Managing Knowledge during Internationalization

The Case of Ntex

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Abstract

The view of knowledge as a strategically important asset for organizations is nowadays widespread and and the choice about how to manage this asset internally has gained increasing attention. Existing literature indicates that internal management of knowledge differs in Small- and Medium-sized companies (SMEs) and Multinational companies (MNCs). However, companies that do not belong to either of these two categories have not yet received enough attention in research. At this stage, they begin to face pressure on changing the way they manage knowledge internally in order to adapt their organisational structure to the business capacity and the quality and volume of their operations. As a result, a case study has been conducted on the Swedish-based firm Ntex AB, to investigate what characterizes internal knowledge management in an organization at this stage of development and the relative challenges and implications for their processes. The results indicate that a hybrid version of knowledge management is utilized that is characterized by predominantly informal practices in combination with fewer formal practices regarding explicit knowledge. The main challenge identified was the task of pinpointing and deciding what path to take in order for their internal knowledge management to develop jointly with the evolution of their business.

Keywords: internal knowledge management, knowledge transfer, international business.

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List of Abbreviations

INT   Interview

IT   Information Technology

MNC   Multinational Corporation

SEK (M-)   Swedish Kronor (Million-)

SME   Small- and Medium-sized Enterprise

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1. Introduction

The introductory chapter will sketch the canvas from which the entire research developed in this paper takes its base. After a depiction of the background to the study, a problem discussion will follow and the research question presented. It continues with outlining the purpose and delimitations of this thesis as well as the overall research outline.

1.1 Background

The demonstrated close connection between organizations´ knowledge management and improved company performance has lead to a sharply positive interest in the literature and research on knowledge management during the last decade (Mosconi & Roy, 2013). The previous emphasis on production factors and their importance for the success of the business has faded and attention has instead been increasingly directed towards knowledge as the most strategically important asset in a firm (Chen, Lin & Yen, 2014). Even though managing knowledge has always been of great importance for both individuals and businesses, the view on the importance of it has intensified in recent years and more significance has been placed on the economic value it can have for firms (Mosconi & Roy, 2013).

In the fast paced and competitive era that we live nowadays, knowledge plays a core role for all types of companies, both in terms of improving their performance as well as achieving growth and competitive advantages (Skojett-Larsen, 2000). Knowledge also aids businesses in tackling the constantly changing business environment and by utilizing and managing this intangible asset in the best way possible they can ensure long-term viability (Mosconi & Roy, 2013). Through effective knowledge management, a firm can recognize, develop and renew knowledge in the organization and be able to deliver innovative products to their customers while at the same time improving the overall performance of the firm (Ibrahim & Heng, 2015). Knowledge is therefore considered a highly important and strategic asset for organizations of all sizes and the way it is obtained, shared and learned within the firm, often summarized in the term knowledge management, is central to the value and success of a business (Mosconi & Roy, 2013).

Knowledge management practices are no longer solely applicable and relevant for larger organizations but are equally important for organizations of smaller sizes (Ibrahim & Heng, 2015). This paper will take its standpoint from a focused examination of the knowledge

management of an SME and, more specifically, knowledge transfer across a foreign subsidiary and the parent company of a firm that operates on an international scale.

1.2 Problem Discussion

The existing literature regarding the management of the crucial asset that is knowledge can be roughly divided into two segments. On one hand, we have studies carried out on MNCs of all sizes that frequently stress the importance of structured and formalized processes and procedures for an effective knowledge management (Teece, Pisano & Shuen, 1997; Hansen, Nohria & Tierney, 1999). They emphasize control mechanisms such as integrated knowledge management systems that incentivize the sharing of know-how and policies that encourage and facilitate internal knowledge transfer in these globally dispersed organizations (Barkema & Gomez-Mejia, 1998).

On the other hand, we have research concerned with knowledge management in SMEs. These studies highlight the lack of awareness that these companies often have concerning internal knowledge sharing practices and how the management's use and application of such practices is commonly at an infancy stage. At this stage in their development, they are rather concerned with the daily operations and company survival than to codify and organize knowledge. As a result, these firms often have scarce formal processes in place for the management of knowledge and, instead, they rely heavily on unstructured and informal mechanisms (Ibrahim & Heng, 2015). Moreover, the expansion of a firm, not only in the sense of internationalisation but also through the increase in size and establishment of new units, is the main cause for the need of development and extension of the coordination and communication systems. This development is applicable for the internal relations within the firm´s offices and geographical locations as well as the external relations between the company and other parties that they interact with. The success in performing this task is highly dependent on the strategic coordination between the managerial and organisational strata of the firm (Pangarkar, 2008).

However, not many studies can be found concerning companies that do not belong to one of these two extremes. That is, those companies that have recently transited from being a relatively small domestic player to an increasingly international large organization. They are too large to be classified as an SME but are not yet classified as an MNC as described in

previous literature. In this stage of development, the firm is, in many cases, still working as a smaller organization when it comes to knowledge management but is often facing increasing pressure to formalize the way it manages their knowledge in order to control a larger and increasingly international company and stay competitive. A solid understanding of the characteristics and challenges of knowledge transfer at this stage is currently lacking. The new demands that often characterize this period might give rise to changes and new challenges in an organization that have not previously been seen at SMEs or MNCs.

This identified research gap offers a good opportunity to add to as well as to complement to the existing literature. Consequently, we want to study how knowledge sharing is being carried out in practice at a company in the recent internationalization phase, with a focus on the main challenges that are connected to it. The scope of the research goes also as far as inquiring the reasons underlying the current degrees of variance in the needs for codification and formalisations of processes, and the weight and effects these categories of actions have on the companies' resources and procedural habits.

1.3 Research Question

What are the characteristics and main challenges of internal knowledge transfer for a company during an international expansion momentum, and what are the implications for the level of structural formalisation of the processes?

1.4 Purpose

The aim of this research is to study what modes of sharing knowledge is being utilized at a company in the early stage of internationalization in order to distinguish the main challenges connected to this time of transition and change. Our intention is to gain new insights that will complement and contribute to the existing literature on knowledge sharing. We will look into how and why knowledge is shared within the organization in that particular way and what their main challenges currently are.

1.5 Delimitation of the Study

This thesis will study the main challenges connected to knowledge management at a company in the recent phase of internationalization. It takes its beginning in the extensive present literature in knowledge management and, more specifically, knowledge transfer. It

aims to complement the large body of existing literature within this field making the generalizability of the study, and the findings generated from it, specific to this subcategory.

In addition, the study is industry as well as company specific with the data being obtained from one single international company. The individuals interviewed for the thesis are expected to have been affected by their own personal and professional background as well as the context and environment of the workplace and the interviews conducted. This suggests that the results and findings could have differed if the study had been conducted in another setting. Thus, the findings from this thesis should be understood as being specific to the distinct case studied here and cannot be generalized any further.

1.6 Research Outline

This thesis is divided into six parts, which are further elaborated on below.

Introduction

The introductory chapter presents a brief background to the subject of the thesis as well as the reasoning to carry out this study in order to contribute to the existing literature. It also outlines the research question together with the purpose and aim of the study.

Literature Review

The second chapter summarizes the previous literature on knowledge sharing in the field of IB and continues by looking into the existing literature focused on knowledge sharing in MNCs and SMEs. A literature framework is developed that will serve as the foundation to which we will later relate to the empirical results.

Methodology

The third chapter presents the choice of method and carefully explains the steps and procedures that have been followed when obtaining, analyzing and presenting the empirical data in this thesis.

Empirical Results

The fourth chapter presents the empirical data obtained from the interviews conducted at the company. This covers the formal and informal ways of communication between the UK and Sweden and how information and knowledge are shared between the two units.

Analysis

In the fifth chapter, the literature framework and the empirical results obtained are compared and discussed.

Conclusion

The sixth, and final, chapter presents the main findings of the thesis and gives a well grounded answer to the research question as well as proposes subjects for future research.

2. Literature Review

This chapter aims to summarize the previously conducted research within the field of knowledge management in order to provide a theoretical framework to the area of focus in this study. It outlines existing literature concerning knowledge management in MNCs and SMEs before looking into existing literature on internal changes and the challenges often associated with it.

2.1 Knowledge Management

In the knowledge management literature there are different definitions of knowledge, however, there is a common understanding that there exists two types of knowledge overall: *explicit* knowledge and *tacit* knowledge (Grant, 1996; Kogut & Zander, 2003). Grant (1996) describes the difference between these two types of knowledge as "knowing about" and "knowing how". This is similar to the definition developed by Kogut and Zander (2003), which refers to explicit knowledge as information that is easily transmittable. Tacit knowledge, on the other hand, is referred to as "the accumulated practical skill or expertise that allows one to do something smoothly and efficiently" (Kogut & Zander, 1992, p. 386), implying that it is something that is learnt over time.

Roos et al. (1997) suggest another perspective for the definition of knowledge management as a substratum of the so-called "intellectual capital". That is, the bundle of intangible resources of a company that depend, in the first place, on the human capital thereof but also on the ability of the actors in the organisation to retain, codify, and develop these resources. In other words, the very competence to manage the intellectual capital constitutes the practice of knowledge management (Guthrie, 2000). The possession of skills such as strategy and measurement in the scope of knowledge management gives the organisation the possibility to gain a degree of competitive advantage in the way that the more of such intangible assets a company has, the stronger its competitiveness will be (Roos et al., 1997).

The study on knowledge management takes its beginning in the resource based view (Wernerfelt, 1984), a view that emphasized the importance for firms to obtain strategic resources, rather than products, as such resources have a higher potential to achieve sustained competitive advantages. According to Barney (1991), these strategic resources need to possess four characteristics to be able to generate sustainable competitive advantages:

valuable, rare, inimitable and non-substitutable. The resource-based view gave rise to an increased attention towards knowledge as a strategically important resource and it is now widely agreed among scholars within IB that knowledge is a great potential source of competitive advantage.

The increased focus on knowledge ultimately resulted in the development of the knowledge-based view of the firm, firstly conceptualized by Grant (1996). According to this theory, knowledge is the most important resource of a firm. Grant continues by describing the organization as being compiled of various individuals, which are the ones that generate and store this crucial resource. This is the knowledge that can lead to competitive advantages and success of the firm (Teece, Pisano & Shuen, 1997). The main role of the company is to integrate and combine the existing knowledge that lies within the individuals, rather than developing new knowledge. Thus, the firm works as an establishment for coordinating and applying knowledge (Grant, 1996).

A clear and common definition of the concept knowledge transfer is currently lacking in the literature, much due to the blurred line between the term knowledge transfer and knowledge creation or learning. This is because modification and improvement of knowledge is often carried out simultaneously as it is transferred from one unit to the other, making it difficult to differ between the concepts (Bresman, Birkinshaw & Nobel, 2010). For the case of this study we will resort to the definition of knowledge transfer offered by Bresman, Birkinshaw and Nobel (2010) who outlines knowledge transfer as resulting in "the receiving unit accumulating or assimilating new knowledge" (Bresman, Birkinshaw & Nobel, 2010, p. 9). It is a process of communication that involves a source and a recipient of the knowledge as well as a channel and a message, all of which can affect the overall knowledge transfer (Pérez-Nordtvedt et al., 2008).

2.1.1 Formal and Informal Knowledge Transfer

Due to the potential that efficient knowledge management has to improve the performance of a firm, substantial efforts have been made in many organizations to encourage increased knowledge transfer. Examples of this formal type of knowledge transfer includes developing and establishing policies and processes that codifies the knowledge and adopting a structure and corporate culture that stimulates knowledge sharing through joint training programmes or

temporary cross-functional teams. This formal management of know-how and information is aimed at making the knowledge increasingly manageable and accessible for all employees thus enabling internal knowledge sharing to a higher extent. Other examples involve the arrangement of networking events for different departments of the firm or encouraging travel between offices and sites (Allen, James & Gamlen, 2007).

However, some argue that the success of formal efforts like these is not always satisfactory and more attention should instead be given to how knowledge sharing is carried out in practice in many firms. This is because, in many cases, the way the management wants and aims for knowledge to be shared is not how it is actually shared by the individuals in the organization. This type of knowledge transfer is often referred to as informal knowledge management and is closely connected to the view of the firm as a social network as it is within this network that communication is realized and thus know-how can be shared (Allen, James & Gamlen, 2007). In a study carried out by Cross, Nohria and Parker (2002) they found that these informal structures and ways of sharing knowledge differ significantly from the formal systems and processes established by the firm. The study also concludes that the failure of management bodies to acknowledge and take into account the informal structures of a firm can negatively affect the efficiency of knowledge sharing within the organization. For example, managers are often given the role of extending new information and sharing knowledge throughout their teams. However, looking at the informal structures, managers are often found in the periphery while the individuals are the ones at the center despite frequently being unnoticed in the formal system. Consequently, studying the informal ways of sharing knowledge within a firm enables managers to discover how knowledge is transferred in reality and thus how to give support to their employees in the best possible ways (Allen, James & Gamlen, 2007). The use of informal knowledge sharing processes is especially applicable to the sharing of tacit knowledge, as this type of knowledge is difficult to codify and thus also to disseminate in a formalized and structured way (Li, Poppo & Zhou, 2009).

2.2 Knowledge Management in MNCs

A large body of literature exists on the topic of knowledge management with the majority of the previous research being carried out on larger companies. Many traditional studies that are commonly referred to when discussing knowledge management in general have been done on large, multinational companies. Examples from the above chapter include Bresman,

Birkinshaw and Nobel (2010) and Kogut and Zander (2003, 1992) who both studied MNCs in their research.

The characteristics of knowledge transfer within MNCs and the barriers and challenges connected to it has been one of the essential components of the theory of the MNC for a long time (Buckley & Carter, 1999). The structure of globally dispersed organizations pose a powerful source of a strategic asset for MNCs and by accessing, exploring and combining the knowledge that resides in the different units the MNC can sustain a highly competitive position in the market they operate in (Björkman, Barner-Rasmussen & Li, 2004). It has been recognized that knowledge resides in every part of an MNC and that the subsidiaries will have a different degree of integration dependant on the importance of the knowledge that they hold for the rest of the company. The degree and type of control needed for the different subsidiaries in an organization will therefore vary (Buckley & Carter, 1999). Kogut and Zander (1992) suggested that it can in fact be less costly for MNCs to transfer knowledge internally compared to other types of organizations due to their superior organizational ability to codify knowledge into an easily understandable language and to combine this with their already existing knowledge. These arguments have sparked discussions about how MNCs should best design and make use of organizational mechanisms that can work to encourage and enhance the internal knowledge flows (Björkman, Barner-Rasmussen & Li, 2004).

Martinez and Jarillo (1989) offers a review of the most common coordination and communication mechanisms that have been used by MNCs throughout the years. These mechanisms are used by MNCs to integrate and increase communication between their dispersed activities and will thus work to enhance knowledge flows in the organization. The review shows a shift in focus for MNCs over the years. It takes its beginning in the structural and formal mechanisms which, firstly, includes the actual structure and grouping of the different activities in the organization. Another mechanism of communication and control is the way decisions are made, either in a centralized or a decentralized way. Thirdly, they discuss the formalization and standardization of procedures and processes in the company. This refers to the extent of which policies, practices, job descriptions and alike are codified and written down in manuals and documents. This integration mechanism also includes the use of standard routines in the firm. The fourth coordination method is planning, which refers to the systems and processes that are used to guide the activities of the different units in MNCs. This includes strategic planning, establishing schedules, setting budgets and

establishing goals. Lastly, Martinez and Jarillo (1989) brings up performance control. This relates to the evaluation of records and reports submitted by the subsidiaries in the company. The subcategory also includes the use of personal control, referring to the cases where a manager or supervisor personally observes the behaviour and performance of their staff.

However, more recently, a shift towards more subtle and informal mechanisms of communication and integration has been seen at MNCs. Martinez and Jarillo (1989) have grouped these mechanisms into three categories. Firstly, lateral relations are those relationships that divert from the formal structure set up in the organization. For example, it can be personal contact between managers working at different departments or subsidiaries due to a common issue. Also, it can include temporary task forces, committees or teams made up of personnel from different units of the organization or integrative departments or roles. Secondly, they discuss informal communication as supplemental mechanisms for integrating the spread out units. This relates to creating a network of personal contact among managers working in different units of the organization. This can be done by the use of, for example, corporate conferences and meetings, management visits or personal visits and transfer or rotation of managers and employees. Thirdly, and lastly, the development of a common corporate culture can be used to facilitate and encourage communication and integration. Ways of achieving this comprise of socializing individuals and communicating the way of doing things in the organization such as decisions making-styles and the values and objectives of the company. This is done by managers through training new hires as well as current employees and by measuring and rewarding them in ways that encourage the desired behaviour.

A study on MNCs conducted by Gupta and Govindarajan (2000) showed support for a positive relationship between the use of formal knowledge sharing mechanisms and higher intra knowledge flows in all directions in the organizations. Key formal mechanisms for integrating the units in an MNC that were identified included liaison positions responsible for coordinating activities and people as well as permanent task forces and committees. The more use of these types of structural mechanisms, the greater will the communication and flow of knowledge between units in the firm be. In addition, the study carried out by Gupta and Govindarajan (2000) showed similar support for the use of corporate socialization mechanisms in MNCs. In their research, this refers to those formal mechanisms that help to build trust and familiarity among the individuals in the different units in the organization.

Practical examples offered here are job transfers to the headquarter or subsidiary, arrangement of executive programs with participation from several units and the use of corporate mentoring programs. The greater trust and familiarity among personnel working at different departments and locations across the business, the more open and personal will the communication between them be. This, in turn, will have a positive impact on the use of and richness of the communication channels in place and thus also on the internal knowledge flows.

Similarly, a study on the management of knowledge in MNCs carried out by Björkman, Barner-Rasmussen and Li (2004), demonstrates how the headquarter can positively influence internal knowledge transfer by the use of corporate socializing mechanisms such as international training programs and encouragement of visits across units in the MNC. By doing this, they can create a shared set of values and beliefs and a common corporate culture among the employees which in turn will increase their willingness to share knowledge. Also, by adapting and clearly specifying the criteria on which the subsidiaries are evaluated on the headquarter can affect the flow of knowledge in the organization. If a great extent of importance is placed on knowledge transfer when evaluating the performance of the subsidiary an increased transmission of knowledge can be seen.

MNCs are very large and complex structures that require a wide variety of tools and mechanisms to be able to manage and implement their intricate strategies that result from interrelated activities located in multiple markets. As a result, MNCs often make use of a several mechanisms that have been mentioned here, including both formal and informal ones (Martinez & Jarillo, 1989).

2.3 Knowledge Management in SMEs

Compared with the large body of previous research on MNCs, studies on the management of knowledge in SMEs has not come as far and attention has only recently started to be directed at the knowledge management procedures of SMEs. However, the high importance of knowledge as a strategic asset can nonetheless be seen at SMEs as well, even though some argue that the relative importance of internal compared to external knowledge in SMEs is not as great. Although, the need for managing and making use of the external knowledge internally is undoubtedly crucial for companies of all sizes. Despite this importance, many

SMEs express that they are having difficulties leveraging the knowledge that reside within the organization (Chen, Lin & Yen, 2014).

A study on SMEs conducted by Chen, Lin and Yen (2014) showed that only around half of the companies taking part in the specific study considered themselves being effective at utilising the knowledge that they already have in the company, or that they have gained from external sources, to improve the performance of the business. In addition, about a third of the respondents expressed that, in the recent five years, they had made costly mistakes in terms of leveraging knowledge internally due to repeating the same errors. Reasons for this included lack of motivation to share knowledge or learn, inefficiency in internal communication or difficulty in finding the right channel to spread knowledge. Some companies also expressed a lack of ability to apply and utilize the acquired knowledge in practice, either due to not knowing how to generally act about this or due to the inability to codify it into an easily understandable language.

Research shows that the majority of SMEs do not have an explicitly formulated knowledge management policy, neither on a strategic nor on a tactical level, which stands in stark contrast to MNCs. Instead, knowledge management is rather done on a more subconscious level, and very few of the aims in the overall strategy of the company are connected to internal knowledge management, nor are there any formulated objectives regarding the organizational structure or company culture in the firm (Beijerse, 2000).

However, what Beijerse (2000) found to a larger extent in the SMEs studied was the use of knowledge management mechanisms on an operational level. In total, 79 different tools could be found at this level that concerned the determination of the knowledge gap in the company, acquiring the knowledge needed, as well as developing and sharing knowledge throughout the organization's units. Many of these tools are often not considered as knowledge management mechanisms in the traditional sense, not even by the SMEs themselves. In the study, almost half of the respondents expressed that they are indeed consistently using knowledge management, however, they do not label it as such. This is also supported by the study conducted by Hutchinson and Quintas (2008). One of the main findings in their research on SMEs was that the respondents did not report any utilization of formal knowledge management tools or practices in the firm and did not use any concepts and terms connected to knowledge management. However, when asked about their behaviour and the

activities carried out on a daily basis, it revealed various processes and techniques that are often classified as knowledge management practices. This demonstrates an overall support for that SMEs are, in fact, managing knowledge in their organization whether or not it is done on a conscious level.

In addition, the study by Hutchinson and Quintas (2008) provides evidence of that SMEs, in general, are carrying out knowledge management in an informal, rather than formal, way. They found that, while many respondent described some formal tools for managing knowledge, the aim and strategy of the use of these formal tools was not to manage knowledge but instead to, for example, improve their customer portfolio or the customer service. This also lead to the drivers and evaluation of these tools not being specifically connected to knowledge management. However, the study instead found a great amount of behaviour aimed at managing knowledge although the behaviour was not formalized by any policies, rules or directives. In other words, the study found an abundance of informal knowledge management in SMEs. Many described that knowledge sharing is facilitated by the small size of the company and an office with an open landscape. Examples of this type of informal knowledge management behaviour includes younger employees frequently asking more experienced colleagues when they are unsure of something or weekly meetings where informal presentations are held concerning interesting topics. As such, knowledge management is consistently practised at SMEs, however, it is in most cases not recognized as being knowledge management.

Focusing on the mechanisms used specifically for knowledge transfer within the organization, 20 tools were found in the study by Beijerse (2000). To get a better overview, these knowledge transfer tools have been divided into four overarching categories: training, communication, socialization and technological tools. Training includes working in new employees in a good way but also to consistently offer training for existing employees, some firms also had a habit of placing younger employees next to older employees in order to train them or made use of tutorships. Communication refers to normalising communication throughout the organization. Many companies used work discussions and consultation on a regular basis and debriefing of department employees as well as product and sales meetings. Socialization tools include team building activities and the formation of temporary work groups but also arranging seminars and lunch meetings and organising get togethers after work hours to encourage socialization on a more personal level. Lastly, technological tools

included knowledge archiving in the form of databases, electronic networks and intranets. Many companies also had corporate newspapers or personnel magazines to spread knowledge, information and news about the business.

Cerchione, Esposito and Spadaro (2016) carried out a literature review on articles concerning knowledge management in SMEs. Regarding knowledge management tools and practices used in SMEs to support, share and apply knowledge, the review highlighted that there is a consensus among researchers that knowledge in SMEs is primarily embedded in the individuals in the organization. As a result, the majority of knowledge management practices in SMEs are directed towards managing tacit knowledge, the most common practice used by these organizations being socialization. Existing literature have suggested various practices centered around socialization and people that are often used by SMEs, such as project teams, informal networks, job rotations and training. Looking at the practical tools frequently used by SMEs, Cerchione, Esposito and Spadaro´s (2016) review identified webpages and intranets as important knowledge management systems that can support organizational learning. They also recognize communication tools such as email and blogs, collaborative tools such as social media and management tools such as databases and document management systems as being important for SMEs.

The knowledge-based view of organisations as theorised by Grant (1996) outlines the company and its actors as being a combined system in which tangible and intangible resources are applied and utilised. In these terms, the organisation becomes a carrier of its internal knowledge, which is embedded therein, and is applied in the organisational culture and in the company's identity and its routines, as well as being taken in by its employees. Furthermore, internal knowledge is most often characterised by complexity and limits to imitation, which makes it be a unique and valuable asset (Alavi & Leidner, 2001).

2.4 Drivers of Change in Knowledge Systems

Despite the previously listed characteristics, knowledge as a resource is nevertheless not immune to the development related to time that companies undergo and it is, indeed, very much dependent on them. Therefore, it is appropriate to mention internal change in knowledge and knowledge management as a phenomenon that is naturally occurring at any time and in any organisation. In order to give a comprehensive explanation of this, the

notions of cognitive and technical elements of knowledge, i.e. the stored information and thoughts dynamics within the human brain (for individuals or collectives) (Kluwe, 1982), versus the concrete know-how and skills that apply to a specific context (Alavi & Leidner, 2001), need to be brought up in connection to the ideas of firm dynamics and change. In other words, knowledge is mostly regarded as a process that involves the majority of the company's activities, from the phases of its creation and retention to the transferral and application. Especially in organisations, the two latter procedures take place mainly through the creation of routines or through the codification of data into documents. Under the point of view of this being a constant process, the activities of updating and sharing becomes the materialisation of change (Teece, Pisano & Shuen, 1997).

Normally, the process of transferring knowledge takes place on different levels, namely on a formal or informal level, interpersonally, interdepartmentally, explicitly and implicitly, and it is highly dependent on the necessity for the transfer and for the willingness of both the deliverers and the recipients (Alavi & Leidner, 2001). Therefore, the actors of the organisation and the activities they perform are themselves the drivers of change.

The main difference in the ways change happens in relation to the size of the company is the presence of sufficient need to follow the constraints dictated by time and by the stimuli arising in the business environment, mainly through procedures of dissemination and/or purposefully directed activities for change. Holtham and Courtney (1998) emphasize the relevance of informal channels as drivers and means of change, starting from daily exchanges of information and meetings, the delivery of any data (at an implicit or explicit level) that comes along as "additional" with the performance of daily activities, up to unscheduled meetings, social moments, or instances of education and training (which also stem creativity and the creation of new information) (Holtham & Courtney, 1998).

Despite the static impression that might be drawn from the above description, all of these procedures and occurrences entail a mechanism for change that drags the internal functioning of an organisation nowhere but ahead with its business activity. This may, naturally, resolve into positive or negative outcomes, or, as well, cast no impact whatsoever in a long-term view, but is nevertheless the clearest sign that change is a customary process within a company, and is embedded in its existence. Moreover, the degree of tightness between the individuals or units across which knowledge transfers and the related changes happens,

together with the nature of the information flows, is bound to the size of the organisation and the ease of the transfer procedures (Inkpen & Dikur, 1998). In other words, the size of the company and the internal relationships that exist in it are very indicative of how much change materialises (Alavi & Leidner, 2001).

As a final note, it is of key importance to highlight the role of information technologies as tools and drivers of internal change. As obsolete of an argument as it might seem, reiterating the impact of IT does not lose its importance for the overall understanding of the mechanisms of change, whatever the type and size of the organisation are. In fact, the flows of information that are constantly travelling through the informatic systems add a lot to the possibilities of accessing, processing, and capability enhancement of companies. This whole concept can be summarised under the definition of IT-based knowledge provision, which incorporates to the overall knowledge system (Alavi & Leidner, 2001).

In conclusion, the questions for the development of research upon the internal knowledge transfers touch upon the different subjects which information goes goes through, the organisational and systemic institutions and the related changes that allow for knowledge sharing, and the cultural, organisational and technical features entailed in those processes. Furthermore, the role of IT is inquired besides the impact it has had due to its introduction up to its future developments. The intrinsic feature of companies as they are, are thus added in order to study the multiple facets of internal knowledge transfers in a dynamic and ever-changing environment (Alavi & Leidner, 2001).

2.5 Literature Framework

In summary, four overarching differences can be seen when comparing the knowledge management of SMEs and MNCs. Firstly, MNCs are utilizing a greater amount of formal tools and practices concerning knowledge management compared to SMEs, where the majority of methods used are informal. Secondly, MNCs have often explicitly stated their methods and aims of managing knowledge in a clear and explicit way. For example by being a part of their overall strategy or codified and written down in policies and directives. This is something that is rarely seen in SMEs. Thirdly, knowledge management can be found at various levels in the company in an MNC. While the majority of knowledge management mechanisms can be found at an operational level only in SMEs, they can be found at all

levels in MNCs, including strategic levels. The last major difference between SMEs and MNCs in terms of their ways of managing knowledge is the fact that SMEs are, in general, not aware of the knowledge management they are carrying out. While MNCs are managing their knowledge in an intentional way, SMEs are often doing it in an unintentional way.

In reason of the current research setting and of the methods and pathway which were chosen to be followed, the literature framework presented here as a reference and red thread of the research entails the presentation of previous research as self-standing works, bound together by the authors of this piece. This means that, whereas there is to be found a direct connection to the characteristics of knowledge management in the different contexts of the previous research, the straightforward association between the elements for our case study are defined as "challenges", does not expressly match with the classification of the same elements in the theory used. Referring to the research question, the challenges of the case study are those components and factors that either (1) are to be resolved in the future, or (2) are independent constituents of the case, and therefore their individuation will be an event strictly related to the case under scrutiny only, or (3) the "challenge" elements of the case are presented in the literature as constituents of different scenarios, and therefore represent a future aim or a past condition of the company, and can only be associated to it in its unique aspects.

An overall literature framework is summarized in figure 1 below. It demonstrates the main characteristics of knowledge management in SMEs and MNCs as well as clearly demonstrating the lack of literature on companies that are located somewhere in between these two types of companies. In order to developing from being an SME towards an MNC, drivers for internal change will be needed as shown below.

Figure 1: Characteristics of Knowledge Management
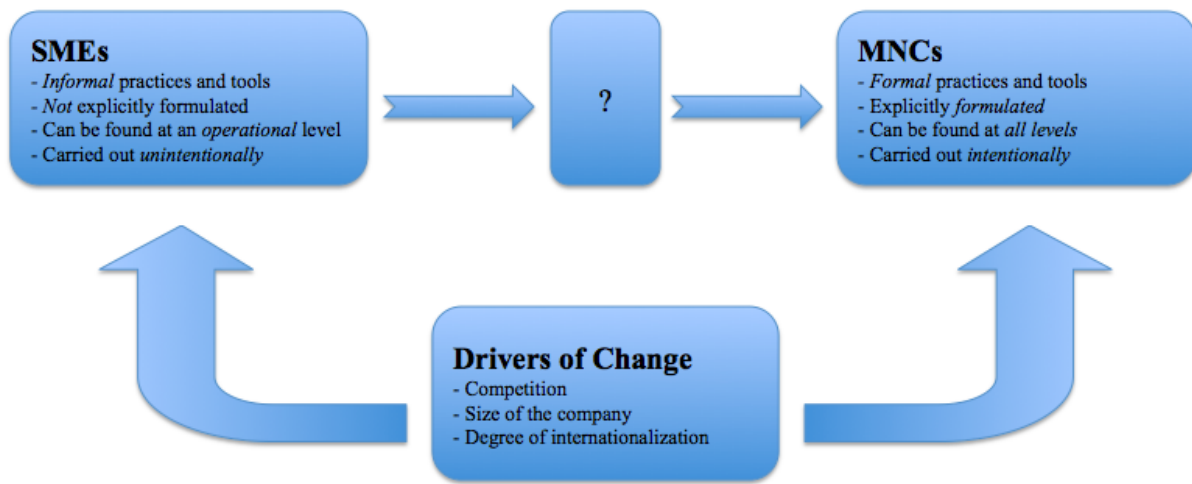
Source: Figure compiled by authors, 2018.

3. Methodology

This section aims to describe the methodology and approach used when collecting and analysing the empirical data. It also provides a overview of the techniques used for assuring reliability and validity to our findings.

3.1 Research Approach

The purpose of this study is to uncover how knowledge is being disseminated and shared within the scope of a international company's activity. The current state of development of the organisation is the foremost topic of interest, as it can be identified as being in a "hybrid" growth momentum; in fact, it is located in a timeframe where its size and its activities embed the features of a mature SME, but not yet those of a fully evolved MNC. Therefore, this "in-between" state entails a set of interesting characteristics that are yet to be studied. Despite existing literature being extensive in the field of knowledge management and knowledge sharing, it is lacking research concerning the growth phase just described. Therefore we aim to add new insights and findings as well as start to contribute to the current gap that we have identified. We have chosen to approach this by utilizing a qualitative research method as this type of study allows us to study multiple aspects and angels to the subject in question (Bryman & Bell, 2011).

A qualitative study is well suited for studies that seek to answer the questions "why" and "how" (Doz, 2011). In most cases, qualitative studies aim to generate theories from the research, meaning that the relationship between theory and research is of an inductive nature. In addition, studies using a qualitative methodology focus on the way that individuals perceive and interpret the social world that they are part of (Bryman & Bell, 2011). As a result, a qualitative method is better suited for studying more complex issues and is exceptionally suitable for examining the "black box" of organizations and their processes (Doz, 2011).

The type of qualitative study that was chosen for this thesis was the case study. Case studies aid the researcher in getting a nuanced and holistic view of the phenomenon in question. The method involves detailed and intensive analysis of a case in an attempt to understand the dynamics that are present within a single context, such as an organization. Case studies can have the aim of generating theory but also to provide description and deepen the

understanding for an area (Eisenhardt, 1989), which is the approach we have taken in this study.

A combination of an inductive and deductive approach has been taken in this study. This refers to the fact that the literature review was developed prior to the gathering of data. This was done in order to gain a good understanding and enough knowledge about the subject in question. However, the theoretical chapter was then revised and altered continuously throughout the process of the research. During the gathering of data, new insights and observations gained resulted in the theoretical framework being modified and transformed in order to adapt to the data that was collected. By utilizing this approach, it allowed us to critically reflect upon the theories used while not being biased by the data collected previosusly. Subsequently, we have utilized an abductive approach in our research (Salmi, 2011).

3.2 Research Design

This section outlines the processes used for gathering and analysing the empirical data that has been used for answering the research question. The research design is an important step in validating and achieving reliability for the study (Bryman & Bell, 2011).

The development of the research presented in this study is summarised visually in figure 2 below. The steps of the procedure followed by the authors have been gradually defined and enriched as the information was collected, allowing in the first place for abundant data directed to the purpose of the study as well as a better definition of the scope and the aims pursued. This, in turn, increased the quality of the selection of the information and a ultimately fulfilling answer to the research question as well as inputs for future research.

Figure 2: Development of the Research and Method
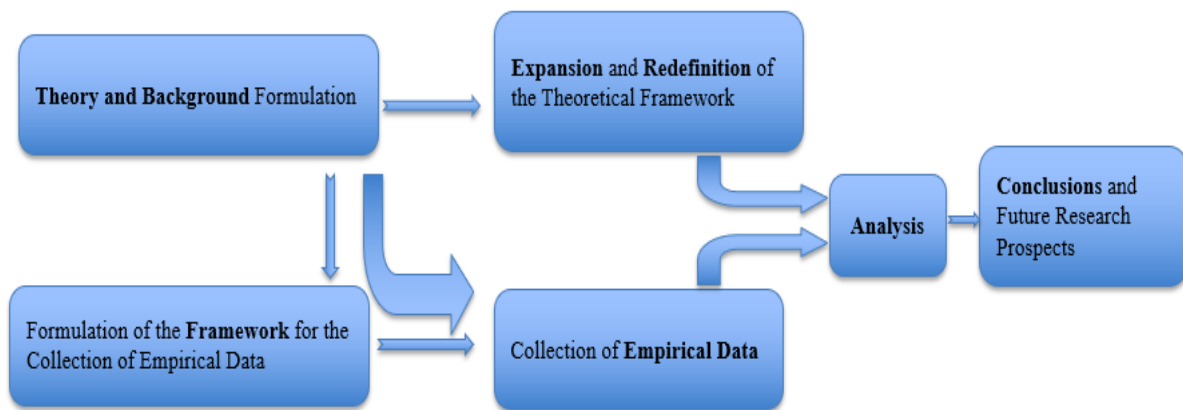
Source: Authors' own illustration (2018).

3.2.1 Research Unit

The empirical data was gathered by conducting a case study of the company Ntex AB, a large international company operating in the transportation and logistics industry. The company's headquarter is located in Gothenburg, Sweden, and they are currently present in 8 other Scandinavian and Northern European countries. The company was founded in 2003 and was an international company from their initiation, with offices in both Sweden and Germany. They expanded relatively rapidly through acquisitions and by opening offices of their own abroad. They started by acquiring a UK-based company in 2007 and by 2010 they had also established themselves in the Baltic countries Estonia, Lithuania and Latvia. They continued by opening an office in Norway in 2012 and an office in Poland in 2013. In addition to their offices, they make use of an extensive network of agents throughout the world (Ntex, 2018).

This setup and development of the organization makes this an interesting case to look at. The choice of studying Ntex was mainly taken due to the stage that the organization is currently in, which was clarified after an initial meeting with the company. Even though they started out as an international company, due to the nature of the industry that they operate in, they have only recently grown internationally to the extent that an increasing need to formalise processes in the company has begun to appear. Thus, Ntex is currently in a transition phase where they still operate with the mindset of a smaller company but, as they have continued to grow in size and spread, formalized processes for sharing knowledge within the company became a need of a larger extent. The study will inquire about the degree of presence of systematisation and mechanisms for managing knowledge, as well as how much of this is currently explicit or implicit. Thus, this case is well suited to the research question that guides

this thesis. In addition, in the literature regarding knowledge management, little attention has previously been given to those organisation that find themselves in a transitional, or "hybrid", state of growth. As mentioned before, the system in which the company functions is, even at first glance, a crossroads of features that belong to both SMEs as well as some that belong to MNCs. In such a dynamic and fast-paced industry such as the transportation and logistics one, Ntex is a very interesting case to research.

3.2.2 Sampling

The set of selective choices and decisions that was performed by the authors of the thesis was based on two core factors. The choice of case company was based on the peculiar phase of growth in which Ntex currently finds itself. The choice of studying knowledge management between Sweden and the UK was based on the intense connection that the company has to Great Britain, the country with which about 80% of the firm's business takes place.

As stated before, the choice to perform a study on one single company dictated the need to direct the collection of information and data in order to properly pursue the aim of the research question. The contextuality of the case reinforces the validity of it, since it recreates the setting for the investigation of a phenomenon which is difficult to study in its natural setting (Ghauri, 2004). Thus, it allows to analyse the phenomenon under multiple points of view, due to the holistic feature of the type of investigation.

So as to properly meet the aim of the research and to answer the research question, the process of gathering data on a target group of expert individuals followed the technique of purposeful sampling that is based on the criterion of "convenience" or expertise. The sample of interviewees, which constitute the largest and most utile source of data of the research, was selected based on the specific role and expertise of each individual in the company. The main interest was to spot the appropriate respondents who dealt with the UK business area but were, at the same time, well aware of the company's activities and could compare and critically comment the topics they were asked about. In addition, the interest of the thesis authors was to collect a database of varied information, which would allow for constructive comparison and go beyond the scope of mere theory testing up to theory building (Ghauri, 2004). Therefore, the different roles and positions of the respondents were taken into account when making the selection of the sample in order to include managerial as well as non-

managerial inputs across different functions and different offices, more specifically the headquarter in Gothenburg, the Helsingborg office and the offices in Immingham, England.

As a conclusive note, there is the need to say that the final choice of the sample, although large, varied, and well-inclusive, could have been ideally refined and further enlarged so as to include a greater amount of different responses for analysis and comparison. The reason for which this did not happen was convenience, as the selection of the sample also faced limitations such as time and resource constraints, location and travelling possibilities and availability of respondents (Merriam, 1998).

3.2.3 Data Collection Method

In order to answer our research question we have aimed to gain in-depth knowledge about the main challenges connected to the formalisation and systematisation of business processes for the management of knowledge and the sharing of information. In accordance to the focus and the scope of this research, semi-structured interviews were deemed most suitable and have thus been used as the primary source of data. This method is often viewed as suitable for case studies as it helps generate in-depth and detailed examination of the specific case. Semi-structured interviews are highly flexible as they allow the interviewee a great deal of freedom in how to reply as well as to pursue topics of their own interest. At the same time, these types of interviews allow for a specific topic or area to be studied in depth by being guided by a list of prepared subjects to be covered. This results in the interviews being comparable to a great extent as the subjects and themes of the interviews remains alike (Bryman & Bell, 2011).

The empirical data was collected through eleven interviews with respondents based in Gothenburg, Helsingborg and the UK. Four of the interviews were conducted face-to-face while eight were done on the telephone. The HR-manager at Ntex provided us with an organizational chart over the business and from there we purposefully selected employees and managers that we believed would be able to provide valuable insights for the research. We seeked to interview individuals that were part of the daily communication with the offices in the UK and Sweden. They included employees and middle managers that work directly with UK/Sweden import and export as well as managers higher up in the organization. The list was reviewed by the HR manager and the Operations Manager, after which some adjustments to the list of interviewees was made due to the recommendations given.

Adjustments included adding individuals believed to be better suited for the study and removing individuals believed not to be suited as well as removing those that were not available for interviews. Therefore, the respondents were chosen on a non-random basis (Bryman & Bell, 2011). This sampling method was chosen in order to be able to answer the research question in the best way possible and to ensure that the answers given were relevant to the study and exhaustive in information.

In summary, out of the total number of semi-structured interviews conducted, four were held with respondents based in Gothenburg, three with respondents based in Helsingborg and four with respondents based in the UK. They were conducted with employees at different levels and at different departments of the organization. A more detailed summary of the interviews can be found below in table 1. In addition to interviews, empirical data was also collected through documents, booklets and other records such as training books and guidelines provided to us by the company.

Table 1: Overview of Respondents and Interviews

	Respondent's Position	Based in	Language	Interview Method	Location	Duration	Date
1	Team Member UK Import	Gothenburg (SE)	Swedish	Face-to-face	Gothenburg	20 min	21/02/2018
2	Team Leader UK Export	Gothenburg (SE)	Swedish	Face-to-face	Gothenburg	20 min	21/02/2018
3	Team Member UK Export	Helsingborg (SE)	English	Face-to-face	Helsingborg	35 min	06/03/2018
4	Team Member UK Import	Helsingborg (SE)	English	Face-to-face	Helsingborg	30 min	06/03/2018
5	Operations Manager UK	Helsingborg (SE)	English	Face-to-face	Helsingborg	55 min	06/03/2018
6	Manager Full Loads	UK	English	Telephone	Gothenburg	30 min	20/03/2018
7	Manager Sweden Imports	UK	English	Telephone	Gothenburg	20 min	22/03/2018
8	Operations Manager	Gothenburg (SE)	English	Face-to-face	Gothenburg	20 min	23/03/2018
9	Groupage Operations Manager	UK	English	Telephone	Gothenburg	35 min	27/03/2018
10	Finance Manager	Gothenburg (SE)	English	Face-to-face	Gothenburg	30 min	29/03/2018
11	Company Accountant	UK	English	Telephone	Gothenburg	30 min	29/03/2018

The number of interviews held was decided based upon time constraints but also on the number of respondents available that matched the criteria. As only a fraction of the employees in Sweden are working directly with the UK and vice versa, these were the individuals that would be able to give a relevant input for the research. This represented a first screening and resulted in a restricted amount of possible interviewees. In addition to this,

we gathered data until we observed that similar themes and answers were given from the respondents. This is often referred to as data saturation and indicates that data gathering is complete (DiCicco-Bloom & Crabtree, 2006). In addition, it strengthens the validity of the research as well as indicating that an adequate number of interviews were held in order to get a representative overview of the individuals in the organization. Finally, the validity of more general answers provided by the interviewees, such as those not strictly concerning the Sweden-UK channel for knowledge transfer, were treated as universally valid. That is, whether the answer on a general level was given by an employee more closely relevant for the present research framework, and not by another voice from the company (who were excluded from the interview process due to time and scope constraints), it was considered equally valid as an answer for Ntex as a whole, and therefore valid for the authors' analysis.

Due to the limited material available for the thesis' authors for the conduction of independent desk research about the company and its activities, the most effective method for the understanding of the dynamics of the organisation was eventually deemed to be the interviews. As a matter of fact, the inputs for the development of the research, as well as for a clearer determination of the scope and goal of the study, were drawn from the interviews along the process of data collection. Therefore, a first-hand approach with the subject of the study was the ultimate element that help spotting the relevant framework in order to lead to relevant and useful conclusions.

Hence, the natural connection that bound the empirics with the inductively-defined theory sets an initial and solid degree of the validity and reliability of the research results, and constituted a strategy in itself.

3.2.4 Interview Guide and Interview Process

A comprehensive literature review was done prior to the interviews taking place in order to gain a solid understanding of the topic in question as well as to be able to ask suitable and relevant interview questions. Based on the literature framework, an interview guide was developed to make sure that the subjects of interest were covered. All interviews followed the outlines of the same interview guide to ensure comparability of the transcripts. However, some questions were left out, added or modified depending on the applicability to the respondent and their role. Furthermore, additional questions were asked during the interviews

as interesting topics emerged along the way. This process is distinctive for semi-structured interviews (Bryman & Bell, 2011). The questions were constructed as open-ended to the largest extent possible and this was done in order to get answers that were exhaustive and informative.

The interview guide was constructed as a result of the definition of the research question and the study objectives pursued alongside with it. It begun with questions covering the respondents overall view on internal knowledge and the level of importance they place on it. It continued with discussions regarding the current situation of knowledge sharing between the UK and Sweden and their opinion on how it works at the moment. Lastly, questions concerning the future of knowledge sharing within the company and how they would like to see it develop in a short and long term perspective were covered. The complete interview guide can be found in Appendix 1.

All interviews were held between the 21st of February and the 29th of March, and they lasted between 20 and 50 minutes each. All interviews were recorded and conducted in quiet meeting rooms free from any disturbances. They were conducted by both of us, except for two that were held by only one of the authors. Along the way, the interviews were transcribed and the findings continuously interpreted and discussed. As a result, interview questions were added, removed and modified to accommodate for common themes that emerged as more interesting during the course of the interviews.

Interviews were held in both Swedish and English, on the choice of the interviewee. When looking at what language to conduct the interviews in, we valued the comfort of the respondents to answer in their native language or not, as this would enable them to speak more freely and openly about the topics in question. As a result, we gave the respondents the opportunity of deciding what language they wanted to be interviewed in. Subsequently, two interviews were held in Swedish while nine were held in English. The interviews held in Swedish were appropriately translated and interpreted, so as to reach the same level of understanding for both authors of the research as one of the authors is not a Swedish native speaker. This procedure was estimated to guarantee the best possible quality and exhaustivity of the responses, as well potentially broadening the understanding of the topic and the subject of the study by both authors.

Despite semi-structured interviews were deemed the most suitable method for this research it is important to mention that this approach also has some risks connected to it. For example, the researcher already has pre-set beliefs and knowledge, which is a bias that can affect how the data is interpreted and how questions are formulated. In addition, they run the risk of making the respondents try to cater to how they believe you want the question to be answered. Another drawback is the risk of misunderstanding of terms and phrases used by the respondents that are unknown to the researchers (Yin, 2010). We attempted to avoid these pitfalls by staying as neutral as possible in the way we phrased our questions and being non-directive in our discussion. We also tried to allow the respondents to do the majority of talking and explaining, as recommended by Yin (2010).

3.2.5 Data Analysis Method

The procedures followed for the analysis of the data for this case study followed an approach that relied on the testified high quality of the responses of the interviewees and on the wide and fulfilling access to information given to the authors by the company. In fact, the analysis process is the first moment where the triangulation of the collected data becomes clear. The approach followed by the authors included three main types of actions. Firstly, the data collected through the interviews and through the material relative to the company was carefully cross-checked for consistency and for purposeful alignment with the topic of the study and the research question. Secondly, the framework of literature and previous research was used as key to obtaining an appropriate match with the data that contained answers and explanations to the research question, while reinforcing the validity of the information on a general level of research. Finally, the analysis has been ultimately reviewed as a whole, without detaching the umbrella elements of theory from the case data but by integrating the piece of research into a single ensemble. The triangulation method for data collection, that is the use of multiple sources of information, including implicit ones (Bryman & Bell, 2011), was the factor that allowed such elements as interview interactions, mutual impressions of the authors and the research units' actors to come into play and elevate the analysis from a bare comparison across theory and case data to a conspicuous and unitary piece of contribution to research literature.

As follows, the main steps of the analysis of the empirical data will be described in detail. It is noteworthy that the data collection and the analysis have been taken place in two different

moments in time, which has allowed to limit any possible inconsistency between the final findings and the previous stages of the research.

The recorded versions of the interviews have been accurately transcribed by one of the researchers, at each time, shortly after they had taken place. This is important in order to make sure that answers are captured in the correct context to be able to carry out the detailed and careful analysis that is required when conducting a qualitative research (Bryman & Bell, 2011). Some of the interviews were carried out in Swedish but have later been accurately translated by one of the authors in order to guarantee consistency in the analysis process and to avoid possible bias. Analysis of the data was conducted simultaneously throughout the process of data collection in order to strengthen the relevance of the interview questions as well as the analysis of it.

The process followed was the division of the information collected through the answers by topic, based on the interview guidelines' questions (see Appendix 1). The empirical data was later summarised according to objective criteria of relevance and compliance with the research question and the key points of the research were identified.

Subsequently, the empirical data was analysed based on the findings from the theoretical background. The results were a cross-comparison between the theoretical findings described in chapter 2 and the empirical findings that were later collected as a function of the research question, according to the lead structure of the study. A gap in the previous research was found as regards to the information available for the specific contecìxt of the present study, therefore, the data analysis was remodelled according to a new framework, i.e. meeting the hybrid touchstone traits derived from the earlier studies. Consequently, the validation of the analysis consisted in the match between the existing research in the field, or in the field related to our specific one, and the divergent features of the present work from the previous ones.

3.2.6 Qualitative Assessment

The following section will punctualize the features of validity and reliability of this study by explaining the manner in which the study proves its quality and its contribution to research.

Internal coherence, generalisability and replicability are therefore explained for the extentent in which they cover the topic, but also in their delimitations.

3.2.6.1 Validity

The analysis that is performed in this thesis concerns the inquiry of a social phenomenon, characterised by a high specificity, given the nature of the research being set up as a single case study. As stated by Bryman and Bell (2011), the representativeness of a single case versus a complex and ever changing world cannot be elevated to a fully general level, that is, the findings that come along with the study will still find the highest degree of applicability only for the case itself (Bryman & Bell, 2011).

However, the qualitative nature of the research together with the delimitations of the study previously explained set a more than sufficient degree of internal validity. The empirical data is indeed matched with the theory upon which the study is based. Furthermore, the conclusions and further suggestions provided are coherent both with the development of the research as well as with the level of confirmation about the rightfulness of the collected data and of the analysis that unfolds with the thesis development (Bryman & Bell, 2011).

The definition of the level of internal validity of the present research is therefore equivalent to the extent to which a match with the real state of the world and the facts inquired and described is found (Merriam, 1998). The features of contextuality and holisticity of the case study methodology already attribute the needed degree of congruence with reality which the researchers sought after (the case is scrutinised directly and the data collected is strictly tied to the reality of facts). The depth of the investigation of this single case in addition to its holistic nature is demonstrated throughout the different phases of the research by a triangulation of the study, as well as through checks and confirmation of the information to test how tenable it showed to be at all stages. Peer examination of the findings and a detailed clarification of the researchers' biases were also the key to guaranteeing the highest possible accord with the reality of facts.

3.2.6.2 Reliability

The level of reliability of the research depends on the replicability of the same study in a different setting. Bryman and Bell (2011) clarify that this criterion for validity assessment is difficult to be met when performing a qualitative research. The factor for bias is constituted

by the nature of the study, which draws an understanding of a set of specific social factors and related dynamics that are framed on time and contingent factors. The variables that come into play in such a setting are therefore numerous as well as mostly case-dependent, however, in most cases they keep definible and codifiable features. The replicability of a qualitative research is thus challenging to achieve in different circumstances but aiming at exact recreation (Bryman & Bell, 2011).

The quality of replicability is nonetheless definible in two different perspectives: *externally* and *internally*. The feature of *external* replicability appears to be the harder one to meet. By the performance of a case study, due to the anticipated peculiarity of the case itself, the scrutiny needed to find an equally valid setting, which is independent from the current research, and to replicate the current framework is not a straightforward task. However, given the very reason that have just been mentioned, the research and its results appear to meet the criterion of *internal* validity. The study is in fact applicable for replication, but in a different setting in terms of time and developments connected to time. In fact, the modifications to the framework of the current research would still be eligible for inclusion into replicable research schemes thus validating the reliability feature within the scope of a single case study framework.

The general aim was to provide a fine level of problematization of the research topic in order to allow an appropriate degree of comparison and generalisation with other similar research cases. Moreover, the technique of triangulation of data sources and the process of development of the findings of the study was of special utility to strengthen the degree of reliability (Merriam, 1998).

4. Empirical Results

This chapter summarizes the empirical data that has been gathered through interviews in first hand and the study of company documents in second hand. The aim of this section is to provide an overall view of the predominant characteristics and challenges of internal knowledge sharing between the offices in Sweden and the UK at Ntex.

The empirical data will be presented in two overarching categories, starting with the current characteristics of internal knowledge sharing and continuing with the challenges of using this type of internal knowledge sharing at Ntex. The references to the interview from which each of the quotations has been taken from is to be referred to figure 3, "Overview of Respondents and Interviews", in chapter 3. The two grouped categories are based on our research question developed earlier but also on our own categorizations of what was said by the respondents during the interviews. The setting in which this knowledge management takes place is the Ntex offices in the UK working with Sweden and the offices in Sweden working with the UK. Consequently, a brief description of Ntex and the two offices and how they work together will initially be presented.

4.1 Empirical Setting

Ntex is an international logistics company headquartered in Gothenburg, Sweden, that are currently present in 8 markets outside of Sweden. The company was founded in 2003 and have been an international company from start, with offices in both Sweden and Germany. Throughout the years, Ntex has expanded internationally through acquisitions and opening of their own offices. The starting point of their international development was the acquisition of a UK-based company in 2007 and by 2010 they had already established themselves in the three Baltic countries Estonia, Lithuania and Latvia. This was followed by the opening of an office in Norway in 2012 and an office in Poland in 2013. In order to ship to and from other locations they make use of various agents throughout the world.

Ntex, as an international logistics company, has structured their operation on a country basis. This means that operations are divided into overall regions, such as the department called "Baltikum", which handles transport to and from countries like Latvia, Lithuania and Estonia, or the department called "Continent", which operates traffic to and from countries such as

Italy, Spain and France. In these overarching departments there are employees working with specific countries within that region. In some cases, whole departments are in charge of a specific country due to the high amount of traffic to that location. In addition, each department is divided into import and export divisions meaning that, for example, one employee might handle export to Germany only. In Gothenburg only, a traffic planning department exists as well. This department is responsible for all contact with the drivers, something that is handled by the employees for every country in other offices in other countries. The central finance department is located at the head office in Gothenburg and it handles financing for all subsidiaries.

The setting in which knowledge management has been studied in this research is the offices in the UK and Sweden and the flow of communication and information between them. Looking at the two countries in specific, both the Swedish offices in Gothenburg and Helsingborg have the departments "Export UK" and "Import UK" due to the two offices handling transport in different parts of Sweden. In Gothenburg there are currently 4 employees working with export to the UK and 5 employees working with import. In Helsingborg there are currently 4 and 3 employees working with export and import respectively. The subsidiary in the UK have the department "Sweden Imports", operated by 4 employees, while the export side to all countries, including Sweden, is divided into three divisions: "Full Loads", "Groupage Bookings" and "Special Contracts and Projects". In total, the export department in the UK have 11 employees, including 2 apprentices. The departments for the UK and Sweden are the largest ones in the organization due to the fact that around 80 percent of the traffic goes between these two countries.

All goods between Sweden and the UK are transported by ship. The workflow is carried out in the following manner: for example, if a Swedish paying customer requires goods shipped to the UK they will contact the "Export UK" department in Sweden as a first step. The department is then in charge of planning and handling the picking up of the goods in Sweden as well as delivering it to the harbour. A list of all the goods that is carried by the ship is then sent to the UK. Once the goods have been loaded onto the ship, the UK subsidiary takes over any responsibility for the goods and its planning and transportation within the country in order for it to reach its end customer. In this case, it would be taken over by the department "Sweden Imports" in the UK. The reverted process takes place when a good needs to be

imported from the UK. One employee from the department "Export UK" summarized the flow in the following way:

> *... we handle all the planning here in Sweden regarding how it should be loaded and what to load it on (...) then we notify the ones in England, we send a manifest with all the positions, that is all the goods that is loaded on each truck (...) then they (England) handle all the distribution in England, so they book in the delivery at the receiver and plan the trucks once they are in England* (INT. 2, authors' translation).

4.2 Characteristics of Internal Knowledge Management at Ntex

The following section will contain a detailed description of all of the components that currently constitute Ntex's internal knowledge management system as well as an explanation of how each element is complementary to the whole structure. It is followed by an explanation of how the overall system of knowledge management is looked upon and utilized by both managers and employees.

4.2.1 Knowledge Management System

At Ntex, several tools and practices, both formal and informal ones, were mentioned by the respondents in the interviews. All of these tools and practices will be described in further detail below in order to give an overview of the overall knowledge management system that is currently made use of in the organization.

4.2.1.1 The E2 System

When respondents were asked to describe how they share information and knowledge with their colleagues abroad, all respondents, both employees and managers, mentioned the internal operational data system, E2, as one of the main means. The system is being used on a daily basis by the employees in all departments and at all subsidiaries in the organization. The system has been developed by the internal IT department and has thus been created and adapted for the company's needs in specific. This is where data on all bookings, transportations and deliveries is stored. In general, all information that is needed to complete a booking is being added to E2, this includes data such as collection address and date, delivery address and date, cargo descriptions such as weight and dimensions, any special requirements and contact details. Once information has been put in the system it is

immediately available for all employees in the organization to see. Employees have several different options for searching in the system, for example by customer ID or trailer number. As such, it works as one of the tools for quickly sharing information within the entire company.

If correctly and completely filled in, the information that is put into E2 should be enough for the employees in Sweden or the UK to handle a booking without ever contacting the other country. However, this is not always done and a lot of times information is missing or incomplete resulting in the need to communicate through other tools that will be mentioned below, such as emails or telephone. One reason for this is simply because of human errors:

> *... mistakes might occur due to us being a bit lazy, leaving the order to "sort itself" (...) or it could also be that we copy a previous job, and do not update the details to the new job (...) it's really the kind of mistakes that we shouldn't be making, to be honest* (INT. 3).

It can also be due to the customer simply not giving them all the information that is needed for a booking up front. This is described as something that occurs due to the overall flexible and more personal approach towards their clients taken by Ntex:

> *... we have all these clients that are really reliant on us to do jobs that they cannot give to, for example, DSV or DFDS, because they need to know the exact amount of information in the first place. We are a bit more laid back, but they appreciate that we don't chase them, which sets on us an image of "we will just give it to Ntex, they will sort it"* (INT.3).

The finance department in Sweden also utilizes the E2 system, however, they started using it relatively recently. One of the respondents from the finance department described how, during the past 5 years, the department´s use of the system has increased substantially:

> *... I was the first one to use the IT system for the finance department and that was not developed in the system. We had nothing, I mean, we had a PDF report as a finance tool, that's all we had* (INT. 10).

Today, the E2 system, although still working as an an operational tool mainly, has been developed substantially over the recent years. This is now where the finance department in Sweden register all incoming and outgoing invoices as well as approve them and keep an overall track on the flow of invoices and payments. Despite this development, the other subsidiaries in the company are currently utilizing their own finance systems. The reason for this is explained by the high amount of acquisitions and the time it takes to integrate new entities fully into the organization:

> *... all the companies in Ntex has been bought in and they have some structure with them. They have a system, so what they do first is they transfer over to the operational system and then they have a separate finance system in the UK* (INT. 10).

4.2.1.2 Other Tools and Channels

Apart from the E2 system, there are a number of other tools and ways of communicating and sharing information and knowledge within Ntex that are used by the employees and managers. The tools and channels as well as their use by employees and managers are further elaborated on below.

Email

Also in common for all employees at the company is the substantial use of email as a means of sharing information and knowledge within the organization. Apart from the operational data system, emails are the go to communication tool and all respondents explained that they use it substantially in their daily work. Managers mostly use emails when there are larger issues that need to be sorted such as customer complaints, damaged goods or thefts, while the employees use emails when follow up questions or status updates regarding bookings are needed or when smaller daily issues occur. Daily communication via email is often regarding situations such as the receiver not being able to accept the delivery at the moment or that information in E2 such as contact details is incorrect. An employee at a department in Sweden expressed that the use of E2 is not as developed in the UK which meant that they had to resort to emails more often:

> *When a booking is received we are quite good at scanning the booking into the system (E2) so everyone can see exactly what information that I have received and who to talk to. But England is not as good at doing this but rather keep the information in*

their email. I think they print it and keep it on their desk. So it's sometimes difficult for us to find all the information (INT. 1, authors' translation).

Emails are also utilized for bookings that require special attention, such as express deliveries or goods that are not allowed to be transshipped. In these cases, emails are sent to the counterpart in the country that takes care of the goods once it has been loaded onto the ship, to be able for them to prepare and plan the handling, transportation and delivery of that booking. Also, some departments send all their bookings to their counterpart in the other country via email in addition to adding them to E2.

The reason for emails being one of the most popular tools for communicating and sharing knowledge is mainly because they believe it reduces the language barriers. Many respondents expressed that they feel it is much easier to send and read an email than using other channels such as phones:

> *... it is easier to read, for me it's easier to read it. Sometimes, with some persons I have a bit of difficulty to talk to on the line* (INT. 4).

Others explained that emails are preferred because they feel that it is easier to keep track on what has been dealt with and what has not been dealt with and that it is more efficient thanks to the use of group email-addresses meaning that several people are available to deal with a query. In addition, attachments such as spreadsheets, pictures and links can be added to an email making it more explanatory than other means of communication.

Some respondents also recognized the drawbacks of using too much emails in communication and sharing of information and knowledge due to the difficulty of interpreting it in the way that the sender wants you to:

> *... it is not very good to just communicate by email, and you have to speak to them as well. You can (mimics an angry tone) read and email exactly how you want, or you can (mimics a friendly tone) read an email exactly how you want, really depending on what mood you're in. You can always take somebody's words and it can mean something else* (INT. 3).

Telephone

The third most utilized means of sharing knowledge between the offices in Sweden and the UK at Ntex, besides the E2 system and emails, is the telephone. Similarly to emails, the phone is used as a type of back up to the E2 system meaning that the type of communication and knowledge that is shared via this tool is mostly connected to daily issues. The one noticeable difference in terms of type of communication is that the phone is, in the majority of times, utilized when dealing with matters requiring urgent attention or when an issue calls for considerable discussion. In general, the use of phones is still considerably lower compared to emails. One employee estimated the division as follows:

> *... I would say 90% is emails and 10% phone* (INT. 9).

The reason for this distribution is mainly due to language barriers, as mentioned above, and the fact that it is difficult to keep track of a phone conversation and what has been said previously in the matter.

The interviews also show that there are some differences due to the personality of employees and managers, as some respondents explained that they actually prefer communicating via the phone compared to emails or using the E2 system and they tried to do that as much as they could. They felt that, over the phone, they could explain things in more detail and get their point across in a better way as well as building more of a relationship with their colleagues:

> *... we try to do more by the phone, which I really enjoy, because that feels like I could talk more, there are a lot more points that cross, because it's a conversation* (INT. 11).

> *... you don't create relations via a keyboard, you have to talk to people* (INT. 5).

Manuals and Training Material

No comprehensive and common training material currently exists at Ntex. However, recently, a training booklet called "Utbildningsmaterial" was developed as a tool to facilitate the training of new hires in Sweden. It contains instructions on how the E2 system works and how to use it, including text and screenshots, and is today handed to all new employees in the Swedish offices. The booklet is currently only available in Swedish and in paper format,

however, plans to create a PDF-version as well as translating it into English so it can be distributed in all subsidiaries across the world is in the pipeline. Interestingly, only a few of the respondents in Sweden knew of this booklet and none of them had used it in practice to this date, indicating that the use of it is currently very low. In the UK, they currently have no formal manuals or training material available, however, they are now in the process of developing it:

> *... we're starting to write down the everything we do and how we do it. So even if don't write it now, we are going to be implementing it* (INT. 9).

Instead, many employees in both Sweden and the UK have tried to create own manuals and work descriptions for themselves or their team to assist in the daily work and in training new employees. However, despite these efforts, training of new hires is still mostly done through "learning-by-doing". Many respondents expressed that manuals and procedures for roles in the transport industry is difficult to codify due to the nature of the role:

> *... in terms of learning the role, most of it is hands on, with someone who helps and monitors you, and teach you as you go along. It doesn't really work by learning from a book, given the many variations that you can come across during the day* (INT. 6).

On the contrary, the finance department has come much further in terms of codifying everything from work descriptions to different tasks and procedures. In addition, the manager has visited the UK to spread the use of these manuals as well as to demonstrate and teach them how they can use it in their daily work. This has developed substantially in recent years and since the current manager took over the role. The manager even describes the creation of codifying as something that is now a part of the role of every employee and manager in the department:

> *We have been very much for manuals all the time. I started making manuals when I started here. I´ve always done that when I learn a new job. We all do manuals now. It's something that's part of the job. We have something new, make a manual. So everybody can use it* (INT. 10).

Spreadsheets and Reports

In the UK, employees and managers together with the IT department have relatively recently developed and created two types of shared spreadsheets to make every day communication and information and knowledge sharing between the offices easier and more efficient. The spreadsheets are shared with employees in Sweden and the UK. The first example concerns the tracking of specific trailers that require temperature controlling. To be able to control where they are at the moment, where they are picked up and delivered to and to see the current status of them, a procedure of updating the shared spreadsheet has been implemented. This has also enabled them to make more use of the units that they have in their fleet. The same type of spreadsheets have been created for flatbed trailers as well as open-bed trailers.

Secondly, the UK frequently get requests from their clients for transportation documents that the employees in Sweden have. Previously, requests for documents was done via email, however, due to the large amount of requests, a file that pulls data directly from the system has been created that gives employees in Sweden an overview of all documents that are needed, which ones have been sent and those that are outstanding. This has freed up time while also improving the service given to the customer.

In addition, more overall use of reports throughout the company can be seen, especially in the finance department. They felt that many barriers could previously be found between the finance department and the operations and sales departments and a need to integrate the finance department with other departments in the company to a larger extent could be seen. As a result, the finance department begun building and using financial reports for other departments and branches around 2-3 years ago. They now report key numbers, such as profit margins, sales and growth, for the different departments and expressed that they now feel more integrated and more part of the business than before. One respondent also explained how it benefits the other departments in the company by also making them feel apart of the company as well as motivating them:

> *... we find that by sharing the financial information by branch for example, so that all of the managers can see how much they've built (...) it often empowers the managers within the different departments to actually see their numbers and figures, and we found that by seeing how much they are contributing, they work better (...) we're trying to empower managers, so information sharing is key for that* (INT. 11).

Ntex Newsletter

Another new feature of knowledge sharing that can be seen at Ntex is the monthly newsletter, which is composed by the owner of the company. The newsletter has previously been in Swedish and thus sent out to the Swedish offices only, however, as of March 2018 the newsletter is in English and is sent out via email to the entire organization. The letter, named "Ntex News", is one page long and contains short but relevant information and news about the company itself as well as the industry in general. The March issue included interviews with an existing employee as well as three new employees at the Gothenburg office and information about the ongoing renovation of the headquarter. In addition, it provided a summary of the performance of the company in January, which was a record breaking month for the company in terms of revenue.

4.2.1.3 Practices

Apart from the tools and channels described above, employees and managers at Ntex make use of other methods and practices in their daily work that help to facilitate knowledge sharing in the organization. These will be further elaborated on in this section.

Meetings

Looking at meetings across offices in the organization in general, they are not done on a regular basis. The majority of employees as well as managers explained that meetings are carried out only in the case of specific, bigger issues needing to be resolved. In that case it is done via phone or, if particularly large issues need to be solved, managers will meet face-to-face. It can also be due to the customer requiring it. One example is the department "Import UK" in Sweden that currently have daily video conferences together with the colleagues in the UK as well as the client. This is being done because the new client has requested it.

Apart from these types of meetings, the majority of employees said that they never, or hardly ever, have meetings with employees in other countries and others expressed that they feel there is simply no need for regular meetings as problems are solved when they arise:

> *... do we need to have regular meetings with all of them? Probably not, because we deal with issues on a daily basis, we don't leave things for later, if there's something we need to talk about, we do it and then move on. We try to sort everything out as soon as possible* (INT. 9).

Some of the managers, on the other hand, explained that they actually used to have regular meetings with managers in the other country, however, that they had stopped having them over the course of time. This was mainly explained by a lack of time, even though they all agreed that more meetings is needed and would be beneficial for everyone. Instead, they currently seem to have meetings only when it is required to.

Face-to-Face Visits and Socialization

A practice that is used to a relatively large extent in the company is face-to-face visits where managers as well as employees get to visit other offices and meet the employees there. 9 out of the total 11 respondents interviewed in our study had been to visit offices in the other country while 2 respondents, out of which one was an employee and one a manager, had only met their colleagues when they had come over to their office.

The visits normally last for 2-3 days and are informal in their nature. The majority of respondents explained that no scheduled meetings or agendas are set beforehand but rather they get to go around the office and meet everyone and see how they carry out their daily work. They might then socialize after work by going for dinner or drinks with the colleagues in order to get to know them outside of the work setting:

> *... we went around the office and talked to everybody. We were out lunching, eating dinner at the evening. So that was all. Just to feel that you have a face, as we say in Swedish, a face behind the phone voice you hear. So it was more polite visit but also we took up little discussions but it was not so much* (INT. 4).

Differences can be seen in the amount of times that employees and managers do these visits. Many of the employees had visited only once while some had done it several times. Looking at the managers, many of them tried to visit once a year while other did it as many times as three times a year. A reason for this inconsistency could be found in the way the visits are planned, as going over to another office is essentially up to the employees and managers themselves. This means that no one will tell you that it's your time to go an visit the other office now but the initiative is instead left to the individual. Many respondents expressed that they would like to visit the other office more often and everyone agreed upon the fact that face-to-face visits and socialization is very beneficial and important for building relationships

and trust among them. As a result, you will work better together and learn more from each other. One respondent described the benefits of socialization as increasing bonds and personal connections:

> *... you don't screw a friend, it's as simple as that, and if you have met and we had a relation and we trust each other, then you want to keep that relation (...) if instead the office abroad see me as someone they don't know, I will have no influence, and they will never learn or take information from me. Therefore meetings are crucial* (INT. 5).

Despite all agreeing on the benefits of these visits and wanting to have more of them, they found it difficult to organize and carry out in practice due to lack of time and logistical or scheduling issues:

> *... whenever we want to go we can go but you need also to have somebody to do your work while you are away from the office. And for the moment, I am working myself with the import from UK. I have some backup but not full if I say so* (INT. 4).

Some managers have recently tried to implement a more structured approach to these visits by making sure that all new hires get to visit the office they work with within a few months of being hired. However, already existing employees are in many cases not included in these efforts.

4.2.2 Overall Approach to Knowledge Management

Both the managers and employees that were interviewed considered knowledge sharing a crucial component for their work as well as the company overall:

> *... it is vital. (...) communication is the thing; moving things, how difficult is that? That's easy. The communication is the rest* (INT. 5).

> *We need to learn from each other that's when we grow, as a person and as a company (...) they have a lot of skilled people that's been in the business for many years so, yes, it's very important* (INT. 10).

When asked about how overall knowledge management is conducted at Ntex all respondents also agreed that a very open attitude characterizes the organization and that a more informal approach is currently used in the company. They explained that freedom for individuals to share knowledge with their colleagues is definitely there, however, people might not always use the freedom that they have. While they have some formal elements present, such as the E2 system, the majority of communication and information and knowledge sharing is still being done by using informal means:

> *Whilst we have a very formal way of creating the bookings and pass the loads, so that everybody knows what is going on during the whole booking process, we are still very informal for all the rest and not written down anywhere* (INT. 9).

> *... I would say it is more informal to be honest, we're more of an informal company. It rarely happens that we have meetings to set how things are going to be done, people are constantly thinking and trying to evolve the way we work, and then we discuss it with our colleagues, either email, or phone. Things get implemented like that, rather than having formal reviews, or a meeting, it's a little more informal, I would definitely say* (INT. 6).

This informality means that consistently communicating and keeping in contact with your team and your colleagues in the organization is crucial. However, many of the respondents also mentioned that the formality of the processes used can vary depending on the customer. Looking at the handling of their largest customers, one can see that the process is much more formalized and set compared to their smaller customers, where it is being done on a more informal basis. This is due to the larger customers simply requiring it from Ntex.

Although, the informal approach that has characterized the company since its inception has begun to change recently. Many of the respondents expressed that the company is currently in a phase of uncertainty and transition where the ways they have communicated and shared knowledge previously is changing:

We´re getting to the formal level, I think, as we´re growing we have to implement procedures that are the same in every country (...) we´re slowly getting there because we´re a bigger company (INT. 10).

... we now are looking to formalise everything we're doing (...) as part of that, we have to get all of this in writing. Now I don't know how it is going to affect us to have a more formal sharing of knowledge, and how it will affect the procedures, but I think it might be very different then. If you spoke to me in a year, I think, or hope, that a lot of these answers will be very different (INT. 9).

4.3 Challenges of Internal Knowledge Management at Ntex

The section that follows will be a descriptive review of all the matters related to the systems of knowledge management and knowledge transfer that constitute a challenge for Ntex. In other words, it will be a summary of the factors that emerged in the data collection process that were seen, depending on the specific case, as issues to overcome in the future, as potential material for improvement or simply as objectives to pursue.

The challenges which are described in this section are not presented in any particular order of importance, given that the authors have chosen, in creating the interview guide, to ask questions according to a logical flow of the discourse upon the matters of interest for the research. The respondents, in turn, have given more or less emphasis on the topics that they regarded as most relevant. As a result, the section will consist of an illustration of the empirical results.

4.3.1 Cultural differences

The consideration of cultural differences within the boundaries of an organisation is an intuitive matter when the firm is dislocated across offices in different countries, or even in different areas of the same country. The case of Ntex interestingly presents these scenarios as the three focal points of the research have been the headquarter, located in the city of Gothenburg, the office in the Swedish city of Helsingborg, and the foreign UK subsidiary. It was therefore possible to identify two main *loci* about which almost each of the respondents gave at least a hint, if not detailed explanations, of the presence of cultural differences.

The "locality" of the office personnel

The description will proceed in an out-spreading order by geographical distance, meaning that the differences, when present, become larger and more noticeable the more the distance between the subsidiary and the headquarter increases.

There is a noticeable feature of "city personality" across the two offices studied in the Swedish area. Gothenburg- and Helsingborg employees notice distinctive features related to the specific locations. Helsingborg employees are seen to be more prone to partake directly in the entirety of the business related activities with both the clients and the different other actors related to the company, with traits of an expressed willingness to complicity and participation. Gothenburg is instead seen as a more structured unit with a definite separation of tasks, devolved onto a major focus upon the cleanliness of the business actions.

> *.... I think we [Helsingborg] put more service to our customers. To call them, to inform them, to advise when the shipments are coming or delayed. They [Gothenburg] are just sending an email. [...] We say in Stockholm people are like that, in Gothenburg they are like that, in Malmö they are like that. I think it's some sort of Gothenburg syndrome (INT. 4).*

> *They [Helsingborg] communicate a lot more with the clients than we do, that's the main difference I'd say (INT. 8).*

The differences can be seen both at a managerial level of behavior, and at an employee one, them being quite tightly bound to the personality and "locality" traits of the people in the company and not to their position.

Country differences: Sweden and UK

The second tier of the description of the cultural differences stems from the characteristics of the two countries studied, Sweden and the UK. Despite the differences spotted while making a contrast between the two offices in the homeland, the views converge when it comes to spot the characteristics that make the two places unique as regards the mindsets of the people and the approach to their jobs.

It frequently emerged during the collection of responses to the interviews that the core reasons for most of the existing country specific differences are the divergent cultural strata. In other words, depending on the location of the offices, the units belonging to a same company will differ even only in reason of the different geographical area they are in.

The first and foremost difference that is observed by many of the actors at Ntex is the comparison between the Swedish "flat" structure against the English "hierarchical" tradition:

> *It is more about the fundamental things, the ones that everyone is aware of and knows how to reach. It is more for the things "out of the line" on which the Swedish are probably more flexible. For someone in England who has to make a decision, it means that you are responsible, and you are paid to be responsible, so in the case you're not, you don't want the responsibility [...] Here [in Sweden], you have the freedom to do it, and there are no formalities needed if the action that is taken is good. (INT. 5)*

Not only do the Swedish observe how these characteristics impact the daily work life, but also do the respondents from the UK agree that both sides have their advantages and drawbacks. However, the vision that prevails is that of a pro-Swedish system, i.e. more flat, given that the majority of the interviewees are Swedish or "pro-Swedish". The areas affected are both the decision-making side and the allocation of tasks and responsibilities:

> *... there's probably only a selected few in the company here in the UK that does that [spontaneous communication and knowledge sharing], probably. And probably they're the only ones at the moment that have the time for that, so there's three or four people in Ntex UK, the "pioneers", who have been able to develop more routines and more ways for looking that, but more at a management level, I feel like they don't really do that, it's more rusty there. The don't like being creative or doing that themselves. (INT. 11)*

Finally, there is evidence from the whole bundle of interviews that the operations, both at a daily or at an exceptional level, are not felt as biased due to the use of a language which is not the native one for all of the actors involved. In fact, none of the respondents see the use of English as an obstacle for the current level of information exchange or as a problem for

potential improvements in knowledge sharing. Furthermore, as mentioned in chapter 4.2, the employees at all levels have a choice as for the means that will allow them for more efficiency at work, such as emails, calls or meetings. As a conclusive remark, some of the respondents, nevertheless, did recognize difficulties with the language that the British people used given that obvious factors due to the Swedes not being native English speakers might be disregarded by the Brits who sometimes use their habitual lingo. This is, however, never identified as a problem but rather as a feature to be more attentive about.

4.3.2 Resources

The topic of the resources available to the company and their use for the purpose of knowledge sharing improvement is touched upon several times in the interviews by almost all of the respondents. This is, however, not felt as an obstacle but more as a potential limitation for additional and extraordinary actions meant to improve the current system of knowledge management. Furthermore, "resources" are both intended in terms of capital and of time.

> *... we just bought a company in the UK. We´re setting up routines, we have new loans that we have to pay, we have one loan in Sweden then we have an intercompany loan to the UK to spread the risk in the group.. So (what people perform) is mainly daily routines and then (they) report to me each month, quarterly, yearly. So I have to make sure that (they) keep deadlines, but we also talk a lot. (INT. 10)*

The general opinion is that the growth phase in which Ntex currently is matches the spending possibilities, otherwise said, the present situation is not felt to be unsatisfactory vis-à-vis the set objectives. However, if there was to be an additional availability of capital it would, in the opinion of many employees and managers, flow into the amelioration of the knowledge management system. Nonetheless, this argument is hardly ever brought up as the focus is more often on the "underutilised potential", referring to the lack of sufficient tools for communication and knowledge sharing for an even more efficient and productive execution of the work. This latter problem is derived, in turn, from the shortfall of time available to make the current system evolve:

> *There's just so many thing that you can do for education and HR things (...) But everything requires somebody to do it and money obviously. And we also need a*

strategy to do this and somebody to do the work. We are quite few managers still and we can't do anything that we want but, yes, there are many things that we can do (INT. 10).

Human capital

Aside of time as a resource there also exists the issue of a shortage of available people who could take up the work that is needed to perfect the present system. This is partly due to the division of the tasks according to the necessity of more stringently needed actions to perform, such as the daily work that make the business go round, with a relative limitation on the possibility of performing "extra" work for most of the managers and the employees. The requirement for additional human- or time resources is however manifested only when it comes to the communication face-to-face across foreign units. The possibility to increase the number of meetings falls short against the urgency to perform day-to-day tasks.

I visit our suppliers in person. I visit our clients in person, and I go to the other offices quite often. Of course I go to the Gothenburg office more than I go to England, just because it is a little bit more complicated to fly to England, but I do speak to them a lot. You don't create relations via a keyboard, you have to talk to people (INT. 5)

I came in when we were growing very fast and the finance department was not very developed. So I've worked very much with developing the IT system here and then implemented that in the group (...) This is nice to work here cause there's a lot of things to do. You can develop and you can do what you feel, it's only a matter of time (INT. 10)

Tools and tangible resources

The possibility to communicate with faster methods such as emails and phone calls makes it possible for all of the managers and employees at Ntex to rely on those as primary means of communication. The introduction of supplementary methods, the increase of the number of meetings or the improvements to the operative system are considered as the tools for an ultimate refinement of the company's overall organisation.

I think there should be more information, definitely more information in the system. (...) What difference does it make whether you see somebody face-to-face or you put it on email? The information you're asking is there whether you come up to somebody's

desk and say: this is the information I need or you put it on an email. I don't think it makes any difference. (INT.7)

As a conclusive note, many people in managerial positions at Ntex, and especially those who have a longer history in the company and can compare the situations across time, recognise that the current level of development in the knowledge management system reflects in many ways the recent growth of the firm. That is, the growth from a smaller-size enterprise into an international actor in the business. In many instances, the interviewees agree on the fact that Ntex has not yet completely reassessed into a better-structured company but still keeps traits from their former stage of development while growing forward and developing. The awareness about it is nonetheless widespread. The feature that is perceived as missing is the availability of resources and human capital devolved for the evolution and the update to the company's system in order to reach a match with their actual stage of development.

It is simply difficult to instead keep a track on everyone when you are more people. I have as of now a quite good control over the whole office, I can keep track of what is going on. What I miss is maybe the responsibility over each part, as well as the knots between the different divisions. (INT. 5)

... growing at the rate we have, it has certainly caused issued issues of people having to change the way they work quite quickly (..) Now that we work in separate departments, people may choose not to put so much attention to the people that work in other departments, and that maybe kind of stops a little bit the communication as well (...) Now (...) there is an attitude that makes people tend to let others do the work they do not explicitly have to do. (INT. 3)

4.3.3 Leadership and Managerial Approach

The approach to knowledge management and the opinions that the people working at Ntex have about it differs in several aspects when the comparison is carried out from both a managerial or an employee point of view. The general observation is that the dynamic and hectic environment of a logistics firm forces the different actors to be involved in multiple tasks and duties at once, making it hard to define precisely the scope and scale of every role in the company. As most of the respondents mentioned, the communication is largely happening at an informal level but by leaving room for the best possible performance of the

jobs in letting all employees and managers find and use their "freedom of action". This is mostly true for the managerial perspective, yet, everyone in the company is welcome to bring in their insights, solutions and opinions to the matters that arise alongside the daily work. Albeit being an outstandingly open and free work environment, this situation is also paired to the previously mentioned issues of lack of time and insufficient human resources to make the "creative" side of Ntex be a part of the working routine:

> *I think we get 100% (freedom) but I don't think that we use more than 50%, that's the problem. Often, the information you are given you (...) don't use it, not more than 50%. I think I am busy of course but I can always be better.* (INT. 4)

> *... the issue is that, if the freedom is not controlled, it is not used. If instead you make sure to educate and structure that for everyone, the use of the freedom will certainly grow. The important thing is to educate everyone in a structured way. We give you a task, and then you have to make sure that everybody here is educated (to perform the given task).* (INT. 5)

Work culture - country differences

When comparing the responses from the UK unit, there exists a difference between the freedom of action of the employees in Sweden and the English ones. As brought up previously in the description of the cultural asymmetries, all of the observations about the two countries' offices underline how the Swedish "flat" structure brings along a natural tendency for the managers and employees to equally be in power of willingly intervene on the routines or on the normcore execution of the work. Ntex UK, instead, is organised in a way that reflects their local job culture, that is, having each actor perform the tasks they are required without the will or the need to break out of the quotidian operations:

> *... there's probably only a selected few in the company here in the UK that does that, probably. And probably they're the only ones at the moment that have the time for that, so there's probably three or four people in Ntex UK, the "pioneers", who have been able to develop more routines and more ways for looking at information; but more at a management level, I feel like they don't really do that, it's more rusty there. The don't like being creative or doing that themselves.* (INT. 11)

Ultimately, there is a common point that is agreed upon by all respondents, which is the feature of the organisational culture that encourages the creativity and self initiative in all aspects of the business and positions. This is possible thanks to the Swedish model upon which Ntex is built, that is a company that relies on a flat and flexible structure, and which aims to top results by taking in all inputs coming from within, but absorbing, as well, the learnings that come from the external environment:

> *There is no manager looking over your shoulder, you have the freedom to develop your role and develop your staff, and it's one of the characteristics of Ntex. We want to be curious, we want to find out things, and the only way to do that is to be creative in our roles and try and sustain the interest for them.* (INT. 6)

5. Analysis

This section analyses the empirical data in-depth by putting it in relation to the literature framework developed in chapter 2. The findings are carefully examined and discussed in order to provide an understanding of the characteristics and main challenges that are faced by a company in the phase of international expansion.

5.1 Characteristics of Internal Knowledge Sharing

Looking at the means of sharing knowledge that are currently being utilized at Ntex, we can see that there are elements of both formal and informal means present in the organization. This means that Ntex´s knowledge management characteristics can be connected to the mechanisms of both SMEs and MNCs that were described in the literature review in chapter 2.

Starting with the E2 system that Ntex is using for storing and sharing information and knowledge with their colleagues in different parts of the organization, the system is one of few formal and systematic means that they currently have in place. Despite it being a formal tool in practice, it emerged during the interviews that the E2 system is first and foremost an operational tool that has the aim of improving customer service rather than sharing knowledge within the company. This is a feature that can be found at many SMEs, as described in the study conducted by Hutchinson and Quintas (2008) and the E2 system utilized at Ntex lays very much in line with their findings. Their research also found that many of the SMEs did not report any utilization of knowledge management tools and did not use any language specifically associated with it. Not until interviewed about their processes and activities did specific knowledge management routines emerge. This way of carrying out knowledge management in an informal an unconscious way is in line with what Chen, Lin & Yen (2014), Hutchinson and Quintas (2008) and Beijerse (2000) has reported in their studies on SMEs.

However, the use of the E2 system has changed over time. While in the beginning it was being utilized as an operational tool only, today, it is used by increasing departments and in increasingly different ways. The finance department is now using it on a daily basis and they are looking at implementing it in the finance departments in the other countries, including the UK. The use of E2 for the operational teams have changed and expanded as well, as the

knowledge of how to use the system and the functions of the system has been further developed over time. This development of E2 can be seen as evidence and a consequence of the organization expanding internationally and thus moving from working as an SME, where the E2 system is working as an operational tool only, towards an MNC, where the E2 system in the future might work as a fully integrated tool for all departments around the world where they can share knowledge and information throughout the organization in an efficient way. Consequently, Ntex´s E2 system and the use of it can be said to lay somewhere in between that of an SME and an MNC at the moment. The type of knowledge that is stored and shared via the E2 system can be said to be explicit knowledge as described by Kogut and Zander (2003).

Previous literature does not mention any significant difference between the use of emails and phones in SMEs and MNCs. This is presumably due to emails and phones being communication tools utilized by all companies, independent of size and level of internationalization, and are as such seen to be generic mechanisms for sharing knowledge in companies.

Looking at the manuals and training material currently present at Ntex, a similar picture can be seen. In practice, manuals and handbooks are a formal type of tools that are seen to a large extent at many MNCs, as described in the study on MNCs done by Martinez and Jarillo (1989) that partly looks at the relatively high degree of formalization and standardization of procedures in MNCs. However, the use and spread of manuals have not yet reached this level at Ntex. Instead, the development and adoption of manuals is still at its infancy in most parts of the company as the majority of departments we looked at have very little to no manuals at all today. A possible reason for this late and rather slow adaptation of this tool can be found in the study carried out by by Cerchione, Esposito and Spadaro (2016). They found that a great deal of knowledge in SMEs is often embedded in the individuals in the organization. As tacit knowledge can be relatively difficult to codify it can provide an explanation for manuals not being widespread at Ntex yet. Many of the respondents expressed this difficulty of creating manuals as they felt that the job simply cannot be written down in a step-to-step manual. However, this is likely to change in the future as many of the departments are currently in the process of developing and creating manuals.

A relatively large difference can be seen when looking at the finance department and their use of manuals and training material. The type of knowledge present in the finance department is often explicit knowledge, such as how to make payments and registering invoices, which is better suited and easier to codify and thus easier to transmit over borders and divisions as described by Kogut and Zander (2003). They currently have a high degree of manuals, both in the UK and Sweden, demonstrating that the process of codifying explicit knowledge has come much further in the organization. This indicates that the codifying and formalization of knowledge sharing in the company starts in the divisions where it is simply easier to conduct in practice, in this case the finance department. Once established in these parts of the organization, it seems to expand into other parts of the organization over time.

The use of spreadsheets and various types of reports have increased in the company in recent years. Similarly to manuals, this is a formal kind of tool in accordance to Martinez and Jarillo (1989) that was, previously, mainly present in the financial department but that can, as of recently, be seen in other departments as well. This has been developed as they have learned to pull out certain information from the system to create useful reports that share information and knowledge in an efficient way. Once again, we can see how the use of this tool begun in the financial department to later spread to other departments in the organization. This is another indicator of the company starting to codify the type of information that is the most accessible and convenient to formalize to then moving on to the knowledge that is more tacit and difficult to codify.

The newest addition to their tools of sharing knowledge within the organization, the Ntex Newsletter, is a formal type of mechanism. For the first time, we can see a tool that is established with the aim of sharing knowledge internally which stands in contrast to the study done by Hutchinson and Quintas (2008). This can be seen as an indicator of the company moving away from operating mostly as an SME and towards operating as an MNC to a larger extent. However, a company newspaper is a tool also present at many SMEs, as found in the study by Beijerse (2000). As such, this tool can, in practice, be seen as a general mechanism of sharing knowledge.

Looking at the pattern and use of meetings as well as socialization in the company, we can see that it is still being done in a highly informal way. There is a relatively high focus on meetings and visits between Sweden and the UK, although they are currently not planned and

consistent but are rather utilized if and when they feel that there is a need for it. This is consistent with how SMEs work as described by Cerchione, Esposito and Spadaro (2016). As mentioned, knowledge in SMEs is primarily tacit and a lot of emphasis is therefore often put on socialisation, which is a phenomenon that is evident at Ntex. The importance of socialisation in SMEs is also something that Beijerse (2000) found in his study. However, we can also see that managers at Ntex have started to recognize the importance of consistent meetings and visits and plans of introducing this in the future indicates that this is a practice that is about to change in a more formalized direction.

In previous literature, we can see a difference in how SMEs and MNCs utilize socialisation. While SMEs often use informal socialisation as described above, Björkman, Barner-Rasmussen and Li (2004) and Gupta and Govindarajan (2000) explain how MNCs use a more formal type of socialisation that includes executive programs and job transfers. This differs from how SMEs utilize this tool and also differs from what can be found at Ntex.

Overall, we recognize the majority of tools and practices for sharing knowledge internally from previous literature on SMEs. Almost all tools and practices that were covered in chapter 2.3 could be found at Ntex as well, indicating that the company still works as an SME in terms of internal knowledge sharing to a large extent. However, we can also recognize a few tools and practices from the literature on MNCs, most of which have been developed relatively recently. In addition, many tools and practices from the literature on MNCs are in the pipeline in the company and will be introduced in the near future. This implies that a move towards a more formal knowledge sharing practice is currently underway at Ntex.

The tools and practices that were identified in the literature review but could not be found at Ntex included many formal tools such as liaison positions, committees and task forces that were found to be common at MNCs by Gupta and Govindarajan (2000). In addition, almost all structural tools and practices that were found at MNCs by Martinez and Jarillo (1989) were lacking at Ntex.

5.2 Challenges of Internal Knowledge Sharing

As follows from the illustration of the empirical findings covering the challenges that Ntex faces for the internal management and transfer of knowledge, the current circumstances of

their business follow a mix of factors applicable to both SMEs and MNCs. Due to the expansion in size and territorial coverage of the company, as well as the variety of people it employs, it is intuitive that the challenges will be a first and foremost derivative of this feature. Drawing on the common elements at previous inquired cases that are summarised as a general literature review in chapter 2, it is now possible to synthesize the theoretical peculiarities of the Ntex case.

The earliest most visible characteristic of Ntex is the presence of a number of different "local" attributes of the people employed in each office, which cast, as a consequence, different features in the manner that each unit operate. Thus, there are two complementary ways of seeing this phenomenon. Firstly, in a perspective of "value of the differences" that is taking the best sides of each office's operational practices and using it as an opportunity for the others to learn from, while turning the existing shortfalls or "defects" into inputs for the amelioration of the overall company work. Secondly, so as to stress the specific features of the offices in terms of strengths and weaknesses in order to better direct the tasks towards the units that can perform them better. The phenomenon of the strength of the influence of the headquarter explained by Björkman, Barner-Rasmussen and Li (2004) is a binding component in the solidity of the company structure. A direct influence and incentive power from the headquarter, with an active effort to plan, and eventually implement, a better functioning of the knowledge management system, go within Ntex through the conscious belief in the betterment of the system by the increase of the interpersonal activities Björkman, Barner-Rasmussen and Li (2004). Noteworthy is that all interviewees pointed out the contribution of every unit and their unique "savoir faire" compound to the overall success of the firm. In connection to the listed factors, the improvement of the internal knowledge transfer, with particular regard for direct interpersonal communication, is seen as the carrier of a key role for the general constructive application of the cultural differences for the amelioration of the functioning of Ntex as a whole.

The issue related to the resources available to the company, and notably the ones directed to knowledge management, is systematically pointed out in different terms throughout the interview process. As mentioned previously, these resources are not only seen in terms of capital, but also in terms of human resources, time, and, for the finance team of Ntex, also in terms of the IT system in use. In connection to Gupta and Govindarajan´s (2000) study, where the socialisation mechanisms of MNCs are inquired, the devolution of efforts for the

improvement of the internal communication, and consequently of the internal knowledge transfer, mirror the rule of more social structural mechanisms for better communication. In terms of capital, the resources are mostly seen as being sufficient so far. In terms of the availability of time and adequately trained personnel, the resources are seen as being sufficient, or barely sufficient. In fact, the whole group of respondents shows awareness of a relatively restricted quantity of resources that flow into the internal management of knowledge. However, the company seem to prefer to invest in projects that are different from the improvement of the knowledge system, as for example the recent acquisitions of additional foreign units (see Appendix 2). As in Chen, Lin and Yen's (2014) vision, the improvements in communication are still seen in the company as a complex step to undertake and the degree of friction towards that innovative move is explained by the argument about the resources put forward by the company. As a result of this, the furtherance of the internal knowledge system is seen as an elaborate set of operations that is likely to be implemented at a later stage when the needs for the amelioration of it will be more stringent and necessary. The current focus still appears to be the expansion of the operations' coverage.

The reason for the collection of capital, time and capabilities under a general definition of "resources" is that the three components are not isolated from each other. There is rather an interplay between them that renders the implementation of progress in the internal knowledge management and transfer system a delicate and uncertain process to approach to and initiate, even though small steps are taken by every respondent's team (Chen, Lin & Yen 2014). All in all, the present picture seems to gather traits of prioritisation of the business expansion, while awaiting the need for further improvements to become a compelling factor of future growth. As of now, the resources are felt to be used in an appropriate way for the current business stage but with a visible awareness that there exist cues for advancement and betterment.

Finally, there is a notably important element connected to both the company culture and the company structure, that is, the one related to the employee mindset about the internal knowledge sharing vis-à-vis the point of view of the managers for the same aspect. The employees who have been interviewed tend to perceive the existing system as sufficient for the tasks performed within the company. Against the available working time and the routined processes, the transfer of knowledge and know-how inside the offices, as well as across the different ones, is quite appropriate both in the processes that make it possible and in the

means that it is executed. This particular trait can, again, be relatable to Gupta and Govindarajan´s (2000) theory of growth of MNCs, for the stage of maturity which Ntex is in. Despite some recurrent suggestions for improvement, such as better communication between different departments or technical fixtures to the tools for the job and working processes, the general opinion about Ntex is that the only missing element is time. This appears to be mainly related to the dynamic nature of the logistics industry but also to the characteristic of the firm being above the norm prone to customise their services to the needs of the clients for the best possible performance. As explained in the previous sections, this can be related to the study by (Fulconis, Saglietto & Paché, 2007).

On the other hand, the managers show to be more aware of the overall situation of Ntex and of the future prospects for knowledge transfer and management. Therefore, in the same way as the employees regard the dynamics of the industry as a compelling feature for the company to perform as it is currently doing, the managers do instead draw several learnings from it, following the concepts explained by the studies of (Gupta & Govindarajan, 2000). Among other elements, the expertise of the people in the different departments in each office is aimed at being directed more towards a constructive growth via a more appropriate use of the available resources. This is however a set objective, which is actively worked on in some, but not all, of the units upon which the research was performed. The same applies to the system for the collection of financial information and the E2 system for the organisation of the operation. An explicit aim for the improvement of the company's performance is the increase in the time and the occasions for meetings, which are perceived by all managers to be a key for future success (Cerchione, Esposito & Spadaro, 2015).

A lacking element is seen to be the relative absence of enough inputs to implement the changes listed due to the intrinsic culture of the company (Martinez & Jarillo, 1989). In fact, it has been pointed out in several instances during the research how Ntex rely on their "swedishness", both in the structure and in the organisational culture. In other words, the preference is almost always to create a rather flat organisation where all employees benefit from freedom of action and allowance on performing their tasks in the best way possible by using time and resources wisely. As Kogut and Zander (1992) describe, the process of growth of companies is a causal element that adds up to the actions directed to internationalisation and this is largely found in the current case of Netx as well. Despite the positive connotation of such a concept, there is a general perception of a shortfall in the incentives to detach

employees from a customary way of accomplishing daily tasks and bigger business objectives in favor of the pursuit of improvement of the job and a degree of innovation on a company level (Martinez & Jarillo, 1989). All of the previous is, however, seen as a solvable issue through, again, a better use of the resources. This would allow for progress in the way Ntex works and the accomplishment of future objectives.

As a conclusive note, there is a general accord in the views of both employees and managers in the different offices and both Sweden and UK have views that gather a number of common points that overcome the cultural and country-related differences (Inkpen & Dickur, 1998). As a result, it can be easily concluded that the challenges are perceived at a company level and almost equally in all offices. Such a fact allows the good prospect for the harmonisation of the business objectives of Ntex as a whole and consequently for an easier way to reach successful results.

5.3 Implications for Procedural Formalisation

In the present stage of the international growth phase, Ntex represents a case of a firm with miscellaneous traits as regards to the management- and internal transfer of knowledge. The structural setup reflects partly the one described by Martinez and Jarillo (1989), that is one of an internationally dispersed company which chose to establish offices in the locations overseas it operates with in order to better coordinate, control and benefit from a direct presence and from the knowledge of the site. The deriving features of the firm are a common and shared organisational framework, that includes infrastructures for communication and knowledge sharing, and the integration of the multiplicity of units under a single and most inclusive company culture (Martinez & Jarrillo, 1989).

Nevertheless, the peculiarity of this organisation is the persistence of hybrid features that, according to the characteristic that is being considered at each instance of the analysis, correlates to a different degree either to the circumstances of an MNC, or to those of an SME. Notably, Ntex has a thick underscore on the issue of leverage internal knowledge appropriately, which is an element that according to Chen, Lin and Yen (2014) is present and distinguishing of most SMEs. Furthermore, the obstacles to leveraging are often the impediment for a firm to internationalise or expand, even given the sufficiency of all the other necessary resources for the growth into an MNC (Chen, Lin & Yen 2014). Existing

differences between the offices in the homeland Sweden, and the differences with the offices abroad, make it possible to argue that the points of view about the "locality" of the people can also be interpreted as structural differences between the two offices (Gothenburg being the headquarter and Helsingborg is a subsidiary), but the interviewees unanimously stress how such distinctions are intrinsically related to the subject's place of origin.

The meager use of systemic tools besides the most straightforward ones (as phone and emails can be defined to be) and the scarce practices of knowledge formalisation that are currently the practice of Ntex can be closely assimilated to the study of Hutchinson and Quintas (2008), who stressed the relation between the absence of knowledge transfer formalisation or instrumentalisation to the small size of the firms considered.

The existing situation is now one of a midway, where a conscious need for a betterment in the current knowledge management system is felt, however, the company culture and the distinctive traits of customisation of the service to the clients' needs cast a degree of restraint to a path towards formalisation of knowledge management and the introduction of practices that will enhance the future internationalisation objectives and development ambitions of the company. At the same time, the widespread awareness of both the management and the staff about the current momentum, together with the aim to maintain the core value of Ntex which set them to a special position vis-à-vis the competition, compensate for the potential creation of a winning formula, that can direct the whole organisation towards the settlement of the needed level of adaptation to the circumstances - with a likewise degree of innovation - as regards the knowledge management and knowledge transfer system.

5.4 Summary of the Analysis

The knowledge management system of Ntex is constituted by both formal and informal means and processes. The formalised elements of the are first and foremost the E2 system for data recording and transfer - which is the base tool used in the company to manage and register their operations -, which are complemented by manuals and (semi) formalised procedures that regulate the patterns of the daily work and general tasks. There is a relative lack in the formalisation of the overall bundle of processes carried out by the company on a daily basis, that, partly as a consequence of their high recurrence, are mostly not recorded into fixed schedules or routine documentation. Despite this, the very reason of their high

frequency and the need of those the definition of a precise internal systematisation drag their absence to the status of a shortfall in the organisation. On the side of strictly non-formalised procedures, the way information is spread and transferred - i.e. by phone, email, or occasional meetings - is the foremost feature of the company being mostly reliant on an informal knowledge management system.

The evidence put forward regarding the challenges faced by Ntex for their internal knowledge management system are directly connected to the current state of growth of the company. The organisation is identified as a midway between the theoretical definition of a large SME who operate on an international level, and of an MNC with a large presence both in the home country and overseas. This situation is justified by the unique features that characterise the firm: in fact, the current knowledge management system shows to have numerous typical elements of an SME (informal procedures, differences in the routines and means of data recording and transfer across units, high flexibility and adaptation to client needs, among others), but do as well identify as an MNC due to their size, the volume of work, the international reach, and the basics of the organisational structure.

Following the arguments and reasons brought across in the literature that serves as a backbone to this research, Ntex is identified as being in a peculiar international expansion momentum where size, modes and reach of their operations reflect the "hybrid" characteristic of its structure. Henceforward, the state of its internal knowledge management system is consistent with the company's stage of development, thus facing the same challenges of the firm as a whole with regards to its future.

6. Conclusion

This chapter presents the final conclusions drawn from the empirical data and the analysis made above. The section begins with clearly answering the research question and, ultimately, recommendations for future research will be provided.

6.1 Findings and Theoretical Contributions

In this study, the characteristics, main challenges and implications for knowledge management in a company currently being in an international expansion phase of their development has been investigated. Existing literature within the field of knowledge management is rich and previous studies show that SMEs manage their knowledge primarily in a informal way by the utilization of informal tools and practices on an operational level only. They normally lack an explicitly formulated knowledge management strategy and it is rather performed in an unintentional way. On the contrary, MNCs manage their knowledge in a much more formal manner by utilizing formal tools and practices. They normally have an explicit strategy formulated for managing their knowledge internally and it is thus being done in an intentional nature.

However, companies that are situated in between these two extremes have not yet received much attention and research on companies that are in the process of formalizing their tools and processes is lacking. This thesis and its findings, that have been based on an extensive literature review in combination with the findings gained from a case study of Ntex, thus contributes to the existing literature and has helped find new insights and filling the research gap identified by investigating a company currently being in this phase.

The research question that was formulated at the beginning of this study in order to contribute to this identified gap in literature was the following:

What are the characteristics and main challenges of internal knowledge transfer for a company during an international expansion momentum, and what are the implications for the level of structural formalisation of the processes?

This paper found that a company that is currently situated in an international expansion momentum make use of both informal and formal tools and practices in the area of internal

knowledge management. However, we found that they nevertheless rely primarily on informal tools and practices at this stage. Although some formal tools and practices can be found, these are not yet widespread in the organization but are only utilized in some parts of the company as of now. The formal tools and practices that are currently present have, as a first step, been applied to the explicit knowledge in the organization. This puts Ntex into a hybrid phase that lies in between the knowledge management used by SMEs and MNCs. This is summarized and demonstrated in figure 3 below.

Figure 3: Characteristics of Knowledge Management in a Hybrid Case
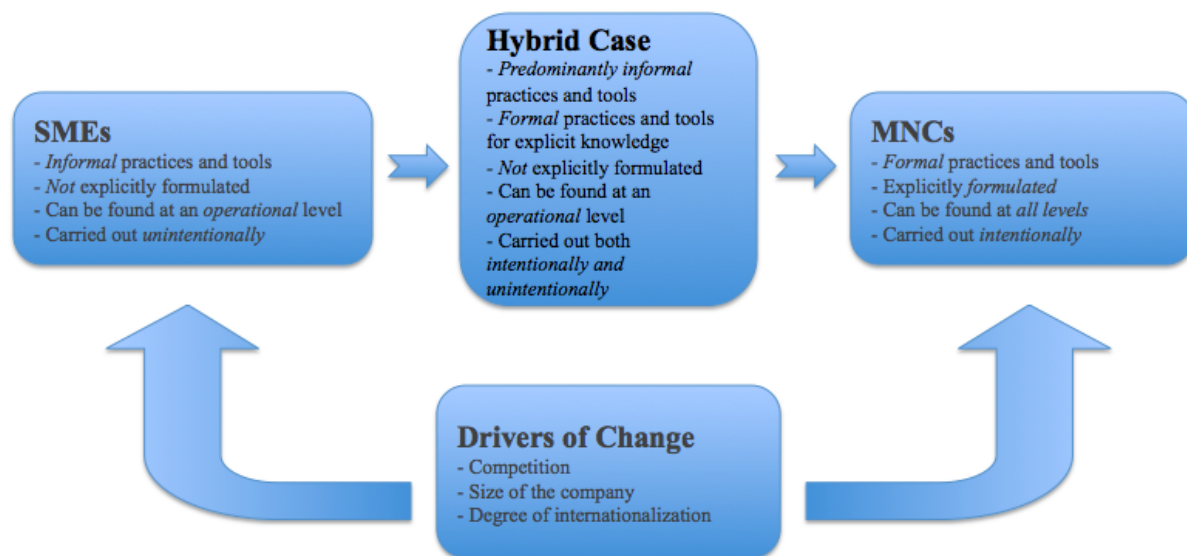
The analysis of the Ntex case has additionally shown how the degree of structural formalisation on a company level impacts its functioning in the majority of its operations. Again, the measure of formalisation defines the "SME-MNC midway" condition of the company, and directs the whole of its action, there included internationalisation, but also, and mostly, the broad set of connections between all of the units and their conjoint operations. At present, the unachieved formalisation status of the company leaves room for the developments currently planned and aspired for that particular ground, but the achievement of this goal depends on the degree of urge and awareness of their mostly informal setup.

The main challenge for the present situation of the company consists in the capability to consciously spot the most appropriate path for development, and whether the future prospects will turn out positively by sticking to the amelioration of an SME-simile structure, or proceeding towards a definitive development into and MNC. As found in the research, the

company is aware of what characterises them in both the SME specifics and the MNC ones, but they have elements in their structure and in their company culture that make the main challenge be the direction they want to take for their future growth, i.e. formalise the organisation system following the typical features of an MNC, or stick more to their client-focused culture, therefore continuing to work like a "large SME". In both scenarios, the careful consideration of the actions and resources needed to achieve full and effective functionality are the elements that lie at the core of the success in achieving the aim of betterment of the organisation's knowledge system.

This study is based on a single case study and its findings can therefore not be generalized any further. However, we believe that some aspects of the study can be seen as more generic than others and we might therefore expect to encounter similar findings at other organizations as well. In reference to Yin's (2010) theory of "analytical generalizability" of a case that has been used for research, we can here define that the framework, the context and the case itself are applicable and reproducible for the aim of building further theories (Yin, 2010). The ground principle for this is that, due to the research being built upon previous theoretical material and thus constituting a proper background and fulcrum for further studies, which in the present case were carried out using Ntex as the subject. As a result, the ultimate findings of the research can be elevated to a level of generality and applicability to additional examination of new cases; alike to the current one, the new cases will be carefully investigated, and the theoretical elements consequently drawn from the scrutiny will, in turn, add up to the existing body of completed research.

However, we can not be certain of the generalizability of the above findings due to them being derived from a single case study. Accordingly, we propose the below recommendations for future research to investigate if the findings from this study hold true for other cases as well and thus are general findings.

6.2 Recommendations for Future Research

Despite the discipline of knowledge management being a already explored field of study the research on organizations in an international expansion momentum is still relatively unexplored. As a result, a general recommendation is to conduct further research within this field on organizations in the logistics sector in Sweden to investigate if the findings from this

paper can be generalized for the industry in Sweden. In addition, a similar study taking place within the logistics sector in other countries outside Sweden would be fruitful in order to explore if our findings hold true for the industry as a whole.

Furthermore, this study was conducted on an organization in the logistics industry in Sweden and thus sheds light on the processes in this industry only. Further research carried out in other industries would be beneficial in order to find out if the findings from this theses can be generalizable for other industries as well.

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Appendix

Appendix 1. Interview Guide

Importance of knowledge
1.   In what way do you consider knowledge and information sharing between employees in Sweden and the UK as important/non-important?

Current situation
2.   What information and knowledge sharing procedures are currently being used in the company?
3.   How much of it is currently being done on a formal level and how much of it is informal?
4.   What knowledge sharing procedures have you implemented or incentivized during your time at NTEX?
5.   How much freedom and/or restrictions do you feel is given to every employee for spreading knowledge and know-how within the company? And how much do think is actually being done?
6.   How comfortable do you feel with respect to executing your work in Swedish versus the occasions in which you can only communicate in English?

Day-to-day communication
7.   Who do you communicate with the most in the UK/Sweden?
8.   Do you have any examples of day-to-day communication with employees in the UK/Sweden?
9.   What types of communication channels are used?
10.   What do you think are the best channels or methods for knowledge sharing? Answer assuming that every channel or method is equally feasible and requires the same amount of resources.
11.   Do you have any meetings with employees in the UK/Sweden on a regular basis?
- If yes, how often? What are the meetings about?
- If no, why not? Do you wish to have it?
12.   Have you met the employees in the UK/ Sweden face-to-face?
- If yes, how often? In what setting? How was the visit organized?
13.   How important do you think it is to meet face-to-face compared to ordinary communication (not face-to-face), both for you as a manager and for your team?
14.   All new hires in Sweden are given a training booklet called "Utbildningsmaterial". How much do you feel that the employees are directed by it? To what extent does it influence their work? Are there any alternative ways that are used by the employees for learning, and if any, is it more/less efficient?
15.   Do you have any material, such as user manuals or guidelines, used for learning new hires?
- If yes, how much do you feel that the employees are directed by it? To what extent does it influence their work?

- If no, are there any alternative ways that are used by the employees for learning?

16.   The office in Gothenburg/Helsingborg also has a department for UK import/export. In what way are they working differently compared to Helsingborg/Gothenburg? How are they communicating with employees in the UK in a different way?

17.   Both Gothenburg and Helsingborg have a department for UK import/export. In what way are they working differently with the UK? How are they communicating with you and your team in a different way?

18.   Do you communicate with any of the managers and employees in the UK/Sweden to help you/them improve in their job?

19.   Do you have an example of something that you/your team have learned from the employees in the UK/Sweden that has helped you in your job?

20.   Do you have an example of something that you have taught the employees in the UK/Sweden?

21.   Do you see any significant connection between the financial performance and the organisational performance to the ways in which the company manages internal knowledge and communication?

Future situation

22.   Do you feel like the means of communication currently being used are the means that work the best or is there room for updates/changes going forward?

23.   In an ideal world, would you like more communication and sharing of information between the office in Helsingborg and the ones in the UK?

24.   Are you planning to introduce any additional methods of knowledge sharing in the near future?

25.   What practical suggestions do you have to make sharing and transfer of knowledge within the company more efficient?

Appendix 2. Historical Development of Ntex AB
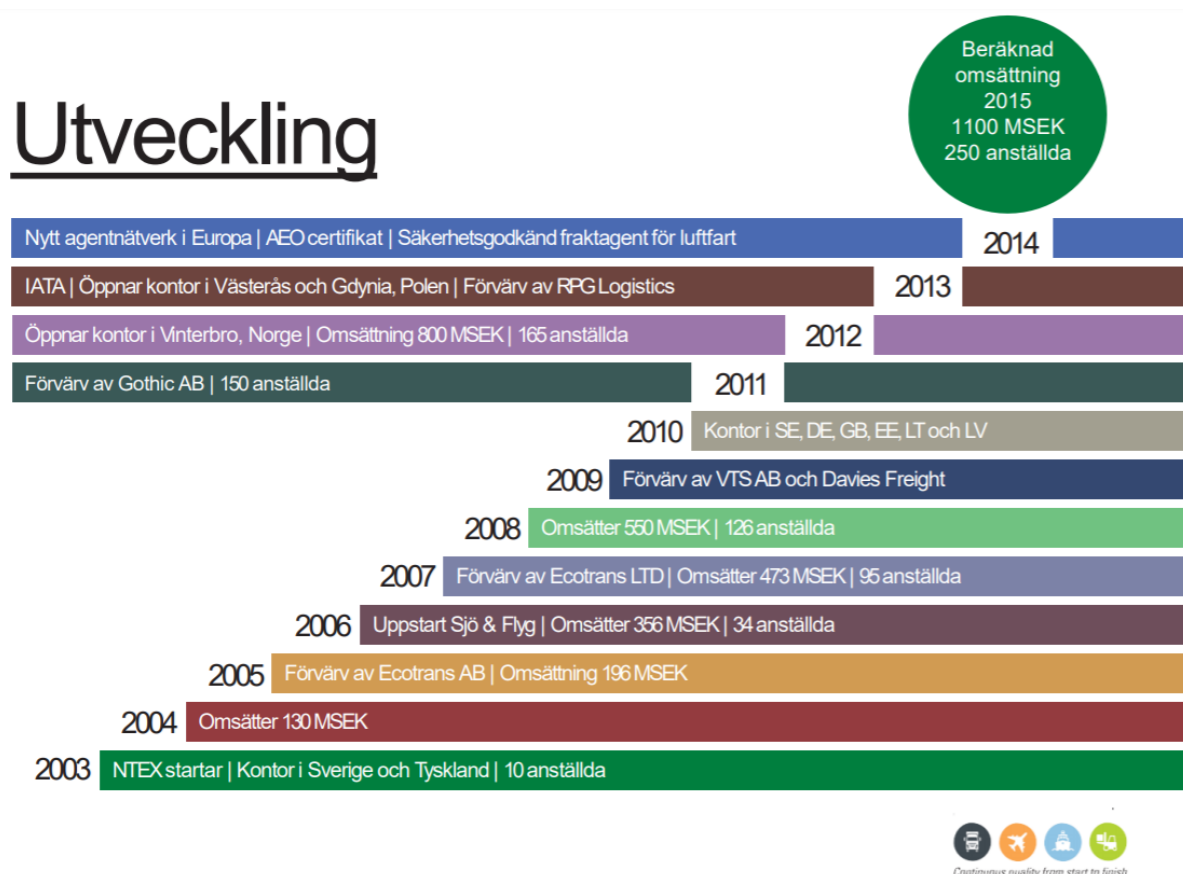
Source: Ntex, 2018

Translation (by authors)

Development - Estimated turnover 2015: 1100 MSEK, 250 employees

2014: New agent network in Europe; AEO certificate; Safety-approved shipping agent for air freight transport

2013: IATA; Office opening in Västerås and Gdynia, Poland; Acquisition of RPG Logistics

2012: Office opening in Vinterbro, Norway; Turnover of 800 MSEK; 165 employees

2011: Acquisition of Gothic AB; 150 employees

2010: Offices in Sweden, Germany, UK, Estonia, Lithuania and Latvia

2009: Acquisition of VTS AB and Davies Freight

2008: Turnover of 550 MSEK; 126 employees

2007: Acquisition of Ecotrans LTD; Turnover of 473 MSEK; 95 employees

2006: Start-up of Sjö & Flyg (sea and air transport); Turnover of 356 MSEK; 34 employees

2005: Acquisition of Ecotrans AB; Turnover of 196 MSEK

2004: Turnover of 130 MSEK

2003: Start of operations of Ntex; Offices in Sweden and Germany; 10 employees