Knowledge and learning in transnational ventures: an actor-centred approach*

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Abstract

The aim of this article is to develop the foundations of an actor-centred, processual approach to examining the influence of cross-border knowledge transfer and management learning on transnational institution building in post-socialist countries. We argue that there is a need for more research to understand how key social actors go about (re)structuring, (re)defining and sharing knowledge within new international ventures. We contend that social actors can play a significant role in creating and structuring the 'transnational social space' in which the new venture takes shape, exercising strategic choice that can mediate, adapt or even reject the apparently constraining effects of technical-economic or cultural-institutional factors. The role of social actors is conceptualized as a socio-political sensemaking process, a perspective that would complement the current structuralist bias in the discussion about the emergence of transnational social space in international management research literature.

Keywords: Management Learning, Knowledge Transfer, Transnational ventures, Post-socialism, Institution building

Introduction

Understanding the consequences of the cross-border business activities of multinational corporations (MNCs) for global economic structures has become a major concern within the international business and management literature. One extreme and informative case of transnational ventures involve strong Western MNCs and enterprises in weaker emerging or transforming economies. Influential approaches to institution building through MNC investment in post-socialist countries have often uncritically assumed that knowledge transfer and management learning take place as an imitative process from advanced market capitalism.

Following the collapse of communism, this is perhaps not surprising. Many transition economists and management observers saw the extant knowledge of local managers and employees as worthless, outdated or otherwise insufficient to transform organizations effectively (Geppert and Merkens, 1999), while former state owned enterprises (SOEs) were deemed to be in dire need of management know-how, systems and practices. With its modern techniques and global experience, only

Western capital had the capability and means to transform the ageing, bureaucratic dinosaurs into sleek businesses fit for the global market economy i.e. to build the new micro-economic institutions of business. Moreover, Western MNCs had the power and resources to impose their own way on weak, failing enterprises.

This article aims to develop the foundations of an actor-centred, processual approach to examining the influence of cross-border knowledge transfer and management learning on transnational institution building in post-socialist countries. Structural and institutionalist studies of foreign direct investment, joint ventures and strategic alliances in transition economies have typically tended to mimic the international business debates over globalization. They have argued that the organization structures and management practices of ‘West-East’ ventures tend to reflect either Western corporate models, thereby supporting the global convergence theme, or local institutional practices, which sustain the diversity of local patterns. Either way, theorizing about the emergence of transnational organizational forms and management practices has virtually ignored the role of human agency and management decision making within a newly formed venture.

We argue that there is a need for more research into the *actual* social processes of knowledge transfer and management learning, in order to examine how key social actors (e.g. local managers, consultants, expatriates and employees) go about (re)structuring, (re)defining and sharing knowledge within acquisitions, joint ventures, strategic alliances and other such media of know-how transfer. In fact, we contend that social actors can play a significant role in creating and structuring the ‘social space’ in which a new transnational venture takes shape, exercising strategic choice that can mediate, adapt or even reject the apparently constraining effects of technical-economic or cultural-institutional factors. We conceptualize this role for social actors in terms of socio-political sensemaking, a perspective that complements the current structuralist bent in the literature.

We start with an overview of the three main approaches to knowledge transfer, management learning and their implications for global institution building. This discussion introduces the idea of ‘transnational social space’, which, when modified, provides an important conceptual element in our emergent framework. The third and

fourth sections examine this framework further, highlighting the importance of human agency and the ways in which institutional effects enter into the micro processes of social construction, from which emerge the social-spatial qualities (e.g. structure, culture, techniques, practices) of West-East ventures. The article closes by summarizing the theoretical and practical issues raised by this more actor-centered perspective.

Knowledge transfer, management learning and global institutions

While there are many strategic motives for an MNC establishing an international strategic alliance or acquiring an existing local enterprise as an operating base in a host country, all such ventures involve two important processes. First, *knowledge transfer* refers to processes whereby ‘explicit knowledge’ – more or less formalized – and ‘tacit knowledge’ – highly personal and therefore more difficult to codify – are directly or indirectly moved from the home-base head office to the new venture in the host nation (e.g. Nonaka and Takeuchi, 1995, pp.8-9). Second, within the venture itself, there is a process of *management learning*, referring to the acquisition (or not) and practice of that knowledge by local managers (see Clark and Geppert, 2002). Child (2000) identified two dominant perspectives in the international management literature about institution building: ‘low context’ and ‘high context’.

Transition economists typify low context theorizing, presuming that the installation of market economic rules and institutions within the business environment is enough to ‘trigger’ organizational learning to secure a company’s survival and provide it with a ‘rational façade’ (Meyer and Rowan, 1977). At a macroeconomic level, the former communist countries would undergo a modernizing ‘catch-up’ process based on the reproduction of capitalist institutions (Habermas, 1990, p.181). Studies in this research tradition refer to the liberalizing of markets, the fragmentation of the large industrial conglomerates, the privatization of SOEs, the role of FDI and the introduction of new technologies as key *structural* sources of learning and knowledge transfer in post-socialism (cf. Merkens *et al.*, 2001). New knowledge is effectively acquired through one-way uncritical imitation of ‘master logics’ and managerial formulae for global survival. Economic and ideological global pressures appear to force local managers to defer and accede to Western superiority.

This approach implies an assumption of Western superiority and a lack of sensitivity to social, regional or national contexts and predicts universal, convergent outcomes. It offers a ‘decontextualized’ (Djelic and Quack, 2002) or ‘disembedded’ (cf. Granovetter, 1985) model of economic action, in which Western managers and consultants are ‘trainers’, bringing with them the wisdom and experience of successful market-economic business. At the same time, post-socialist managers take on the role of ‘trainees’, who, starting from their roots in the failed command economy, need to learn the rules of the market-economic game in order to transform their former SOEs. Post-socialist managers must change their technical and cognitive practices to meet Western standards (cf. Meyer, 2001). At the same time, such approaches fail to consider the contradictions, conflicts and resistance that might be caused by the adoption of ethnocentric, authoritarian transfer and learning practices.

Alternative ‘high context’ perspectives (Child, 2000) on management learning derive mainly from comparative research conducted within institutionalist and culturalist frameworks (e.g. House, 2002; Whitley, 1999). In contrast to the first approach, the local and tacit knowledge base of managers is given a central role in processes of transfer and learning and in the consequent new economic structures. Since this local knowledge is deeply socially and historically embedded, it is difficult to transform management and organization through the direct inscription of Western concepts and practices. Knowledge transfer and institution building are therefore moderated and mediated by local ideas, rather than unidirectionally copied.

Institutionalists have argued that patterns of industrial specialization (Quack and Morgan, 1999) and the development of actors’ capabilities, competencies and forms of knowledge sharing are heavily influenced by national institutional settings (Whitley, 2001). Whitley and Czaban (1998), for example, showed that the extent and type of restructuring of Hungarian firms did not depend on whether they were owned by the state, private domestic or foreign investors. Rather, it was shaped by the particular Hungarian institutional context, in which local enterprises were tied into informal networks of state agencies, banks and trade unions. Such institutionalist studies indicate that the influx of foreign capital has not led to a radical shift in

management practices and organizational structures (Whitley and Czaban 1998, p.260; see also Stark, 1997; McDermott, 1997; Clark and Soulsby, 1999a).

By the same token, culturist studies have stressed the importance of both the communist traditions and the more distant historical and religious foundations of transforming societies. Thus the 'Eastern European cluster' has been compared with other world regions to discover how its distinctive cultural pattern – such as high power distance and collectivism – has affected the transformation of management and organization (e.g. Bakacsi *et al.*, 2002). As we have seen above, knowledge transfer and management learning have often been based on ethnocentric assumptions, but many studies have demonstrated the capacity of local social logics to resist, adapt and otherwise reshape packages of formal knowledge imported by Western partners (cf. Dobosz and Jankowicz, 2002; Jankowicz, 2001; Markóczy, 1993). In this view, path dependence and cultural-linguistic factors serve to ensure that managerial and organizational practices evolve with some distinctiveness in the way they deal with economic and institutional problems.

Over the last decade, there has evolved a greater appreciation of the contingent nature of cross-border organizational relationships and of their consequences for the emerging global order. Some approaches place the MNC *qua* organization at the centre of the processes of knowledge transfer and management learning, thereby creating a meso level of analytical input between global and local factors (Lane, 2000; Mueller, 1994). While such contingency-style structural research demonstrates the simplicity of the low context/high-context debate, the idea of *transnational social space* offers another promising conceptual tool for theorizing the development of structures and practices within a new cross-border venture.

Transnational social space pointing to the fact that new transnational ventures rarely emerge from action based on a uniform socio-economic rationality, be it global or local. Indeed, organizing and managing an MNC venture demands the resolution of objectives and interests that are often grounded in quite diverse logics of action, opening up questions about 'the dynamism, conflict and change that occurs inside multinationals' (Morgan, 2001a, p. 11). As a result, the global implications of a new cross border ventures are not built into the assumptions of this framework. Whether a

new multinational operation increases global organizational similarity or sustains national differences in organizing patterns – and the degree to which either is so – is an open empirical question. This third way is encouraging, yet, in its application, it remains firmly within the structuralism of mainstream comparative institutionalism. ‘Actors’, for example, refer to structural units with generalized motives and central research questions concern how economic and institutional factors predispose ventures to become structured in one direction or another (e.g. Morgan, 2001b).

From the viewpoint proposed in this article, the concept of transnational social space offers other theoretical opportunities, which, in what follows, we explore by developing a ‘bottom-up’ approach to the topic. We suggest that the structuring of cross-border ventures can be analyzed from the perspectives of significant power holders in the venture, thereby highlighting the role of human agents and the ideas of politics and sensemaking. This alternative approach to transfer and learning processes within international collaborations or acquisitions allows further investigation of their relative convergent or divergent qualities.

Social construction of transnational social space

In this section, we outline the theoretical contours of this alternative position on international ventures, elaborating ideas that link knowledge transfer and organizational learning processes within transnational ventures to the management and organization outcomes (e.g. cultures, structures and social practices). This micro-processual approach places social actors at the heart of the transfer and learning processes, which effectively establish the degree to which the emergent venture mimics the dominant partner, resists it or takes on new combinations of organizational elements.

Figure 1, which offers a preliminary map of the main theoretical relationships, highlights relationships between five sets of factors:

1. *Institutional and cultural factors* define the contexts in which new ventures are located, including the global, national and local variables that have been identified by mainstream structural theories mentioned above.

2. *Actors' interpretive schemes* refer to the logics of action or contextual rationalities that key power holders hold and use in the everyday context of the new venture. These interpretive schemes are related to the global, local and organizational contexts in which they arise and which they serve to reproduce in some degree. They are not merely economic rationalities, but reflect the communities in which actors are socially embedded (cf. Granovetter, 1985). The interpretive schemes circumscribe the meanings that powerful actors enact within the venture, defining, for example, their preferred strategies for transferring and receiving Western knowledge, ideas and techniques.

Figure 1: Socio-political sensemaking: context, space and consequences

3. *Transnational social space* refers to the arena in which transnational socio-economic action takes place and can be considered, at one level, as the situation in which foreign and local power holders 'meet'. In this social space, their interpretations of economic action come together, local and global knowledge mingle, processes of learning take place, sense is made, power is exercised and the dynamics of consensus, conflict and resistance are played out.

4. The *socio-economic order* refers to the institutional outcomes of these social and political processes, through which knowledge is transferred and acquired to some variable extent within the transnational social space. At the micro level, it includes organizational and managerial characteristics, such as identity, structure and practice.
5. *Aggregated global implications* refer to the accumulated consequences of all these micro-level processes and the socio-economic orders they produce. Repeated across many transnational arenas, there are clear implications for global socio-economic structures. These new structures and practices in turn influence the future national and global contexts of business, completing the theoretical loop.

This general framework has many implications for our understanding of how microeconomic institutions are constructed within a post-socialist transnational social space. At its centre is the theoretical premise that human agency is crucial to explaining the empirical variability of institution building within transnational ventures. This actor-centred proposition contests the structuralist assumption that major stakeholders in a venture have little choice but to reproduce the normative or technical-economic tendencies built into social institutions, be they global or local (cf. Donaldson 1985; 1996). The actor-centred view is empirically supported by a number of studies.

In reality, modern societies do not have the coherence attributed to them by the 'societal effect' approach. Contradiction and conflict are inherent in the dialectical relationship between actors and social systems (cf. Giddens, 1979; Habermas, 1976). Studies of SOEs under the command economy have shown that it is impossible to understand their management by simply referring to the formalities of the socialist system. In fact, the power structures of state socialism led senior managers to adopt contradictory, even deviant, management strategies, which, for example, tolerated labor slack and informal collaboration with workers *despite* formal institutional constraints (see Clark and Soulsby (1999b), Kornai (1980) and Sorge (2000, pp.53-54) respectively on Czechoslovak, Hungarian and East German state socialism). In short, any explanation of management practices and processes, no matter how apparently constraining the institutional context, requires some comprehension of the actors' perspectives.

This theoretical emphasis on human agency chimes well with the practice perspective on strategic management (e.g. Whittington 2002a; 2002b). Whittington argues that mainstream management research lacks an understanding of strategic decision as social practice and criticizes leading journals for barely acknowledging ‘...the practical business of making structures work’ (2002b, p. 130) and of strategy making (2002a, p.5). Organization is, from this view, a skilled performance. In much the same way, cross border ventures can be seen as the practical social accomplishment of powerful stakeholders applying their interpretive schemes within the transnational social space.

Most scholars agree that significant parts of capitalism now operate with relative autonomy from a national ‘territorial space’ (Scholte, 2000). Nevertheless, but recent authors (e.g. Morgan, 2001c) still view transnational organizations as structurally molded by powerful macroeconomic institutions, such as particular nation-states (e.g. United States), international regional organizations (e.g. European Union) and other non-governmental international agencies (e.g. World Bank, World Trade Organization). Djelic and her colleagues have shown that such international influences can still be comprehended within an actor-centred framework.

In analyzing the spread of the American model to Europe following the Second World War, Djelic (1998) carefully traced the role of institutional agencies through the concrete social practices of the American and local human agents who embodied and exercised the power of those institutional bodies. Their socio-political interactions created diverse patterns of acceptance, modification and rejection of the institutional practices promulgated as formal conditions of the Marshall plan. Djelic and Quack (2002) develop ‘cultural’ or ‘phenomenological’ institutionalism (cf. Clark and Soulsby’s (1999b) ‘social institutionalism’), arguing that the social practices of informed and powerful social actors structure transnational arenas through what they call ‘institutional recombination’. This hybridization of structures and practices results from the socially negotiated accomplishments of powerful agents acting as *bricoleurs* to make sense of the uncertainties and ambiguities that prevail in conditions of institutional genesis and change (cf. Weik, 2001; Stark, 1997).

The question of what sort of institutional recombination takes place – e.g. whose rules and practices take precedence and how much power can be exercised by those economic actors who are weakest in an asymmetrical relationship – is, of course, open to empirical inquiry. But socio-political sensemaking is an important formative process. The decisions and actions of concrete social actors mediate, moderate, exacerbate, resist or challenge the norms, rules and practices implicit in the institutions promulgated by the powerful partner, in turn creating the social dynamics, structures, identities and practices of the emergent social space.

Socio-political sensemaking and transnational socio-economic order

Interpretive schemes as a variable

This socio-political sensemaking approach places theoretical and empirical emphasis on the role of powerful stakeholders in defining and enacting the local economic institutions. Figure 2 provides a schematic representation of the kind of theoretical argument that can be developed within the advocated framework. It identifies three ideal-type scenarios drawn from the theoretical logic of the framework.

Figure 2: Socio-political sensemaking and emergent institutions

When a Western MNC invests in an international venture in a post-socialist country,

its corporate representatives carry into the venture tacit knowledge, organizational and personal values and interests and some notion of the MNC's normal control practices and preferences. By the same token, power holders in the local post-socialist enterprise approach the venture with other experiences, values and preferences. These different interpretive schemes provide their bearers with cognitive maps through which they make sense of their management work in the venture and which influence the kinds of characteristics that emerge within the transnational social space. Without examining the precise content of these interpretive schemes, we can in principle distinguish between variations in Western and local strategic orientations towards the transfer and exchange of management knowledge.

We can conceptualize MNC managers' interpretive schemes as being based on Western (e.g. German or American) logics of action and ideologies of control, which may tend to either ethnocentricity or polycentricity (Perlmutter, 1969). In the first case, Western managers take the superiority of their own values and practices for granted and attempt to force knowledge on local managers and employees. Such an 'imposed transfer strategy' may reflect, for example, a technicist attitude to knowledge, which ignores the tacit and embedded nature of management ideas and techniques. On the other hand, Western managers may apply a 'negotiated transfer strategy' based on a polycentric orientation, adopting a more sensitized policy, in which they expect the knowledge base of the new venture to be legitimately influenced by local tacit knowledge.

Local actors' interpretive schemes also have direct relevance for understanding the kind of socio-economic order that will emerge in the social space of the international venture. Post-socialist managers have had very long and deep experience of business management, but their traditions are unlikely to be consonant with Western market-economic values. Just as Western managers' strategic orientations can vary between imposition and negotiation, so post-socialist managers can have a positive or negative orientation to Western knowledge. On the one hand, it has been found that post-socialist managers have adopted Western knowledge actively through consensual engagement or passively through a sense of expedient necessity (cf. Geppert and Merkens, 1999). On the other hand, research indicates that local managers can hold orientations that lead them to oppose MNC attempts to impose Western knowledge

for fear of losing local management control (Soulsby and Clark, 1996). Passive resistance may even take an unwitting form, as when cultural or linguistic barriers impede or distort levels of communication between Western and local managers (cf. Markóczy, 1993; Simon and Davies, 1996)

The social construction of transnational order and disorder

Given this variability, we could imagine certain ideal type scenarios, from which we can examine the logic of the proposed framework. Each scenario is primarily defined by a different combination of Western and local interpretive schemes, which has implications for the subsequent socio-political process of management decision and action. The scenarios refer only to extreme types of transfer and learning strategy referred, and it is an important caveat that in reality there are many fine gradations between these stances.

1. Transient transnational sense

An impermanent form of transnational order is likely to emerge from the combination of imposed transfer and passive acceptance. In this pattern, Western managers expect to transfer their Western practices directly to the venture, while local managers have only an expedient attachment to it, for example feeling this to be the only route to enterprise survival. In this case, the Western managers exercise their superior power to impose their definition of the situation and meet little or no political opposition to the Western transnational concept. In the short to medium term, this may lead to a precarious form of stability in the venture, though longer term problems are likely if there are substantial differences between the Western and local tacit knowledge bases.

Geppert (2000) demonstrates how East German managers' passive wait-and-see strategy resulted in a take-over by a large West German MNC. At the time, the local senior managers accepted that the transfer of Western expertise was the only way to secure the firm's short-term survival, but became less supportive later when the parent acquired a Russian company in the same sector (Geppert, 2000, pp.67-86). Hetrick (2002) analyzes the imposed transfer of Western HRM practices to Polish subsidiaries and shows that, over time, the practices began to take on subtle variations from the original Western conception, eroding the 'purity' of the imported model. In this scenario, short-to-medium term dominance of global over local institutions is likely to

give way, in the longer term, to the assertion of local knowledge as a mediator introducing subtle degrees of divergence.

2. Transnational sense

This second pattern emerges from a negotiated transfer approach and local active acceptance of new ideas. When Western and local managers take on shared responsibility for the development of new practices within the transnational social space, active collaboration is likely to lead to a longer-term stability of structure and practice. The implication is that tacit knowledge is better understood so that each party makes appropriate adjustments to the other. In this learning process, both Western and Eastern managers are likely to avoid the dysfunctions of ‘defensive reasoning’ (Argyris, 1999, pp.131-34; Argyris and Schön, 1996, pp.12-20).

Despite important variations between differently owned enterprises in Whitley and Czaban’s (1998) sample, foreign-owned ventures were *not* notably more likely to undertake restructuring. This suggests that Western power holders had decided to make adjustments to the local Hungarian environment. Dobosz and Jankowicz (2002) show that the conditions for successful ‘travel of ideas’ across borders requires the successful ‘translation’ of knowledge, ‘dis-embedding’ it from its source context and effectively ‘re-embedding’ it in the destination context. The negotiated, consensual exchange of formal and tacit knowledge is likely to generate socio-economic structures and practices that are a novel recombination of Western and local knowledge (cf. Djelic and Quack 2002). Such a transnational outcome has a local tendency to a stable socio-economic order and a global tendency to institutional diversity.

3. Transnational battlefield

Transnational problems arise when there is a discernible degree of opposition and conflict between Western and local managers in a venture. The combination of imposed transfer and active opposition, our third and final illustrative pattern, occurs when Western managers enact an ethnocentric orientation, which is met by active local management resistance. Active opposition may well find its origins in passive opposition (e.g. where local managers were forced to cooperate by other institutional actors), or passive acceptance (e.g. where managers made an expedient internal

judgment to work with foreign investors). A venture may begin to 'go wrong' when local managers perceive that the Western MNC has more predatory objectives or a hidden agenda, which leads to the withdrawal of goodwill or outright resistance.

In a study of MNCs in the lifts sector, a Finnish MNC acquired a German firm with a long tradition in diversified quality production (Geppert, 2002; Geppert *et al.*, 2003; Matten and Geppert, 2002). When the MNC announced its intention to impose standardized production methods in the German subsidiary, the local managers rejected the changes. Transnational battle (Kristensen and Zeitlin, 2001) was engaged after Finnish managers reasserted their strategy by transferring more expatriates to the acquired plant and removing recalcitrant local managers. This established a dysfunctional long-term pattern of passive resistance and conflict. In unpublished research, Soulsby and Clark found a similar case in a German-Czech joint venture, on which German management imposed their knowledge. The Czech managers misjudged German motives and ambitions, leading to a rapid deterioration in relationships and the final collapse of the venture.

When a transnational social space is a battlefield, transfer and learning processes are contested and any socio-economic order that emerges is at best precarious, with knowledge transfer and learning processes become blocked. In Argyris' (1999) terms, each side sticks to their tacitly learned theories-in-use, and management learning becomes dominated by defensive routines. While some MNCs may contrive a transnational battlefield as part of a longer-term corporate strategy, the consequences *for the venture* are likely to be dysfunctional, even fatal. The implications for global institution building are unclear.

Conclusions

In this article, we have argued that the study of multinational organization and asymmetric cross-border ventures can benefit from a theoretical approach, in which knowledge transfer and management learning are understood as socially constructed processes. The structuring of transnational social spaces is the ongoing social accomplishment of Western and local power holders, working within global and national institutional contexts to make sense of the venture and to impose their meaning on others. As such, our approach has both sensemaking and political

dimensions, the latter providing the sense of constraint that has often been missing in theorizing that draws on Weick's (1993; 1995) work (e.g. Child, 1997; Clark, 2002; Geppert, 2002; Whittington, 1988).

In our framework, therefore, the key question is not the structural one that has dominated thinking in the international business and management literature viz. the discovery of the national or global institutional causes of international business patterns. The task is the complementary one of exploring institution building by starting from the position of powerful actors, who are, to a greater or lesser extent, able to exercise strategic choice. This in turn allows them to mediate, moderate or reproduce institutional effects, even, at one extreme, to decouple practices from external constraints.

The article has elaborated a social-institutionalist view of the transnational social space, in which sensemaking and politics are major theoretical devices for explaining patterns of institution building at the local level of an MNC venture. This process of theory construction has been supported, wherever possible, mainly by reference to existing empirical studies of asymmetrical ventures in post-socialist societies. However, evidence was also given by referring to 'West-West' ventures (e.g. for the emergence of battlefield scenarios). We have shown that different combinations of Western and foreign management interpretive schemes are likely to lead to different outcomes in terms of both social-spatial features of a transnational venture and global institutionalizing tendencies.

The framework presented has a number of practical implications for all managers working in international strategic alliances and other cross-cultural contexts. On the one hand, while managers must be aware of cultural and institutional factors as constraints on their cross-cultural activities, they are not *determinants* of management decisions and actions. The arguments encourage managers to recognize that they can both create and exercise discretion even when the odds are apparently against them – from a practical viewpoint, this is a call for creative management. By the same token, senior managers need to reflect upon their own interpretive schemes and those of other significant power holders, since the interaction between the two is a critical factor in the process and outcomes of transnational ventures. On the other hand, we

are not advocating any preferred approach to transnational management, since the interpretive schemes enacted must match each company's objectives in entering into the venture. While the transnational order scenario may seem to be a 'morally' superior approach to transnational management, the deliberate construction of a transnational battlefield, with its unstable future, might be the favored strategy in certain circumstances.

This article has developed a set of arguments in order to establish new ways of thinking about large issues in international business, but the framework needs both theoretical refinement and controlled empirical testing. At the level of refining theory, there are many concepts that need further work. At this stage we draw particular attention to identifying variations in interpretive schemes, which we have made the center of this article. We have distinguished between the imposing and negotiating approaches of Western managers and levels of acceptance and rejection by local managers. These are fairly blunt analytical tools, and it is important to refine them as well as discover and define other important dimensions of management interpretive schemes in the context of transnational ventures.

In the end, theory construction and refinement is dependent on the availability of carefully constructed research into the detailed socio-political processes of international ventures. At the moment, there is a recognized dearth of qualitative case study work in international business research. This not only tends to reinforce the preference for structuralist model-building and theory, but also blocks the way forward to developing materials from which to elaborate theoretical and conceptual knowledge.

Like any exploratory article, we end with more questions than answers. But most of these questions are revealed because of the theoretical priorities raised by an actor-centered, processual approach to understanding the emergent institutional qualities of the transnational social space.

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