

**Reverse Knowledge Transfer and the Emerging Market
Multinational: A Multiple Case Study**
**Transferência Reversa de Conhecimento e Multinacionais de
Mercados Emergentes: um estudo de casos múltiplo**

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Abstract: Knowledge transfer from subsidiaries to headquarters – reverse knowledge transfer – and the study of emerging market multinationals are two important and rapidly growing research topics in the field of international business. This research examines knowledge acquisition and reverse transfer by two leading local and regional firms from an emerging economy, Brazil, from their subsidiaries abroad. Two in-depth case studies were conducted seeking to qualitative and empirically test some theoretical propositions derived from EMNE (emerging market multinationals) literature as well as contribute to the understanding of the motives, host location, and RKT (reverse knowledge transfer) processes adopted by these EMNEs. Filling a literature gap, the study follows a holistic and comprehensive approach, analyzing the reverse knowledge transfer as a full process and using categories of analysis that map all the process (including actors, motivations, and mechanisms). As a result, this study contributes theoretically to (a) the literature on reverse knowledge transfers by empirically and qualitatively testing some propositions and (b) the longstanding debate about under which circumstances do we need different theories to study EMNEs by helping to define those circumstances.

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Keywords – Reverse Knowledge Transfer, Internationalization, Emerging Market Multinationals.

Resumo: Transferência de conhecimento de subsidiárias para matriz – transferência reversa de conhecimento – e o estudo de multinacionais de mercados emergentes são dois tópicos de pesquisa importantes e de rápido crescimento no campo dos negócios internacionais. Esta pesquisa examina a aquisição e transferência reversa de conhecimento por empresas líderes de mercado de uma economia emergente, o Brasil, a partir de suas subsidiárias estrangeiras. Dois estudos de caso aprofundados foram realizados, buscando contribuir com um teste qualitativo e empírico de algumas proposições teóricas construídas a partir da literatura e para uma melhor compreensão das motivações, localização e processos de transferência reversa de conhecimento adotados pelas empresas. Preenchendo uma lacuna da literatura, esta pesquisa adota uma perspectiva holística e completa, analisando o processo de transferência reversa de conhecimento em toda sua magnitude e com categorias de análise que mapeiam todo este processo (incluindo atores, motivações, mecanismos etc.). Como resultado, esta pesquisa contribui para a literatura de transferência reversa de conhecimento além do ainda inacabado debate acerca das circunstâncias nas quais teorias diferentes são necessárias para o estudo de multinacionais de mercados emergentes.

Palavras-chave – Transferência reversa de conhecimento, Internacionalização, Multinacionais de Mercados Emergentes.

Introduction

Internationalization can bring several benefits to a company, in addition to impacting revenues and costs. One of the most important long-term benefits comes from knowledge acquisition and transfer. The multinational enterprise (MNE), with its global network of units, is particularly well suited to access knowledge dispersed in several geographic locations (Anderson, Dasí, Mudambi & Pedersen, 2016), thus creating value and building global competitive advantage (Fu, Sun & Ghauri, 2018). However, despite the importance of knowledge transfer as a research topic in international business (Alharbi & Singh, 2013), the extant literature has focused mostly on transfers from parent companies to subsidiaries, giving limited attention to reverse knowledge transfer (RKT), that is, transfers from subsidiaries to parent firms (Ambos, Ambos & Schlegelmilch 2006; Li, Strange, Ning & Sutherland, 2016; Nair, Demirbag, Mellahi & Pillai, 2018). Yet, subsidiaries can contribute not only to their parent's knowledge base but also to the network of foreign units (Cuervo-Cazurra & Un, 2007; Fu, Sun & Ghauri, 2018).

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The issue of RKT became more relevant when international business (IB) scholars started to focus their attention on emerging markets and a particular type of MNE originating from these markets. In fact, some studies have shown that emerging market multinationals (EMNEs) are making full use of RKT by establishing or acquiring subsidiaries in advanced knowledge centers located in Europe and the United States, particularly those from China (e.g., Di Minin & Zhang, 2010; Luo & Tung, 2018) and India (Nair, Demirbag & Mellahi, 2015, 2016). A particularly interesting work that can assist scholars in understanding knowledge seeking movements is the springboard perspective, by Luo and Tung (2007, 2018), which sought to understand the movement of EMNEs in general but that was clearly based on the Asian context. In fact, the bulk of the research on EMNEs still focuses on Asian countries, overlooking EMNEs from other regions, such as Latin America (Cuervo-Cazurra & Un, 2007; Cuervo-Cazurra, 2008). As a result, there is limited evidence as to whether and how EMNEs from other regions are using RKT from overseas subsidiaries to parent companies, and even less concerning the potential benefits of RKT, parents' absorptive capacity, and synergistic impacts on the network of subsidiaries.

Latin America is home to large markets and rich in natural resources. Some Latin American multinationals – sometimes called multilatinas (Cuervo-Cazurra, 2008), or global Latinas (Casanova, 2009) – have turned into global players, and in some cases, have become global industry leaders. These firms operate in a variety of industries, including banking, aeronautics, bus manufacturing, consumer products, building materials, information technology, and steel manufacturing (Casanova et al., 2019), besides more traditional sectors such as agribusiness, mining, and forestry products. However, the economic, social, political, cultural, and regulatory environment of the region profoundly differs from those of other regions, such as Asia, making it difficult to generalize research findings from China or India (Cuervo-Cazurra, 2019). On the other hand, Latin American countries are relatively homogeneous in terms of their history, level of economic development, cultural values, and political aspects (Cuervo-Cazurra, 2019). Thus, Latin American EMNEs deserve scholars' attention on their own merits, not only “because they are an exciting and increasingly important phenomenon,” but also because their study can improve the understanding of home country impacts on firm internationalization (Cuervo-Cazurra, 2019, p. 3). As mentioned by Ramamurti and Hillemann (2018), “, a major reason for applying IB theories in

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different contexts is to discover their boundary conditions or implicit assumptions” (p. 37). But research on LATAM countries internationalization remains scarce (Aguilera, Ciravegna, Cuervo-Cazurra & Gonzalez-Perez, 2018). In particular, the role played by RKT in Latin American multinationals’ strategies is a topic that remains largely unexplored (Kogut & Mello, 2017).

The present study aimed at contributing to filling this gap by investigating the use of RKT by EMNEs with headquarters in Brazil, the largest country in Latin America. The research questions address the issues of why, where, and how Latin American EMNEs employ RKT, thus also responding to calls in the literature for more in-depth studies on RKT (Nair et al., 2018), especially qualitative ones (Kogut & Mello, 2017) that analyze RKT as a full and comprehensive process (Pérez-Nordtvedt, Kedia, Datta & Rasheed, 2008; Kogut & Mello, 2017).

The research is based on two in-depth case studies of Brazilian firms. The first case examines the RKT strategy of the largest private bank in Latin America, with headquarters in Brazil, that expanded to other countries in the region. The second case analyzes the RKT strategy of a Brazilian manufacturing company that has attained domestic, regional, and global leadership (as one of the three largest global players in its industry). By contrasting these two meaningful yet almost opposite cases in their RKT processes, the study empirically and qualitatively tests several literature-derived propositions and sheds light on the motives, locations, and processes underlying RKT strategies. It demonstrates that RKT processes are unique and therefore not the same for all EMNEs. Thus, this article contributes theoretically by (a) advancing the knowledge transfer literature by empirically and qualitatively testing some important propositions derived from literature; and (b) adding to the longstanding debate on whether – or under which circumstances – traditional theories are suitable for EMNEs (Hernandez & Guillen, 2018; Cuervo-Cazurra, 2019), with a three-step analytical process to understand those circumstances. Managerially, the study contributes with two meaningful and inspiring cases that exemplify successful trajectories based on knowledge transfers and exploring their barriers and enabling mechanisms in different contexts.

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Theoretical Background

With a knowledge-based theoretical background (Grant, 1996) and an emerging market perspective largely based on the springboard perspective (Luo & Tung, 2007, 2018), we now examine the relationship between knowledge and the EMNE, exploring the importance of the former to the latter. We also investigate transfer fluxes and RKT processes, examining the respective drivers, locations, and mechanisms.

Knowledge and the EMNE

Knowledge – in the form of organizational learning, skills, technology, and in general – is an important source of competitive advantage, with advocates of the knowledge-based view, believing it to be “the most strategically important of the firm’s resources” (Grant, 1996, p. 110) and “the primary resource upon which competitive advantage is founded” (Spender & Grant, 1996, p. 7, corroborated by Fu, Sun & Ghauri, 2018). Accordingly, Kogut and Zander (1996, p. 506) conceptualize the firm “as a social community specializing in the speed and efficiency in the creation and transfer of knowledge.”

Traditionally, the literature on knowledge transfer considered that most MNEs – typically from advanced economies – used their existing (and superior) knowledge base to establish a position in foreign markets; thus, transfers occurred from parent to subsidiary. Almeida (1996) study of the semiconductor industry in Europe and South Korea showed, however, that multinationals from both countries established subsidiaries in foreign countries to acquire knowledge that permitted them to overcome weaknesses in their knowledge base. These findings were considered to bring “startling new light upon the knowledge strategies of multinationals” (Spender & Grant, 1996, p. 7). In fact, both situations occur and often concomitantly. An MNE can exploit its present knowledge base or explore new sources of knowledge. In the first case, the firm learns from the application of its knowledge base to new environments, and from the adaptations required to operate effectively in these markets. In the second case, learning comes from exploring new experiences and opportunities, which give access to locally available knowledge. It is desirable to find the right balance between exploration and

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exploitation. Deng, Liu, Gallagher and Wu (2020) argue that successful EMNES must be ambidextrous in that manner, performing both exploration and exploitation, sequentially or simultaneously. Moreover, firms need to develop the capabilities required to integrate and disseminate the new knowledge – critical to successfully operating globally – within their network (Teece, Pisano & Shuen, 1997; Forsgren, 2013; Vasudeva & Sonderegger, 2007). This is a particularly challenging process for EMNEs.

The springboard perspective (Luo & Tung, 2007, 2018) focuses specifically on EMNEs and their catch-up processes. EMNEs experience liabilities of foreignness due to lack of legitimacy and lack of membership in information networks (Hakanson & Nobel, 2001; Cuervo-Cazurra & Un, 2007). In addition, they suffer from institutional voids (Khanna & Palepu, 1997), or weaknesses due to the poor quality of their home countries' institutional environment. To face these challenges, EMNEs use strategic international acquisitions as a springboard to surmount latecomer and other disadvantages so they can strengthen their position at home (Luo & Tung, 2007). These acquisitions tend to be serial, aggressive, and risky. Accordingly, Elango and Pattmaik (2011, p. 461), in their study on Indian EMNEs, found that these firms made serial acquisitions “of increasing value in a sequential manner” to minimize risks and optimize “their ability to learn from acquisitions.”

Empirical evidence suggests that acquisitions are indeed the preferred entry mode of EMNEs (e.g., Losada-Otálora & Casanova, 2014; United Nations Conference on Trade and Development, 2018). Yet strategic acquisitions abroad do not guarantee success, because EMNEs face several challenges. First, the acquisition permits access to the proprietary knowledge of the acquired firm but does not guarantee that the acquiree has the capabilities to effectively transfer and absorb this knowledge into its current knowledge base. Second, the parent company also needs to be able to disseminate the reconfigured knowledge among other subsidiaries (Kogut & Zander, 1996; Luo & Tung, 2007, 2018). Third, the parent company needs to effectively overcome post-acquisition challenges, such as coordination and integration (Teece, Pisano & Shuen, 1997; Luo & Tung, 2007; Vasudeva & Sonderegger, 2007). These challenges are magnified by the lack of managerial capabilities, governance mechanisms, and routines required to implement RKT processes. However, if successfully done, the strategy can create value for the EMNE. Ahammad, Tarba, Liu and Glaister (2016) attribute the success

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of cross-border acquisitions, to a large extent, to knowledge transfers and their impact on creating new competitive advantages for EMNEs.

The springboard perspective has received strong empirical support (e.g., Elango & Pattmaik, 2011; Kumar et al., 2020; Su et al., 2020), and is currently one of the leading theoretical perspectives used by IB scholars to study EMNEs. However, as the authors have recognized, “not every EMNE acts in a springboard fashion” (Luo & Tung, 2018, p. 132). Other authors have proposed different views of catch-up strategies. For example, Lynch and Jin (2016, p. 1596), suggest that when they operate in mature industries, EMNEs “are more likely to close the gap with their established rivals through incremental technology advances rather than a major technology breakthrough”.

RKT Motives, Locations, Mechanisms, and Processes

The springboard perspective (Luo & Tung, 2007) provides a comprehensive explanation for EMNEs’ motivations to engage in RKT. According to this theory, EMNEs embark on aggressive, rapid, and strategic acquisitions in advanced economies to catch up. Strategic asset seeking is a strong driver of their internationalization, although EMNEs do go abroad for other motives, such as opportunities (Luo & Tung, 2007, 2018; Kotabe & Kothari, 2016). Among the main assets sought are technology, know-how, R&D facilities, human capital, and managerial expertise, in addition to brands and consumer bases, distribution channels, and natural resources. The choice of advanced markets to invest in is often a search for “sophisticated technology or advanced manufacturing know-how by acquiring foreign companies or their subunits that possess such proprietary technology” (Luo & Tung, 2007, p. 485). Other authors concur that acquisitions of advanced economy’s firms by EMNEs are often associated with the intention to have access to a proprietary stock of knowledge of the target firm (Gupta & Govindarajan, 2000; Najafi-Tavani, Giroud & Sinkovics, 2012). Recently, Luo & Tung (2018) argue that EMNEs are often not driven by one motive; rather, a multiplicity of motives may drive their springboard strategy. They add that “a more comprehensive explanation of interconnectivity of multiple goals and acts is needed in the literature” (Luo & Tung, 2018, p. 134). As such, we advance below several propositions to be tested in other emerging market contexts.

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Proposition 1: Strategic asset seeking related to knowledge, such as technology, know-how, R&D facilities, human capital, and managerial expertise are among the main motives for the internationalization of EMNEs.

Some EMNEs internationalize their R&D activities (e.g., Criscuolo & Narula, 2007; Vasudeva & Sonderegger, 2007; Criscuolo, 2009; Di Minin & Zhang, 2010) to increase the speed and efficiency of knowledge creation. Thus, when establishing a subsidiary or research center in a knowledge-rich region or close to institutions holders of superior knowledge, EMNEs expect to attain the benefits of spillover effects. These spillover effects may include learning by competing with industry leaders, by cooperating/collaborating with partners, by trading with aggressive suppliers, and by delivering to demanding customers (Griffith, Harrison & van Reenen, 2006; Liu, Lu & Choi, 2014; Driffield, Love & Yang, 2016; Fu, Sun & Ghauri, 2018).

A major difference regarding entry modes relates to the stock of knowledge available at the subsidiary – smaller for greenfield investments (Najafi-Tavani, Giroud & Sinkovics, 2012), and larger for acquisitions. Nevertheless, whether establishing a subsidiary or acquiring an existing company for knowledge-seeking reasons, EMNEs must engage in an RKT process. Some authors have looked specifically at the issue of why the stock of knowledge available in a given subsidiary, or a target for acquisition, is valuable for the parent firm (e.g., Criscuolo & Narula, 2007; Sanna-Randaccio & Veugelers, 2007; Moncada-Paterno-Castello, Vivarelli & Voigt, 2011; Massini & Miozzo, 2012; Deng, 2013). These studies suggest that EMNEs embark on RKT both for catch-up motives and to enhance their performance.

Proposition 2. EMNEs adopt RKT to (i) compensate for competitive disadvantages and capability voids; (ii) strengthen their position at home.

The location of the parent firm and subsidiary also plays a role in RKT. Some authors (Ambos et al. 2006; Fu, Sun & Ghauri, 2018; Jiménez-Jiménez, Martínez-Costa & Sanz-Valle, 2019) have suggested that RKT tends to happen when the subsidiary is in a heterogeneous host country. Others,

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however, have proposed that RKT will occur primarily from subsidiaries in countries that are more competitive than the home country concerning industry-specific knowledge (Nair, Demirbag & Mellahi, 2015; Luo & Tang, 2018), that is, when there is a technological gap between them. Similarly, Belderbos, Lokshin and Sadowski (2015, p. 491) explain that RKT depends on the relative position of the country of origin of the firm vis-à-vis “the global technology frontier” and other alternatives for knowledge sourcing.

Proposition 3. RKT tends to happen when the parent company is from a developing country and the subsidiary is from a developed country.

The RKT process itself cannot be taken for granted. Some scholars have argued that subsidiaries must be embedded both externally, to generate knowledge, and internally, to be acknowledged by the parent company and thus able to transfer knowledge (e.g., Mudambi, Piscitello & Rabbiosi, 2014; Driffield, Love & Yang, 2016). The transfer of knowledge from a subsidiary to the parent company entails complex challenges, given that (a) the resources and mechanisms required can be quite different and (b) there is a trade-off between local and global aspects (Meyer, Mudambi & Narula, 2011; Narula & Rugman, 2014). Also, the more tacit and complex the knowledge, the more difficult and costly it is to transfer (Grant, 1996; Hakanson & Nobel, 2001; Nair et al., 2018; Sanchez-Vidal, Sanz-Valle & Barba-Aragon, 2018), and the higher the need for trust between the parties (Becerra, Lunnan & Huemer, 2008). On the other hand, the higher the difficulty to imitate, the higher are the chances of becoming a competitive advantage of the firm (Becerra, Lunnan & Huemer, 2008; Pérez-Nordtvedt et al., 2008; Nair et al., 2018; Jiménez-Jiménez, Martínez-Costa & Sanz-Valle, 2019), particularly for service firms (Guo, et al., 2018).

The nature of the knowledge transferred may vary substantially. While some subsidiaries play the role of mere adaptors of an MNE’s products and processes to their local markets, others may explore and develop new knowledge resources and skills, improving the competence base of the entire firm (Mudambi, Piscitello & Rabbiosi, 2014). In both cases, there is relevant knowledge being created and potential for RKT, but the latter is more value-creating for the parent and the network. If the knowledge

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transferred by a subsidiary to the MNE is meaningful, novel, and frequent enough, it might become a subsidiary-specific advantage (Moore, 2001; Rugman & Verbeke, 2001) and that subsidiary might become a center of excellence (Bartlett & Ghoshal, 1989; Moore & Birkinshaw, 1998).

Proposition 4. Only the transfer of tacit knowledge can be beneficial to parent companies as a source of competitive advantage, as it is more difficult to imitate (compared to explicit knowledge) and thus more attractive.

Incentive misalignment between headquarters and subsidiaries – or agency problems – may also jeopardize RKT processes, affecting either the parent’s willingness to learn or the subsidiary’s willingness to share (Mudambi, Piscitello & Rabbiosi, 2014; Driffield, Love & Yang, 2016; Peltokorpi & Yamao, 2017; Kong, Ciabuschi & Martín, 2018). Reasons for subsidiary resistance to transfer include the desire to keep power and control at the subsidiary level. Several studies indicate that establishing teams or other mechanisms of interaction may reduce resistance and improve transfer processes (e.g., Criscuolo & Narula, 2007; Chung, 2014; Fu, Sun & Ghauri, 2018). In some cases, a process of persuasion must take place (Mudambi, Piscitello & Rabbiosi, 2014; Pérez-Nordtvedt, Mukherjee & Kedia, 2015; Peltokorpi & Yamao, 2017).

The most important, and often the most difficult, part of RKT is the process of combining the newly acquired knowledge with the current knowledge base (Chung, 2014; Tseng, 2015) and exploring the benefits. Fu, Sun and Ghauri (2018) developed a three-step process to knowledge integration: leveraging new knowledge, renewing knowledge, and releasing resources and capabilities to be put into practice. But managing and integrating dispersed R&D activities often require new organizational structures, processes, and capabilities as well as sharing and re-usage of the new knowledge to justify the usually higher costs (Vasudeva & Sonderegger, 2007; Narula & Rugman, 2014; Fu, Sun & Ghauri, 2018). As such, a culture of sharing and trust (Liu, Lu & Choi, 2014; Minbaeva, Pedersen, Björkman & Fey, 2014) and a shared vision / values (Criscuolo & Narula, 2007; Nair, Demirbag & Mellahi, 2015; Peltokorpi & Yamao, 2017; López-Sáez, Cruz-González, Navas-López & Perona-Alfageme, 2021) must be in place.

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The RKT process requires several facilitators. With learning being an intrinsically social (Teece, Pisano & Shuen, 1997) and collective process (Liu & Mayer, 2020) firms need to adopt human resources (HR) strategies and socialization practices (Nonaka & Takeuchi, 1995) that promote good relationships (Kong, Ciabuschi & Martín, 2018), integration, and creation of a social community (Kogut & Zander, 1996). Examples include conducting training and workshops, fostering the development of cultural competencies (Liu & Mayer, 2020), having interactive meetings (Fu, Sun & Ghauri, 2018), and mixing locals with experienced expatriates (Mäkelä, Björkman & Ehrnrooth, 2009; Ghauri & Park, 2012; Liu & Mayer, 2020). Operational practices include using shared technological and experimental platforms (Vasudeva & Sonderegger, 2007); and having organizational routines sufficiently standardized to allow communication flows (Hakanson & Nobel, 2001; Criscuolo, 2009; Li, Chang, Lin & Ma, 2014). Expatriates' cultural intelligence (Vlajčić, Caputo, Marzi & Dabić, 2019), embeddedness fit (both at host unit and HQ) (Froese, Stoermer, Reiche & Klar, 2021), and disseminative capacity (Sanchez-Vidal, Sanz-Valle & Barba-Aragon, 2018) are pivotal for RKT, specifically regarding knowledge codification/de-codification process, frequency of communication, and degree of knowledge transfer, respectively. Thus, Liu and Mayer (2020) conclude that RKT “relies on both the ability and motivation of individual boundary spanners as well as team-based international collaborations” (p. 1), if assisted by the right HR practices. Boundary spanners would act in “enabling” while the HR practices in “materializing” the knowledge transferred. Important to note that HR integration practices/knowledge transfer mechanisms can be more or less formal, but the effectiveness of informal mechanisms is influenced by economic, geographic, and administrative distance from the source (subsidiary) to the target unit (usually parent company) (López-Sáez et al., 2021).

Moreover, MNEs face several challenges to absorb and integrate knowledge, but if they fail to do so, the company may be jeopardized (“the benefits from the transferred knowledge can be realized only when further action is taken on the same” Nair, Pillai & Demirbag, 2021, p. 1060). First, national and cultural differences often make it more difficult (Ahammad et al., 2016); differences in organizational cultures may also play a role. A major barrier to RKT is the parent company's absorptive capacity, an issue that has deserved a lot of attention from researchers (e.g., Gupta & Govindarajan, 2000; Ambos et

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al., 2006; Nair, Demirbag & Mellahi, 2015; Cuervo-Cazurra & Rui, 2017; Jiménez-Jiménez, Martínez-Costa & Sanz-Valle, 2019). Nair, Pillai and Demirbag (2021) highlight the need for confidence in the knowledge, both for the transference to occur and for the company to reap benefits from it. Also, time may impact the ability to absorb new knowledge. If many acquisitions are made within a short period, the parent's absorptive capacity may be impaired, and prevent it from being able to absorb the lessons of any acquisition. Eisenhardt and Martin (2000) suggest frequent but small variations in context to speed up learning and the improvement capabilities. In the case of EMNEs, Cuervo-Cazurra and Rui (2017) have found that RKT can be impaired by barriers both internal and external to the firm. Internal barriers include managerial attitudes and lack of adequate social integration practices; external barriers include, for example, limited protection in terms of contracts and intellectual property.

P5. The parent company must be able to integrate and incorporate knowledge received into its existing knowledge base to improve operations globally and create a global competitive advantage out of it.

Kogut and Mello (2017) have developed a comprehensive framework that sums up well all that has been said here and can aid in analysis to study RKT in multinationals (Figure 1). According to the authors, “reverse knowledge transfer is a complex process, and as such should be analyzed in terms of all of its components and its broader context” (p. 14).

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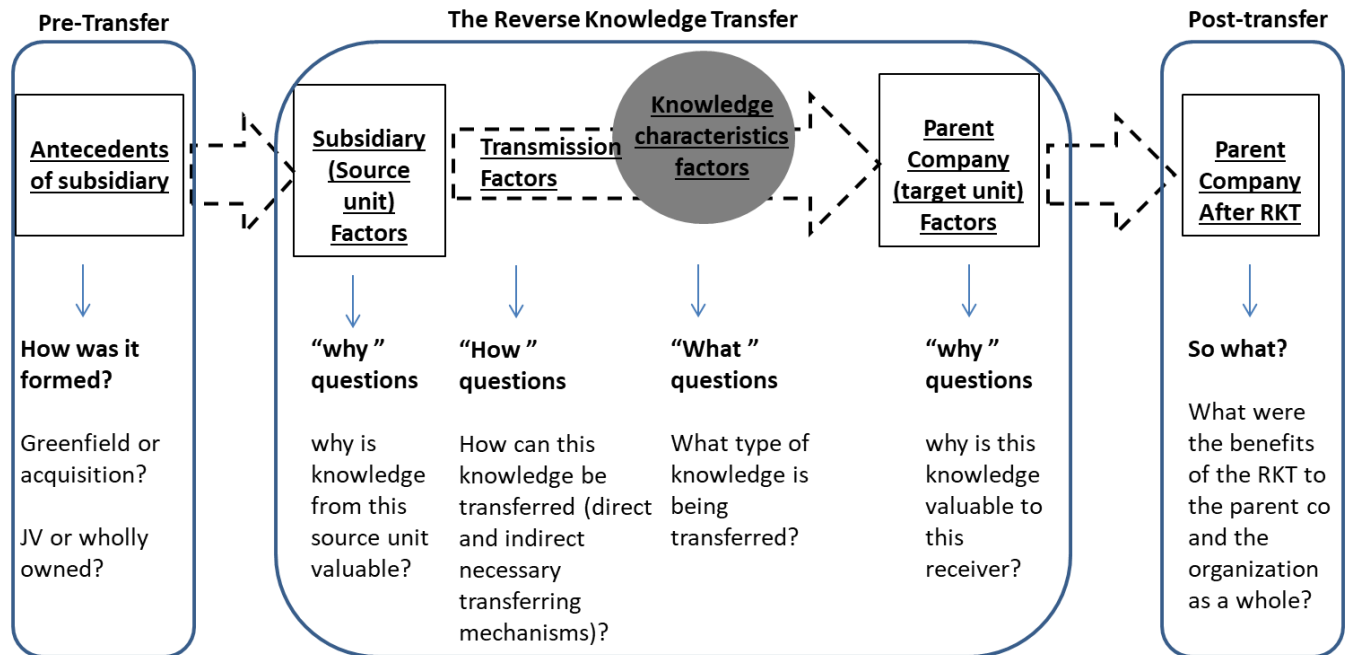


Figure 1. MNC's Internal Knowledge Flow Complete Transferring Process
Source: Kogut & Mello (2017)

Method

This study uses the case method of investigation. The cases were selected by theoretical sampling (Eisenhardt & Graebner, 2007), aiming at achieving depth of analysis and potential for analytical generalization (Fletcher, Zhao, Plakoyiannaki & Buck, 2018). Initial criteria for selecting the cases were (i) company size (large); (ii) leader in its domestic industry; (iii) minimum of 10% of revenues from abroad; (iv) internationalization process at least ten years old. These criteria sought to assure a meaningful case with a high probability of presenting an in-depth view of RKT. A final criterion was the willingness of the company to participate in the study. The selection process led to the choice of two companies, one in the banking industry and the other in manufacturing. The research used primary and secondary data. Primary data consisted of on-site observation but mainly in-depth interviews with top past and present executives of the companies. This kind of interviewee is significant for research

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purposes given their (1) privileged and strategic view of what is happening (happened and/or shall happen) in the company and (2) their role in sense-giving and in influencing general employees' sensemaking of strategic movements (Gioia & Chittipeddi, 1991).

Interviews were held in person, in executives' native language, and at their convenience, ensuring they were comfortable to discuss the matters at hand. A semi-structured interview questionnaire was prepared beforehand and checked at the end of each interview to ensure every topic of interest had been covered. However, all questions asked were open-end to give interviewees freedom of speech and to allow new things to emerge from the field.

In EMNE A, interviewees were the Vice-President of International Operations, a member of the Board of Directors, the CEO of one of the subsidiaries, and the general manager of another subsidiary. Both subsidiaries are in Latin America. In EMNE B, the persons interviewed were the President of the Board, an Executive Director at the parent company, the Brazilian CEO, the COO for International Operations, and a member of the Board. The interviews followed a semi-structured guide. They were held in the executives' offices, in their native language, and at their convenience. In total, 14 hours of interviews were recorded, transcribed, and analyzed.

We also had access to a large diversity of secondary data on each company, as both are large and relevant enterprises in Brazil, publicly traded, and thus well-known. Secondary data included public company documents (such as presentations, financial reports, reports to shareholders, company books, etc.), academic research (thesis and papers), and a wealth of articles in the press (business magazines, newspapers, and other online sources). A database comprising all the material available was compiled, cross-checked, referenced, and summarized in Table 1.

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Table 1.
Research Database

		Amount of data (in pages)			
Type of data	Source	Case A	Total	Case B	Total
Primary Data					
Interviews	Transcription of interview – 1	15		20	
	Transcription of interview – 2	23		13	
	Transcription of interview – 3	17		27	
	Transcription of interview – 4	16		19	
	Transcription of interview – 5			22	
Total primary sources			71		101
Secondary Data					
Websites	Relevant information retrieved from company websites	15		39	
Presentations	Presentations, releases, annual and financial reports	669		275	
Books	Specifically mentioning/ commenting on the company			23	
Academic works	Paper on Company / Industry	31		16	
	Dissertation	106		115	
	Thesis			239	
Investors analysis	From financial investors			5	
Public Video	Interview (transcribed in pages)	2			
Selected News	Newspapers & magazines	59		24	
Total Secondary sources			882		736
Overall Total			953		837

Data was gathered and interview questions were designed to address the categories of analysis and propositions specifically, as can be seen in Table 2.

Categories of analysis were derived from the literature (Kogut & Mello, 2017). In their framework, the authors advise studying the RKT as a full process, with categories of analysis being (a) pre-transfer aspects (ANTEDECENTS); (b) why subsidiary knowledge is relevant (WHY–subs); (c) the knowledge transferred (WHAT); (d) RKT enhancers and restrainers (HOW); (e) the importance of knowledge for HQ (WHY–parent); and (f) the post-transfer benefits (SO WHAT).

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Table 2.

Categories of analysis, propositions, theory supporting propositions, and related questions for interview script

Proposition	Topic	Supporting theory	Other supporting authors	Category of analysis	Interview script questions organized by categories of analysis
P1. Strategic asset seeking related to knowledge is among the main motives of EMNEs' internationalization.	Knowledge seeking motives for Internationalization	Springboard perspective (Luo & Tung, 2007, 2018).	Deng, 2013; Li et al., 2014; Li et al., 2016; Nair, Demirbag & Mellahi, 2015; Pérez-Nordtvedt et al., 2015.	WHY-Subs	<ul style="list-style-type: none"> • Have you ever entered a market for knowledge-seeking reasons? If so, Which one? Can you expand? • What are the goals/objectives with internationalization?
P2. EMNEs adopt RKT to (i) compensate for competitive disadvantages/ capability voids; (ii) strengthen their position at home.	EM-MNE disadvantages	Springboard perspective (Luo & Tung, 2007, 2018)	Ramamurti, 2012; Yeganeh, 2016.	WHY - parent	<ul style="list-style-type: none"> • If not mentioned earlier, did you encounter any obstacle from being an EM-MNE? • What are the goals/objectives with internationalization?
P3. RKT tends to happen when the parent company is from a developing country and the subsidiary is from a developed country.	K acquisition from developing countries	Springboard perspective (Luo & Tung, 2007, 2018)	Ambos et al 2006; Belderbos, Lokshin and Sadowski., 2015; Nair, Demirbag & Mellahi, 2015; Jiménez-Jiménez, Martínez-Costa & Sanz-Valle, 2019; Fu et al., 2018.	WHY – subs & parent	<ul style="list-style-type: none"> • Among all subsidiaries which is the one that has mostly contributed to the company's knowledge? • Was it located in a developed or developing country? • Was location an important determinant of knowledge creation or transfer? Why? • In which cases/ circumstances do you think there is more RKT? (Explore age, size, location etc.)
P4. Only the transfer of tacit knowledge can be beneficial to parent companies as a source of competitive advantage, as it is more difficult to imitate (compared to explicit knowledge) and thus more attractive.	Tacit x Explicit knowledge	Hakanson & Nobel, 2001	Becerra, Lunnan and Huemer, 2008, Nair et al., 2018; Pérez-Nordtvedt et al., 2008.	WHAT	<ul style="list-style-type: none"> • In which cases or circumstances do you think there is KT from subs to parents? (age, size, location of subs etc). Can you cite examples of these transfers? • What type of knowledge is most transferred from subs to parent companies? And what is usually more beneficial?

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					<ul style="list-style-type: none"> • Parent company benefits more from the transference of tacit or explicit knowledge?
P5. Parent company must incorporate K received into its existing base to improve operations globally and create a global competitive advantage	Knowledge as a source of global competitive advantage	KBV (Grant, 1996)	Chung, 2014; Li et al., 2014; Mäkelä, Björkman & Ehrnrooth, 2009; Pérez-Nordtvedt et al., 2015; Tseng, 2015.	SO WHAT	<ul style="list-style-type: none"> • How has your company benefited from internationalization and knowledge generated at subsidiaries? Can you give some practical examples? • Was the knowledge generated in any subsidiary applied to the parent, generating better financial performance/any strategic changes?

The richness of information from both primary and secondary data allowed for triangulation and assured that the study reached saturation of the topics covered, as well as validity and reliability of the analysis (Eisenhardt, 1989; Yin, 2014).

Data analysis followed four steps. First, we manually color-coded data according to the mentioned categories of analysis, emergent from literature (Antecedents, Why-Subs, What, How, Why-Parent, and So-what). The color-coding process allowed a better triangulation of data, visualization of emergent patterns, and comparison and cross-case analysis. Second, we wrote detailed reports on each case and analyzed each case separately according to the categories to find empirical validation (or not) for the propositions that emerged from the literature. We then compared the cases (cross-case analysis) to identify similarities and differences in the ways the firms dealt with RKT. Finally, we tried to understand how and why these firms dealt differently with RKT and relate the findings to their emerging market origin and context (country, industry, and competitive positioning).

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Case Description

As mentioned, two EMNEs were investigated and are described below:

Case A

EMNE A is a diversified financial conglomerate, resulting from the merger of two others, which were already among the largest in Brazil. EMNE A is currently the largest private financial conglomerate in Latin America. The company operates in 18 countries, half of them in the region. The internationalization process started in the 1970s before the merger but intensified afterwards. More recently, the company has made major acquisitions in countries such as Chile, Colombia, and Uruguay, in addition to the earlier Argentina acquisitions. EMNE A also has banking operations in Paraguay and Panama, and commercial offices in several other countries in the region. Outside the region, most of its operations include corporate and investment banking and asset management. International revenues, however, comprise only a limited fraction of total revenues (close to 15%). EMNE A seeks not only to remain the largest financial conglomerate of the region – as it already is – but to become “truly Latin American,” increasing the relative importance of its operations outside the home country. The choice of a regional strategy is due to the cultural and geographic proximity to neighboring countries. In addition, top executives perceive the company as being already “too big in Brazil” and thus subject to limits for further growth in the domestic market.

An international unit located at the headquarters in Brazil is responsible for coordinating and supporting Latin American subsidiaries and sharing the parent company’s best practices and knowledge with them using traditional socialization mechanisms (such as short- and long-term expatriations, business trips, international projects with people from both headquarters’ and subsidiaries’ teams) and written policies/procedures. This unit is also in charge of intelligence concerning risk, credit, and debt collection in foreign countries, and acquiring specialized country knowledge.

Despite granting a reasonable degree of autonomy to foreign units, knowledge flows much more from headquarters to subsidiaries (traditional flow) than the other way around. According to interviewees, employees from subsidiaries in some Latin American countries seem to be less willing and

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less confident in creating and sharing knowledge. This is attributed to a conservative culture and excessive deference to hierarchy in some of these countries. In addition, there is a substantial gap in the level of development of the financial markets in Brazil and other Latin American countries, as well as in the size and level of technological sophistication of firms operating in the banking and financial industry in these countries. As a result, top executives believe it is difficult to have knowledge created at the subsidiary level that can be “relevant enough” to be transferred to headquarters.

But it had not always been this way. When the internationalization process was still in its infancy, the parent company was much more cautious in making changes to local practices and more open to RKT. By that time, for example, explicit and tacit knowledge on online banking and credit card operations was transferred to the parent company, influencing domestic commercial policies and operations. But overall, because operations in those countries were “lagging,” it was “a natural option” for most units to copy headquarters’ strategies and routines to catch up. An exception was the Chilean subsidiary, which was believed to have more tacit than explicit knowledge to share. At the time of the acquisition, the Chilean economy was performing much better than Brazil and the rest of Latin America. With low inflation and interest rates and a better credit rating, the economic conditions in Chile paralleled those of a developed economy. In addition, Chileans were more sophisticated and demanding investors than their counterparts in other countries of the region, including Brazil. Thus, the parent company expected to acquire new knowledge from the subsidiary that could be transferred, and improve the parent firm’s knowledge base, particularly about operating in more stable economic conditions and serving more sophisticated clients. Yet turbulence itself had been a major driver of knowledge development at EMNE A: To survive and grow with rampant inflation, and political and economic turmoil, EMNE A developed world-class technologies, products, services, and practices that are among the best in the industry, even when compared to developed countries.

Case B

EMNE B is the largest producer of industrial electronics in Brazil and Latin America and the third-largest in the world, with over 50% of revenue stemming from international markets. It currently

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has manufacturing operations in 12 countries, branches in 36, distributors in 120, and sells in more than a hundred countries.

In the late 1960s, the company acquired technology from Germany, in the first of a series of explicit knowledge acquisitions to follow. The company deciphered the acquired technology, improved and developed it further, resulting in new products and sales, which in turn led to the expansion of production capacity and the establishment of an R&D center. The new products complied with international regulations since their development, giving EMNE B an advantage over domestic competitors. Exports to Latin American countries started in 1970. Within a few years, the company was exporting to over 20 countries, including Germany and the United States. Catch-up strategies were already in place, as the company celebrated several technological alliances with domestic and foreign leading universities and research centers. From the 1990s on, EMNE B consolidated its dominant position in Latin America, and in the next decade, the firm was already one of the key global players in its industry. Acquisitions of other firms to have access to high-end technology and niche segments of the market followed, especially after 2010. These acquisitions were particularly helpful in speeding up innovation and growth processes, but they also aimed at overcoming liabilities of foreignness and achieving legitimacy. Indeed, some interviewees reported that, at first, customers were reticent about doing business with a company from a developing country albeit without a technological tradition. However, as the company expanded worldwide and upgraded its technological capabilities, the parent's home country became much less of a concern. Yet the company had to face another challenge: the resistance of the executives and employees of the acquired companies, which resented being controlled by an emerging market firm.

EMNE B's management was quite aware that any acquisitions and investments in technology would be useless if the acquired knowledge could not be transferred and absorbed. So, to ensure transferability, the firm invested in constant team interaction (physical and virtual), communication tools, software standardization, and routines aimed at stimulating integration. In addition, all knowledge acquired, shared, and reconfigured was, to the extent possible, codified and documented. From the perspective of top management, internationalization was key to allowing the firm to learn and close the

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knowledge gap vis-à-vis foreign competitors. Learning came not only from acquisitions (explicit knowledge related to the acquired technology), but also from competitors, suppliers, and customers abroad (mainly tacit knowledge).

Cross-Case Analysis

Both firms are large EMNEs with headquarters in Brazil. Both are market leaders in their respective industries, domestically and regionally, with a history going back at least seven decades. Despite being family-controlled, the two firms are publicly traded. In addition, they both started their internationalization in the 1970s, following a step-by-step gradual commitment process in terms of the establishment chain and market choices (Johanson & Vahlne, 1977, 2009; Vahlne & Johanson, 2014). But the similarities between the two firms go no further, as they have adopted vastly different growth strategies in the last decades. EMNE A has chosen a regional focus, aiming at consolidating its position as the leading financial conglomerate in Latin America, while EMNE B has adopted a global strategy to enter knowledge-rich markets with strong demand for its products, aiming at consolidating its position among the top three global players. And while both companies opted for acquisitions as a preferred entry mode, EMNE A has been making few, but relatively large, acquisitions, while EMNE B has made small, but frequent, acquisitions.

The springboard perspective (Luo & Tung, 2007, 2018) suggests rather a combination of both strategies: large and riskier moves in more advanced markets for EMNEs to catch up with traditional MNEs and compete more effectively with them while, at the same time, strengthening their position at home. Perhaps environmental conditions may help to explain the differences encountered in the two cases. These firms have survived and grown in a highly turbulent environment characterized by large variations in GDP, hyperinflation, and political and economic crises, combined with successive – and generally unsuccessful – economic plans.

Consider the case of EMNE A. Facing such a hostile environment, EMNE A had to learn how to operate in a complex and increasingly sophisticated financial market. This environment forced the firm to develop technology and infrastructure and to train skilled labor. Therefore, the firm did not have to

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catch up in this regard, especially in relation to traditional MNEs from developed countries, which usually have already mastered operating in less challenging environments. Therefore, adversity has created – in the long run, in this industry, and for those that survived – competitive advantages (Ramamurti, 2012; Yeganeh, 2016). Thus, the needs of EMNE A were different than those examined by the springboard perspective (Luo & Tung, 2007, 2018) for EMNEs and closer to those prescribed for market leaders (usually traditional MNEs), that is, to explore its competitive advantage elsewhere. The choice of a regional strategy may be explained by cultural and geographic proximity (Johanson & Vahlne, 1977, 2009; Vahlne & Johanson, 2014), but also by similar turbulent environments that allowed the firm to exploit its competitive advantages. Not surprisingly, EMNE A had less to learn from most Latin American countries than from Chile, the most stable country within the region. Thus, the Chilean subsidiary provided an opportunity for learning. As a result, RKT from this specific subsidiary was not only practiced but also closely monitored by the parent company.

In the case of EMNE B, home country adversities did not work as well, which neither created an optimal environment for technological development nor provided the firm with sophisticated and demanding customers to foster innovation. Quite the contrary, the company had to deal with a less developed country image and with the resulting liability of emergingness (Nair, Demirbag & Mellahi, 2015). Recognizing the value of knowledge and innovation very early on, especially for its industry, EMNE B had to pursue these goals elsewhere, in developed markets (Ambos et al., 2006; Luo & Tung, 2007, 2018; Losada-Otálora & Casanova, 2014; Belderbos, Lokshin & Sadowski, 2015; Nair, Demirbag & Mellahi, 2015). Therefore, EMNE B did fit some assumptions of the springboard perspective. One of the main reasons for the firm to internationalize was strategic asset seeking related to knowledge. In addition, several of its internationalization moves and subsequent RKT processes had the specific purpose of strengthening the firm's position at home, as well as compensating for specific competitive disadvantages. On the other side, however, EMNE B has never engaged in large risky acquisitions, possibly because they did not need to springboard. Because the firm had started early on its knowledge-seeking process, it was able to gradually catch up, acquiring technology abroad at the same time it developed its own.

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Thus, besides country characteristics that impacted differently the two companies, differences in their respective industries had a strong influence on the paths each firm followed. In fact, the two factors – country and industry factors – seem to be closely linked. Chance played a role, as environmental turbulence helped EMNE A to develop a strong and sophisticated knowledge base without the need of acquiring knowledge abroad. In addition, the management of the two firms – particularly EMNE B – had a strong belief in the value of knowledge as a strategic resource for the firm (Barney, 1991; Grant, 1996; Kogut & Zander, 1996). Thus, EMNE B engaged in RKT from inception, and did not have to make large moves later that could jeopardize the company's absorptive capacity. In the end, the two EMNEs built a valuable knowledge base: one did so at the headquarters, while the other had to rely more on RKT processes. Both cases provide evidence that the parent company must be able to incorporate the acquired knowledge into its existing knowledge base, otherwise, this knowledge will be lost as sequential RKT occurs.

Regarding the RKT processes per se, the two EMNEs achieved greater benefits from acquisitions than from greenfield investments in terms of obtaining and transferring knowledge (Gupta & Govindarajan, 2000; Najafi-Tavani, Giroud & Sinkovics, 2012), both tacit and explicit. To some extent, these findings contradict others in the literature (Becerra, Lunnan & Huemer, 2008; Hakanson & Nobel, 2001; Nair et al., 2018; Pérez-Nordtvedt et al., 2008). The specific RKT processes used by the two companies were similar, with both companies using direct and indirect transfer mechanisms. However, the mechanisms employed by EMNE B were more sophisticated, a situation that can be explained by the much higher frequency and the more complex nature of the knowledge transferred.

Table 3 matches the propositions extracted from the literature with the findings from the two case studies. Comments in the second and third columns of the table are based on interviews and secondary data described in the methods section, duly triangulated and analyzed.

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Table 3
Empirical Support for the Research Propositions

Dominant Proposition	EMNE A	EMNE B
P1. Strategic asset seeking related to knowledge is among the main motives of EMNEs' internationalization.	The main reason to internationalize was market diversification	The main reason to internationalize was knowledge seeking.
P2. EMNEs adopt RKT to (i) compensate for competitive disadvantages and capability voids; (ii) strengthen their position at home.	The company was already a domestic market leader in its industry when it went abroad. RKT was used to learn how to operate in a stable environment.	The company adopted RKT to overcome competitive disadvantages vis-à-vis global players and to strengthen its position at home.
P3. RKT tends to happen when the parent company is from a developing country and the subsidiary is from a developed country.	RKT was adopted not due to the relative level of development of the subsidiary's country but due to the specific characteristics of the country (stable economy).	All RKT by the parent company was from subsidiaries located in developed countries
P4. Only the transfer of tacit knowledge can be beneficial to parent companies as a source of competitive advantage, as it is more difficult to imitate (compared to explicit knowledge) and thus more attractive.	The company benefited from explicit knowledge (commercial practices & policies) as well as tacit knowledge.	The company benefited from explicit knowledge (mainly product technology) as well as tacit knowledge.
P5. Parent company must be able to incorporate knowledge received into its existing knowledge base to improve operations globally and create a global competitive advantage out of it.	The company learned by operating in diverse contexts and translated this knowledge to the home context, incorporating it in its knowledge base.	The company learned through acquisitions, absorbed the acquired knowledge, and disseminated it to other subsidiaries explicitly.

As can be seen from table 3, empirical validation of propositions varied considerably. The behavior patterns of EMNE B were empirically much more consistent with the propositions in the EMNE literature (support for 4 out of 5 propositions) than EMNE A (support for only one proposition and in a much less pronounced way). Findings derived from the analysis of differences and similarities are discussed in the next section.

Findings

The results suggest that the motivations for RKT may not be related to strategic asset-seeking motives only, even for companies that are domestic and regional leaders. In addition, companies may engage in RKT to prepare for future conditions instead of acquiring knowledge to be used in the present

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situation. In fact, there are so many possibilities of learning in different international contexts that it is difficult to categorize them into a small number of possibilities.

The findings also suggest that the flow of knowledge (although predominantly from a developed to a less developed country) can come from any country depending on the specific competencies of the subsidiary and country characteristics. Also, the type of knowledge transferred can be explicit or tacit, and both can contribute to strengthening the firm's position in the domestic market, or to preparing the firm to effectively compete with global players. Finally, the cases confirm that firms need to be concerned with developing their absorptive capacity and that the timing of international acquisitions may influence the ability to integrate and reconfigure the acquired knowledge, and later disseminate it within the EMNE network. Otherwise, knowledge gets lost as sequential RKT occurs.

In addition to the specific results associated with the propositions extracted from the literature, the cases studied show that internationalization can yield important direct and indirect benefits for the company, and RKT is often a result of EMNE internationalization, whether intended or unintended. In some cases, RKT is a bonus of internationalization.

One interesting finding of the study is that emerging market specificities, as well as industry characteristics, may interfere in the three RKT aspects investigated. This reinforces Cuervo-Cazurra's (2019) and Aguilera et al's (2018) alert that Latin American firms – in our case, Brazilian firms – are different from other EMNEs and that they deserve to be investigated on their own. Therefore, the debate on MNEs versus EMNEs is enriched by the question of whether all EMNEs are made equal. For example, not all EMNEs have been born in extremely turbulent environments or industries, as traditional MNEs typically have not. The comparison of these two successful, yet almost opposite, Brazilian EMNEs may contribute to broadening the MNE debate. The following flow chart (Figure 2) may also contribute to the empirical investigation of different types of EMNEs.

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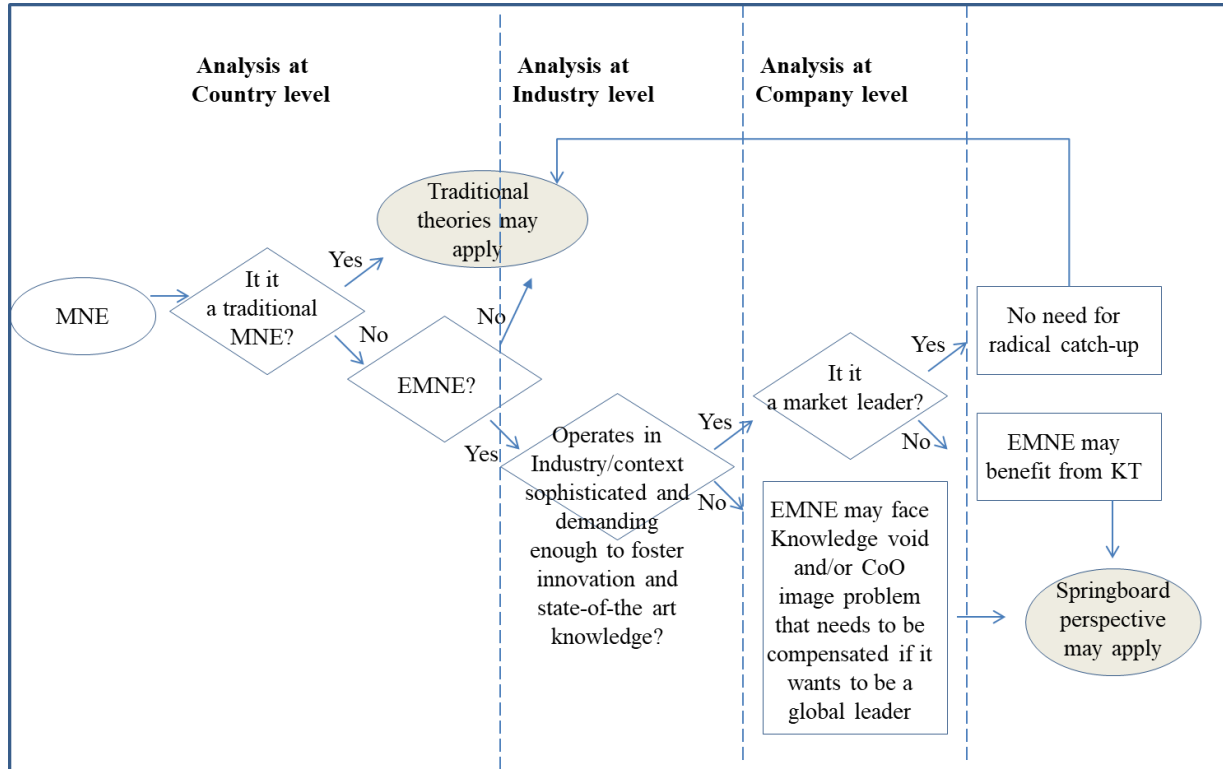


Figure 2. Flow chart on internationalization theories match for MNEs

As expressed in Figure 2, the first thing the researcher should do is to perform a country-level analysis. If the MNE is from a traditional, developed market, a traditional theory of internationalization will most likely be adequate to explain the firm’s internationalization processes. If, however, the MNE is from an emerging market, it is also appropriate to perform an industry-level analysis, examining the industry in which the firm operates and whether environmental conditions and industry structure have stimulated or not the emergence of indigenous knowledge capabilities. If the industry ecosystem is not sophisticated and demanding enough to foster innovation and demand state-of-the-art knowledge from the companies operating in it, the company under analysis may face a real knowledge void compared to international competitors or even a perceived one, as its overall country/industry image will generate some liabilities to be overcome. Either way, a more radical approach might be needed if the company wants to achieve global leadership. If, on the other hand, the industry is sophisticated enough, depending

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on the company's competitive position in the industry, it may not need to engage in radical catch-up movements. In fact, according to Kothari, Kotabe and Murphy (2013), knowledge and innovation could even flow from emerging countries to developed countries, especially when technology is standardized. So, in the next level of analysis, a researcher should proceed to a company-level analysis examining the market position of the firm. If the company enjoys a leadership position in its domestic market or regionally, it may not need to engage in rapid or radical catch-up processes. In this situation, the company should not be considered a latecomer, and traditional theories of internationalization probably can be more useful in explaining its trajectory. However, if the company is indeed a latecomer, theories such as the springboard perspective (Luo & Tung, 2007, 2018) may apply. It is possible that this perspective only applies to firms that are in fact latecomers and thus need to springboard.

Conclusion

This study addressed issues related to motives, location, and RKT processes of EMNEs located in a specific emerging market country, Brazil, using two in-depth case studies. The two analyzed EMNEs were large successful companies with domestic and regional leadership. Still, the cases presented very different results regarding empirical validation for the literature-derived propositions. This leads us to the important finding that RKT processes are not generalizable (in our case, analytically) for a single context, let alone for the whole group of EMNEs. EMNEs are a heterogeneous group of companies that diverge in many internal and external aspects. They may behave similarly and according to the stereotype (need to catch up, knowledge voids, etc.), but they may also behave similarly to traditional MNEs, with market and knowledge leadership depending on the circumstances. We thus arrive at a three-step process of analysis, recommending an analysis at country level, industry level, and company level for such assessment.

Our work's contribution is therefore twofold: (1) it advances the knowledge and knowledge transfer specific literature by empirically and qualitatively testing some important propositions derived from literature; and (2) it contributes to the longstanding debate on whether – or under which circumstances – traditional theories apply to EMNEs by designing a process of analysis to understand

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those circumstances. Managerially, it also contributes with two meaningful and inspiring cases that exemplify successful trajectories based on knowledge transfers by exploring the barriers and enabling mechanisms in different contexts.

Limitations

Besides those inherent to the case method, this study presents additional limitations. First, all interviewees were in top management positions. Second, though perhaps more importantly, the study is based on two case studies, and both companies were from the same Latin American country, Brazil. Although the cases are relevant and meaningful, the results cannot be statistically generalized and are limited to the case studies. However, the study invites analytical generalizations, which, we believe, can contribute to the understanding of multilatinas and the potential differences between EMNEs from different home countries.

Suggestions for future research

Following the logic of Figure 1 and the acknowledged limitations of the study, we can also identify several possibilities for future studies.

First, at a country level, we invite studies on EMNEs originally from countries other than Brazil (our limitation) but also other than China and India, as these two countries have already been much more investigated than other emerging market countries. The assumption of homogeneity between EMNEs in different parts of the world with totally different historical, political, cultural, social, and economic characteristics is not realistic. One theory cannot fit all. At an industry level, we invite studies involving both leading and non-leading industries to expand our findings. At a company level, we invite studies (a) that investigate both domestic/regional market leaders and followers for the richness of data and (b) that investigate different hierarchical levels, both at the parent company and the subsidiaries, thus addressing our study limitations.

Additional research is also needed on RKT and EMNEs.

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These opportunities for future studies are summarized in Table 4 and are by no means exhaustive.

Table 4.
Opportunities for future studies

At country level	Of countries other than Brazil, China, and India
At industry level	In leading and non-leading industries
At company level	Investigations involving (1) different hierarchical levels; (2) parent and subsidiaries perspectives; (3) companies from different competitive positions in industries

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