside companies. However it can affect the knowledge sharing indirectly if companies face complications with the government that can results in difficulties in the development process for companies. If they are affected by external factors such as the government it can create problems inside the company and affect the implementation of new knowledge. Rules and regulation is according to us connected to the government aspect within the country. We argue that the rules and regulation can indirectly impact the company, due to factors such as laws that needs to be followed, and if there is no awareness of these different laws it can affect the company and indirectly affect the knowledge sharing. Without a well working company the sharing of knowledge will be hindered.

After conducting our research we found that using one source of knowledge can be useful for companies in the beginning when they start up the business because often the founders of companies tend to have the most necessary knowledge to start up the companies successfully. However one aspect that we consider can hinder the knowledge sharing, is if the only source of knowledge decides not to be involved with the company any more. It can also hinder the development of companies if the source lacks or does not receive new knowledge. Using one source of knowledge can also be related to that the employees within a small firm tend to have a close relationship with the founder of the company and the personality of that person plays an important role when it comes to sharing of knowledge. Within small firms the manager/founder tend to have more technical knowledge than business knowledge. We consider that this can affect SME's were if the founder lacks business knowledge it can impact the future of the company because we argue that companies need to possess both the technical and the business

knowledge. If they do not possess both it can be difficult to proceed with the company, it can be easy to share the craft knowledge but the founder also needs to be able to develop the company to become successful so we argue that the founder/manager needs to possess both types of knowledge for the company to become successful.

6.1 Managerial implications

We believe that previous experience is one aspect that needs to be further studied in the knowledge sharing theory. We argue that previous experience is a knowledge resource that is needed to be able to transfer the right knowledge within companies. Having previous experience can make it easier to know what type of knowledge that is needed in different situations and what will work in the future. We believe that without experience and knowledge it is difficult for new SME's to enter a new market and to know all the different aspects that can impact them. The knowledge gained from one market is the fundamental part in the decision to expand to a new market. Further we believe that it is not easy to share knowledge between two different countries without being well prepared beforehand.

6.2 Theoretical implications

We used the Basic institutions model (Jansson, 2007) but we argue that the levels sometimes overlap each other, for example the government that is placed in the meso level could be situated in both the macro and the meso level and we argue that the governments can in different ways influence the company on the micro level. We also used this model for small and medium sized companies while it is meant for larger companies. We argue that a model similar to this model should be developed for small and medium sized companies because it is a very useful model when wanting to understand how the institutions in different countries can influence the company on the micro level. As our research shows that there are differences between small and large firms that is why we consider that a new model for small and medium sized companies is needed.

6.3 Recommendations for the case-company SOL

After conducting our research with our case-company we argue that there are some changes that we believe would be beneficial for them. We believe that they should consider other sources of knowledge from outside the company. As we mention in the analysis we believe that they rely too much on Söderberg's previous experience. That is why we argue that they should use external sources of knowledge to be able to develop the company in the right direction. We understand that it could be difficult for a small company to hire consultants that could help them gain more market shares, but the consultants can have a better understanding of the market. Even if it would be expensive we believe that this could give them a stronger position on the market.

As we mention in the empirical section there is a computer-based system where they can gather previous cases about their patients and share it within the company. We believe that they should keep developing this system because then the knowledge sharing between Poland and Thailand will become more effective.

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Tables:

Table 1: Basic Institutions model, Jansson (2007)

Table 2: Theory synthesis

8 Appendices

8.1 Questions

- How is the country environment affecting the company and the knowledge that is transferred, in sense of government rules, politics?
- Has the educational system in the country affected the hiring of the most knowledgeable employees?
- How has the religion and culture in the country affected the knowledge transfer?
- What type of financial resources does the company receive from the government, and has it affected the knowledge transfer?
- How has the legal system (within Poland/Thailand) affected the knowledge transfer?
- What does norms and values mean to you and how will that affect the knowledge transfer?
- How does the communication process work between Poland and Thailand?
- What barriers affects the communication between Poland and Thailand? (For example; language, culture, religion, traditions)?
- What does knowledge transfer mean to you and how/why can it be important?
- How motivated are the employees to share the knowledge between the units within the organization?
- How important is trust to you and how has it affected the sharing of knowledge?
- What has been the most successful transfer of knowledge so far?
- How do the employees share the received information with the rest of the employees?
- How has the size of the company affected the knowledge transfer in any way?
- If the knowledge has been transferred before, can it make the knowledge more reliable? Why?
- How can the source of the knowledge affect the knowledge being transferred?
- How can the receiver of knowledge affect the knowledge transfer?