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Master Degree Project in International Business and Trade

How to Score the Right Balance – Exploration and Exploitation in International Contexts

The case of FIFA and the FIFA World Cup

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Abstract

One of the challenges of operating in dispersed international markets is that, as the context changes, learnings that have been institutionalized in an organization might not fit in a new international context. In order to adapt existing knowledge to a new international context and a new institutional setting, there is a need to balance exploitation of old knowledge and exploration of the new environment. Successful organizations that are capable of operating in dynamic environments are said to be ambidextrous as they have the ability to simultaneously explore and exploit in adapting to changes in context. However, limited research has been conducted on the international aspect of ambidexterity and how organizations can use ambidextrous dimensions when responding to the challenges of operating in different international contexts. In addition, current research has observed a lack of empirical evidence of how the context may affect the optimal balance between exploration and exploitation. This case study concerns how FIFA handles the challenges of adapting to different international environments while moving between countries and continents in arranging the FIFA World Cup™. Our results suggest that the optimal balance between exploration and exploitation may depend on the type of change in context. When there is a slight change in context, the need for exploration is reduced and more emphasis should be put on exploitation and the opposite is true for the reversed situation.

Key words: exploration, exploitation, organizational learning, ambidexterity, knowledge transfer, institutional learning, institutionalized learning, international organizations

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Abbreviations

FIFA – Fédération Internationale de Football Association

FWC – FIFA World Cup™

PM & KT – Project Management & Knowledge Transfer at FIFA

MNC – Multinational Corporation

LOC – Local Organizing Committee

PMO – Project Management Office

HQ – Head Quarter

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1. Introduction

There has been an enormous development in the sports events business during the last decade as it is attracting increased attention from delegations, international media and spectators from all over the world. Major sports events have become a global phenomenon as its organizers move across continents in arranging competitions of various kinds (Parent and Smith-Swan, 2013). When the events move from one country to the next, the context changes and differences need to be recognized (Ferdinand and Kitchin, 2012). In order to avoid having to start from scratch in every new edition of events moving between different countries all over the world, organizers need the ability to adapt knowledge to new international contexts as existing knowledge may not fit in a new environment. Thus, sports events organizations are often faced with challenges connected to learning and knowledge transfer from one edition to the next. In addition to the importance of adapting existing knowledge, there is a need to explore in the new market in order to know how to exploit the existing knowledge. There is also a need to keep an exploration process going in between the different editions of the competition in order to ensure capability and viability of future practices. One example of an organization that faces such challenges is Fédération Internationale de Football Association (FIFA) while arranging the biggest single sports event in the world; The FIFA World Cup™ (FWC). Following these challenges, FIFA started a Project Management & Knowledge Transfer (PM & KT) initiative in 2011 in order to, on the one hand avoid starting from scratch in the beginning of every new project, and on the other deal with knowledge getting lost in between the editions of the FWC. The PM & KT initiative was therefore implemented as a platform for sharing knowledge and learning. The importance of adapting to constantly changing environments has been observed by several researchers and it is argued that there is a need for organizations to find a way to balance exploration and exploitation (Gupta, Smith, Shalley., 2006; O'Reilly and Tushman, 2008; Raisch, Birkinshaw, Probst, Tushman, 2009).

Today's multinational corporations (MNC) operate in constantly changing environments and the ability to adapt to a changing context becomes especially important for organizations operating over geographical borders. This has led to a rich debate on organizations' ability to cope with changes in order to survive, the subject of these debates are whether organizations have the ability to adapt and how they do that (O'Reilly and Tushman, 2008). In particular, researchers argue that some organizations are capable of simultaneously keeping up with daily business demands while at the same time adapting to changes in the environment. They are able to do this by being ambidextrous, and through the ability to simultaneously explore and exploit (O'Reilly and Tushman, 2008; Raisch et al., 2009). Ambidexterity refers to organizations' ability to engage

in two disparate activities at the same time (Luo and Rui, 2009). However, the term is ambiguous and it is not clear whether it is central to have explorative and exploitative activities simultaneously or whether balancing the tension between the two is more important. There are indications in theory that only having the same levels of exploration and exploitation is not sufficient in ambidexterity but there is still some confusion in the use of the term (Simsek et al., 2009; O'Reilly and Tushman, 2013). In theory on exploration and exploitation, finding a balance between exploration and exploitation has been identified as an important capability, it is however less obvious how the balance can be achieved (Gupta et al., 2006; He and Wong, 2004). If an organization has too much emphasis on either exploration or exploitation it can end up in a learning trap (Levinthal and March, 1993). Focusing too much on exploration will lead to high costs of experimentation and an ever changing cycle of search and change, and the organization will not be able to absorb and gain benefits from the knowledge. When the focus is too much on exploring the organization spends too much time on experimenting and searching and not enough time on exploiting what they have already learned. Too much emphasis on exploitation, on the other hand, may lead organizations into a trap of a stable knowledge stock and they might not be able to respond to changes in the environment (March, 1991; Raisch and Birkinshaw, 2008). Firms that overemphasize exploitation will reduce learning, which may lead to missed opportunities and result in a stagnation of knowledge (O'Reilly and Tushman, 2008). The need to find a balance between exploration and exploitation is evident. O'Reilly and Tushman (2008) suggests that the balance may depend on the speed and type of change that organizations are confronted with when the context changes. When there is a slight change in context, the need for exploration is reduced whereas the opposite situation requires more exploration (O'Reilly and Tushman, 2008). The speculations on how changes in contexts affect ambidexterity are contradictory and there is an evident need for more empirical evidence on how a changing context affects the balance of exploration and exploitation (O'Reilly and Tushman, 2008).

Following the dilemma that organizations need to learn in different international contexts, there is a need to further explore the theory on organizational learning. The geographic distribution of organizations poses challenges to organizational learning and knowledge transfer (Argote et al., 2011). Research on organizational learning has often been associated with questions on how organizations evolve and how they transform or renew themselves in a constantly changing environment (Mezias and Glynn, 1993; Vera et al., 2011). One view of organizational learning focuses on how individuals and groups learn by understanding and interpreting and how the learning process can be developed and embedded into organizational learning (Jonsson, 2013; Vera et al., 2011). In an organizational learning setting exploration refers to the transfer of

learning from individuals and groups to the organization where the knowledge becomes institutionalized in the form of systems, routines, manuals and procedures. Exploitation is referred to as a feedback process when institutionalized learning creates a context through which subsequent experiences and situations are interpreted, which evidently affects the way individuals and groups learn. Institutionalization is described as an organizational learning process that creates routines, and where tasks and clear responsibilities are defined (Bontis et al., 2002; Crossan et al., 1999). Thus, learning creates new knowledge and the knowledge institutionalized in an organization has a direct impact on future learning (Vera and Crossan, 2003). There is however a contradiction in this, as the environment changes the learning that has been institutionalized may no longer fit the new context and a gap has been created between what the organization has learned to do and what the organization needs to do. The institutionalized learning has also created a context for interpreting and experiencing new learning which may impede the ability for individuals to learn and respond to the new context (Crossan et al., 1999). This implies that there is a tension between exploration and exploitation of learning (March, 1991). Crossan et al. (1999) emphasize that there is a risk that institutionalized knowledge hinders a continued process of exploration and learning, and there is a paradox between exploiting institutionalized learning while trying to keep exploring and exploiting in a constantly changing environment. Therefore, there is a need for a deeper understanding of the tension and balance between exploration and exploitation to be able to adapt to changes in the context (Crossan et al., 1999; Crossan et al., 2011).

The literature on exploration and exploitation is emphasized in the literature on ambidexterity where many researchers call for the need to further explore the international aspect of ambidexterity, i.e. how an international organization can use ambidexterity when responding to the challenges of a constantly changing environment and the challenges of different international contexts (O'Reilly and Tushman, 2008; Prange and Verdier, 2011; Raisch and Birkinshaw, 2008). Few studies have investigated the concept of international ambidexterity (Luo and Rui, 2009; Prange and Verdier, 2011). For instance, Prange and Verdier (2011) underline the need for more research on how ambidextrous dimensions should be adapted to the specific context, and how context-specific conditions affect the optimal degrees of ambidextrous dimensions. Raisch and Birkinshaw (2008) argue that it would be useful for future research to consider the international context as an aspect of ambidexterity to find out whether there are national and institutional boundaries surrounding the concept of ambidexterity.

In order to handle the different contexts international organizations and MNCs are faced with it is important to be able to adapt to different international contexts and changes in the environment. One stream of research that investigates how organizations can adapt to new international contexts is the research on institutional learning. Institutional learning is not to be confused with institutionalized learning, which captures learning that becomes embedded in the organization (Crossan et al., 2011). Institutional learning refers to an organization's knowledge of foreign institutions needed in the institutional adaptation when entering foreign markets. An organization needs to adapt to both formal institutions - such as regulatory, economic and governmental - and informal institutions - such as culture - in a new environment to succeed and survive in a new context (Xu and Hitt, 2012). When organizations enter foreign countries they are exposed to multiple institutions and institutional theory emphasizes the importance of conforming to local institutional preferences. An institutional system reflects a unique combination of various institutions in each country. In the MNC theory, organizations want to apply its capabilities in one foreign market to another international market with the intention to exploit the knowledge they have learned (Xu and Hitt, 2012). However, any uniqueness of the new market requires that MNCs adapt to and learn new institutions in the new, local environment (Xu and Hitt, 2012). The ability to adapt to and operate in different institutional, sometimes institutionally difficult, environments arises from an ambidextrous approach (Luo and Rui, 2009). When organizations try to exploit the institutional knowledge learned from one country in a new country, they need to adapt the knowledge to the new institutional environment (Xu and Hitt, 2012). This adaptation requires that the organization can balance exploitation of the institutional knowledge gained in another country and exploration of the new institutional environment.

This thesis will contribute to the research on the tension and balance between exploration and exploitation, i.e. ambidexterity, and theory focusing on international business by looking into how organizations can manage this in different international contexts. It also adds to the very limited research on international ambidexterity (Raisch and Birkinshaw, 2008). Studies on international ambidexterity exist but few studies have been able to provide empirical evidence for how organizations can balance exploration and exploitation in practice (He and Wong, 2004; Holmqvist, 2009).

1.1. Purpose

Following the challenges with what an organization “*needs to do and what it has learned to do*” (Crossan et al., 1999:530), the learning that has been institutionalized may no longer fit the

context when the environment has changed. This is especially crucial while operating in dispersed markets. There is therefore a need to understand how organizations can adapt to new contexts and environments, and how they can use an ambidextrous approach in order to respond to constantly changing environments and different international contexts. One challenge is to understand how organizations can manage the balance between the institutionalized learning and allowing learnings to feed forward (Crossan et al., 1999). With institutionalized learning there is a risk that organizations fail to explore and learn and only exploit what they already know (Crossan et al., 1999; O'Reilly and Tushman, 2008), following this problem there are two major issues. The first one covers how organizations can avoid a trap of stagnation in knowledge (Jonsson, 2012:132; Levitt and March, 1988; March, 1991), and the other one concerns the dilemma that institutionalized learning does not fit in a new international context with a new institutional environment. In order to adapt existing knowledge to a new international context and a new institutional setting, there is a need to balance exploitation of old knowledge and exploration of the new environment (Crossan et al., 1999; Crossan et al., 2011; March, 1991).

The *purpose* of this study is to gain a deeper understanding of how international organizations and MNCs can find a balance between exploration and exploitation in order to adapt to different international contexts.

1.2. Research Questions

The following research questions have been developed in order to fulfill the mentioned purpose of this thesis:

How can an international organization balance exploration and exploitation in order to be able to adapt to different international contexts?

How does the specific context affect an international organization in finding the *right* ambidextrous dimensions and the *right* balance of exploration and exploitation that is unique for the context and the international organization itself?

1.3. Delimitations

The importance of handling the tension between exploration and exploitation has been acknowledged in theory on both organizational learning and knowledge management. As this thesis focuses on knowledge transfer and the learning process in particular it is important to underline that two dominating epistemological perspectives have emerged. One of the perspectives is the research stream that views knowledge as a content and an asset for an

organization to store and capture. Knowledge management is more practical and is therefore naturally targeted towards managers (Easterby-Smith and Lyles, 2003; Styhre, 2003:21; Vera and Crossan, 2003). Organizational learning looks at knowledge as a process and something that is developed in day to day activities (Easterby-Smith and Lyles, 2003, Styhre, 2003:21). The research stream of organizational learning is more theoretical and emphasizes processes of learning, it is more descriptive and targeted against the academic world (Easterby-Smith and Lyles, 2003; Styhre, 2003:21; Vera and Crossan, 2003). This indicates that practitioners tend to talk about knowledge management, whereas academics use the concept of organizational learning (Jonsson and Tell, 2013). In this thesis, the focus will be on knowledge as a process and not the content of what has been shared (Jonsson, 2012; Styhre, 2003). In research on knowledge and learning, the terms are sometimes used and developed in isolation from each other whereas others argue that knowledge without learning is just pure information (Easterby-Smith and Lyles, 2003; Jonsson, 2012). Knowledge and learning need to be integrated with each other in order to understand how organizations create new knowledge through learning (Vera and Crossan, 2003).

Organizational ambidexterity deals with an organizations ability to engage in two contrasting activities at the same time, such as efficiency and flexibility, low cost and customer responsiveness, stability and adaptability, global integration and local responsiveness (Luo and Rui, 2009). This thesis has a focus on international organizations ability to explore and exploit at the same time and not the other features within organizational ambidexterity.

Gupta et al. (2006) and Raish and Birkinshaw (2008) argue that it is important to define the level of analysis when analyzing and defining exploration and exploitation and ambidexterity. What is seen as exploitation by an individual may be viewed as exploration at the group or organizational level. The organization is exploring, learning and developing new routines because of variation in experiences, skills and knowledge among individuals. When individuals themselves have not learned, but exploited their individual knowledge, the organization or group may have developed new routines and therefore explored and learned. On the other hand, an individual may explore and learn new things that are exploited on an organizational level (Gupta et al., 2006). Following Crossan et al. (1999) we see learning as something that happens through all levels of individual, group and organization but ambidexterity and the balancing of exploration and exploitation is analyzed at the unit of the organization. Thus we analyze how the organization manages to balance exploration and exploitation and not the individual or group.

2. Theoretical Background

This chapter starts with an overarching discussion on organizational learning, the section ends with a brief overview of a framework for organizational learning. This leads the chapter into a discussion on exploration and exploitation of knowledge and the concept of ambidexterity. The chapter ends with a summarizing conceptual framework. The theoretical chapter is used as a foundation and guide for the data collection and analysis.

2.1. Different Perspectives of Organizational Learning

The organizational learning field of research seems to lack a common definition of the term, there is no unified theory on organizational learning and this is problematic (Crossan et al., 2011; Easterby-Smith and Lyle, 2003; Shilling and Kluge, 2009; Vera and Crossan, 2003). One reason for the lack of a common definition may be that too many terms have been created by different researchers trying to describe organizational learning. This has led to a situation where researchers have applied the terminology of organizational learning to different phenomenon and different research domains (Bontis et al., 2002; Crossan et al., 1999). Further, Vera and Crossan (2003) found that many researchers in the field of organizational learning exclude the term knowledge, and research on knowledge management exclude the term learning. Instead of discussing the differences between knowledge management and organizational learning there is a need for researchers to integrate the terms and embrace the overlap to understand how organizations deal with knowledge and learning (Vera and Crossan, 2003; Jonsson and Tell, 2013). Bontis et al. (2002) attempts to integrate the terms, they imply that the growing stock of knowledge over time depends on knowledge management, whereas organizational learning brings in behaviors and knowledge and tries to understand how the stocks of knowledge change and flow over time.

Huber (1991) defines organizational learning through the processing of information when the organizations potential behavior is changed. Levinthal and March (1993) state that organizational learning is about balancing competing organizational goals and objectives with exploitation of current knowledge. Levitt and March (1988) on the other hand define organizational learning as a process of using historic events to create routines that affects behavior. They elaborate on this in a later paper discussing something they call superstitious learning. Superstitious learning takes place when positive or negative results are associated with the wrong actions. It can be generated both through success and failure. If a firm does well, the routines that they followed are linked to this success and are subsequently reinforced. The opposite is true for failure. In such cases, the organization thinks that it has learned when, in fact, it has not. Real organizational learning would have resulted from the examination of the information generated from their actions rather than from relatively arbitrary success or failure criteria (Levitt and March, 1996). This sort of

inappropriate lessons that organizations draw from experience can occur when organizations are geographically distributed since that poses challenges to interpretation of experiences (Argote et al., 2011). According to Jonsson (2013) organizational learning primarily deals with how the members of an organization learn by looking at how individuals learn and how their learning process can be developed into organizational learning through practices and values and thus allow reflection and feedback. One dominant aspect of organizational learning is identified by Argyris and Schön (1978), they propose that organizations learn through individuals when detecting and correcting errors, with this they suggest that individuals are agents for the organization when it comes to the learning process.

Furthermore, Drejer (2000) argues that organizational learning highlights how the process of learning can generate new knowledge for developing business practices in an ever changing environment. Because of the known challenge of changes in the environment, much research in organizational learning has been concerned with how organizations renew themselves in order to face the challenge of different and changing contexts (e.g. Crossan et al., 1999; Mezias and Glynn, 1993; Vera and Crossan, 2003). One essential part of managing knowledge and learning within the organization is through the process of capturing, diffusing, transferring, and using organizational knowledge, which tries to foster innovation. If an organization wishes to be successful, it needs to establish a context that allows for integration of organizational learning with knowledge management and thus enabling knowledge sharing and learning (King, 2009).

Despite the many different views of organizational learning most researchers would agree that organizational learning is a change in knowledge when the organization acquires new knowledge (Argote and Miron-Spektor, 2011; Fiol and Lyles, 1985). The existing literature on organizational learning has addressed a wide range of units to analyze when trying to find a definition of the term, these units of analysis are found at the individual level, group level, and organizational level where learning becomes embedded in organizational routines, strategies and systems (Crossan et al., 1999; Crossan et al., 2011; Sun and Anderson, 2010). Most researchers recognize that learning begins at the individual level (Argyris and Schön, 1978; Cohen and Levinthal, 1990; Sun and Anderson, 2010). However, in order to come to a unified understanding of the theory of organizational learning it is important to adopt a multilevel approach to consider the flows of learning across all levels of individual, group and organization (Crossan et al., 2011; Kozlowski and Klein, 2000; Sun and Anderson, 2010). Many researchers that attempt to define organizational learning have had a focus on the interrelationship between cognition and behavior, meaning that learning includes both cognitive and behavioral change and that

individuals and groups learn in phases of intuition and understanding and then they interpret and act (Bontis et al., 2002; Crossan et al., 1999; Vera and Crossan, 2003). It is also a common understanding that learning occurs and knowledge exists over the mentioned multiple levels - individual, group, and organizational - learning at one level affects learning at other levels and that knowledge flows between levels (e.g. Bontis et al., 2002; Crossan et al., 1999; Nonaka and Takeuchi, 1995). It is also important to know that even though organizational learning occurs through the levels of individual, group, and organizational, individual learning does not necessarily mean that group and organizational learning has occurred (Argote et al., 2011; Gupta et al., 2006). For organizational learning to occur, the individual has to share and interpret knowledge with other members of the organization, i.e. the knowledge needs to become embedded in the organization in the form of routines or similar tools so that the knowledge becomes accessible to other members (Argote et al., 2011).

2.1.1. Transfer of Knowledge

When it comes to transfer of knowledge, organizational learning has a theoretical focus on knowledge transfer and emphasizes processes of learning, how individuals in the organization learn, and how the learning processes can be improved. In organizational learning there is a focus on trying to understand the nature of the knowledge that is contained within organizations, the focus is on changes in routines. Knowledge management is another research stream that discuss the term of knowledge transfer, often focusing on how to control and handle organizational knowledge by using technological tools. Further, knowledge transfer is described in terms of codifying implicit knowledge into explicit knowledge, thus taking a more practical approach (Easterby-Smith and Lyles, 2003; Vera and Crossan, 2003). There are critiques against both streams of research, the stream of organizational learning has been getting criticism for focusing too much on the outcome of organizational learning rather than the process, and that there is a need for a deepened understanding for the practice of transferring knowledge. Critics against knowledge management have argued that the knowledge management stream of research focuses on the transfer of information rather than the transfer of knowledge and without learning the knowledge is just pure information and not knowledge (Easterby-Smith and Lyles, 2003; Jonsson, 2012:55). As already mentioned, we want to gain a deeper understanding of the processes of learning in this thesis and our theoretical focus will therefore be directed towards transfer of knowledge in organizational learning and not knowledge management.

Bontis et al. (2002) combined the terms of knowledge and learning in their paper and was first to introduce “stocks of knowledge” and “flows of knowledge”. Intellectual capital is seen as the stock of knowledge and represents cognitive learning. When the knowledge stock is growing

over time it requires knowledge management. Organizational learning is about incorporating the behaviors and knowledge of individuals into the organization and helps in understanding how the stocks flow over time. The flows of knowledge are represented by feed forward and feedback processes. Knowledge is fed forward through the processes of intuiting, interpreting, integrating and institutionalizing over the three levels of individual, group and organization. The feedback goes the other way, i.e. the organization feeds back learning to the individual and group levels and the feedback process affects how individuals and groups learn in the future (Bontis et al., 2002). In line with this Vera and Crossan (2003:132) propose that “*while learning creates new knowledge, knowledge affects future learning*”. This brings us to the 4I framework on organizational learning developed by Crossan et al. (1999). They investigate the process of organizational learning from a strategic renewal and multilevel point of view. The 4I framework illustrates and elaborates on the feedback and feed forward processes of learning where exploration refers to feed forward processes and exploitation refers to feedback processes. Individuals are being innovative and through the processes of intuition, interpretation, and integration, learning eventually becomes institutionalized in the organization in the form of routines, strategies, systems and structures which affects how individuals and groups interpret and learn new knowledge. Crossan et al. (1999) further state that it is important for an organization to be innovative and renew itself to be able to face a constantly changing environment and to do this the organization needs to be able to manage the tension between exploration and exploitation of knowledge (Crossan et al., 1999; March, 1991). The following section explains the 4I framework on organizational learning in more detail.

2.1.2. Organizational Learning - 4I Framework

Viewing organizational learning from a strategic renewal point of view, Crossan et al. (1999) developed a well-known framework of organizational learning suggesting that organizational learning, as indicated in *Figure 1* (p. 11), involves four related processes - intuiting, interpreting, integrating, and institutionalizing - that occur over three levels; individual, group and organization. Intuiting and interpreting occur at the individual level, interpreting and integrating occur at the group level, and integrating and institutionalizing occur at the organizational level. Organizational learning is through this described as a dynamic process where learning occurs over time and across the three levels (Crossan et al., 1999). The idea behind the three levels is based on the assumption that insight and innovative ideas occur to individuals and not organizations (Crossan et al., 1999; Nonaka and Takeuchi, 1995). However, in order for an organization to utilize the insights and innovative ideas they must be shared and interpreted on a group level, where a common meaning is developed (Argyris and Schön, 1978; Crossan et al.,

1999; Huber, 1991). When the group has formed a common understanding of the individual learning the knowledge becomes institutionalized at the organizational level, it becomes so called organizational artifacts (Crossan et al., 1999). Furthermore, there are four key premises that summarizes and form the foundation for the 4I framework:

- Organizational learning involves a tension between exploration and exploitation which means finding new learning and using what has already been learned. This will be discussed in more detail in a later paragraph.
- Organizational learning is multi-level and occurs over individual, group and organizational levels.
- The three levels of organizational learning are connected through the 4 processes of intuiting, interpreting, integrating and institutionalizing.
- Cognition affects action and action affects cognition (Crossan et al., 1999; Crossan et al., 2011). This is done by using verbs by considering not only intuition (cognition) but also how intuition is developed (behavior) (Crossan and Bedrow, 2003).

The processes at different levels (seen in *Figure 1*) do not occur in a perfectly sequential order, there will be spillover effects from one level to the next (Crossan et al., 1999).

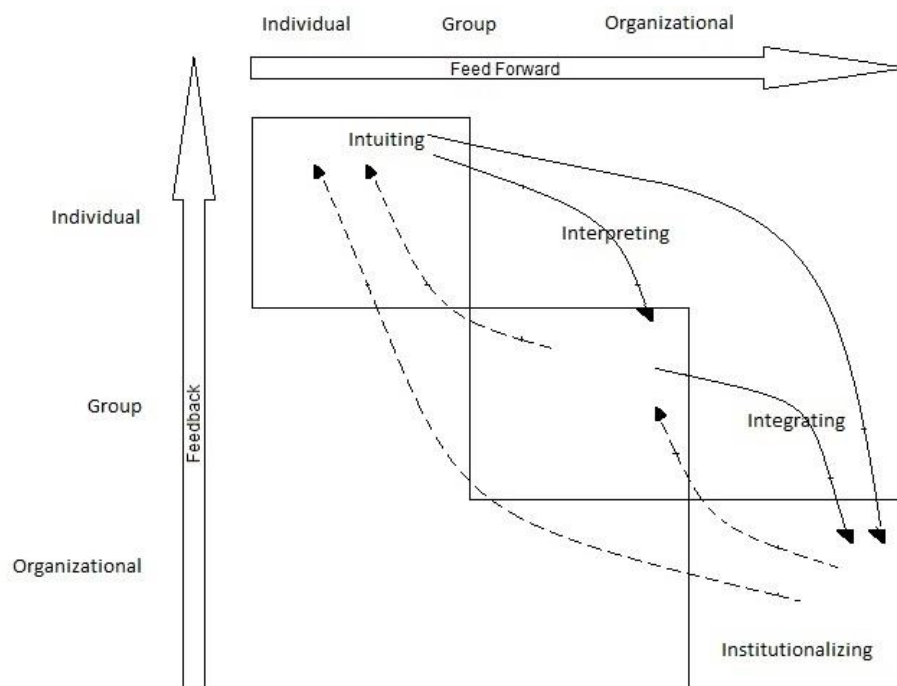


Figure 1. The 4I Framework (Crossan et al., 1999)

Intuition is seen as the beginning of new learning and occurs at the individual level (Argyris and Schön, 1978; Crossan et al., 1999; Vera and Crossan, 2004). Organizations can never intuit, intuition is a pure human action that organizations cannot possess. Intuiting is the process of developing new insights, and is defined as the recognition of patterns or possibilities dependent on the individual's experience (Behling and Eckel, 1991; Crossan et al., 1999). Intuition is the process where individuals become experts and where what the individuals have learnt becomes tacit knowledge (Crossan et al., 1999; Bontis et al., 2002). Nonaka and Takeuchi (1995) describes how intuition becomes more explicit and shared with others through the process of converting tacit knowledge into explicit (Bontis et al., 2002). Nonaka and Takeuchi's (1995) assumption is that *"human knowledge is created and expanded through social interaction between tacit knowledge and explicit knowledge"* (Nonaka and Takeuchi, 1995:61). They call this interaction "knowledge creation" and explain that converting tacit knowledge to explicit is a process where knowledge takes the shape of metaphors, concepts, hypotheses, or models (Nonaka and Takeuchi, 1995:64).

Interpretation is the process when individuals take the insights gained from intuition and begin to form them in the process of interpretation (Bontis et al., 2002). Interpreting is also a process that organizations do not have the ability to do. Interpretation is an interactive and conversational process, this is where individuals ascribe a language to what they have learned in the individual process. The interpretation process is carried out on both individual and group levels, interpretation can be made by individuals alone, but it can also be made in a group and the process will most likely be richer and more robust if there are conversations and interactions in the interpretation process (Crossan et al., 1999; Sun and Anderson, 2010). Once the interpretation process moves from the individual level towards the group level, the interpretation process will naturally move into an integration process (Crossan et al., 1999).

Integrating is a process of developing a shared understanding among the individuals in the group. It is when individuals take the cognitive maps that they have developed during the intuiting and interpretation processes and integrate them through developing a common understanding (Crossan et al., 1999; Sun and Anderson, 2010). The integration process is where a group agrees on coordinating actions through dialogue and development of shared understandings (Bontis et al., 2002), it is where informal processes take form. When the informal actions turn out to be significant and successful they eventually become institutionalized in the organization (Crossan et al., 1999).

Institutionalization is something that takes place on an organizational level, it is a process where rules and routines are developed, tasks are defined, responsibilities are specified, and procedures,

systems and strategies are formed. Institutionalizing is a process where the individual and group level learning becomes embedded in the organization (Argyris and Schön, 1978; Berends and Lammers, 2010; Crossan et al., 1999; Hedberg, 1981). Institutionalization is the process where the knowledge is embedded in the organization and where what individuals and groups have learned is transformed into non-human aspects of the organization and thus the learnings stays in the organization even after individuals leave (Bontis et al., 2002). It is what Bontis et al. (2002) refer to as the stock of knowledge, and what Huber (1991) refers to as organizational memory. Superstitious learning was mentioned earlier in this thesis, and serves as a good example of institutionalized learning; when the routines that an organization follows are linked to success they are subsequently reinforced (Levitt and March, 1996).

The whole idea is that the insights, the exploration, that start with individuals become embedded in the organization if they turn out successful. When individuals and groups fall into patterns of interaction and communication, strategies and routines begin to form. However, there is a risk that individuals and organizations learn the wrong things (Huber, 1991). Organizational learning is not only about whether an organization is good at processing what individuals learn, it is therefore important that organizational learning is applied to a strategic context (Bontis et al., 2006; Crossan et al., 1999; Huber, 1991). One aspect that organizations have to be cautious of is that, as the environment changes, the learnings that have been embedded into the organization may no longer fit the context and a gap has occurred between what the organization needs to do and what it has learned to do. The process of institutionalizing has also created a context for experiencing and interpreting new events and this may impede the organizations ability to respond to changes in the environment. There is therefore a tension between the embedded institutionalized learning and new learnings that eventually needs to be institutionalized through the processes of intuiting, interpreting and integrating (Crossan et al., 1999; Crossan et al., 2011).

2.2. Exploration and Exploitation

One important field of organizational learning is the discussion about learning as a process of exploration and exploitation (March, 1991). Organizational learning involves a tension between assimilating new learning (exploration) and using what has been learned (exploitation). This means that on the one hand learning organizations rely on their existing knowledge and exploit the knowledge they already possess, on the other hand they explore new experiences by innovation and experimentation (Holmqvist, 2009; March, 1991). Exploration and exploitation is argued to be of equal importance in organizational learning and organizations must find a balance between the two forces (Holmqvist, 2009; Lavie and Rosenkopf, 2006). It is important

to be flexible and adaptable to be able to explore new solutions to new problems as well as new solutions to old problems. However, it is equally important to be efficient by exploiting existing knowledge to solve new and old problems (Jonsson, 2012:217). Among other researchers (e.g. He and Wong, 2004; March, 1991; Tushman and O'Reilly, 1996) Gupta et al. (2006) stresses the importance of balancing exploration and exploitation for organizational adaptation, technological innovation, organizational learning, and organizational survival. This is the challenge of strategic renewal (Crossan et al., 1999; March, 1991). Finding a balance between exploitation and exploration is however challenging. The rewards to exploitation are more immediate and tend to drive out exploration and may eventually lead the organization into a “competency trap”, where the knowledge and routines become outdated (Levitt and March, 1988; March, 1991).

Brown and Duguid (1991) view organizational learning as a bridge between on the one hand working and on the other innovating. Through this belief, learning is linked to action at the same time as it suggests useful improvement. Exploration refers to learning and innovation and means finding new knowledge while questioning old knowledge embedded in systems and routines. Exploitation is about using, improving, refining and extending existing knowledge (Gupta et al., 2006; He and Wong, 2004; March, 1991). This said, there are different views on what exactly constitutes the concepts of exploration and exploitation. Gupta et al. (2006) mentions that there is a disagreement in the literature on whether exploitation involves learning or not. There is a clear consensus that exploration involves learning, but the question of whether exploitation only refers to use of past knowledge or whether it also involves some kind of learning is more ambiguous. The stream of research that refers to exploitation without learning argues that exploitation simply is the ongoing use of existing knowledge (Gupta et al., 2006; Vermeulen and Barkema, 2001). The other side of the discussion argues that learning and improvement is part of both exploration and exploitation. This thesis joins the stream of research that believes that exploitation involves some kind of learning (Gupta et al., 2006, He and Wong, 2004). March (1991), who was the pioneer in the exploration versus exploitation research, views exploitation as the act of refining and extending existing knowledge. Furthermore, Gupta et al. (2006) argue that it is more logical to separate exploration and exploitation by looking at the amount of learning rather than the absence or presence of learning because the latter alternative risk a mix up of findings that, according to March's (1991) definition, should be associated with exploitation but are actually associated with exploration. Following March's (1991) (and others with him) line of reasoning, organizations that emphasize exploration over exploitation risk spending too much money on experimentation that they might not be able to absorb and enjoy the benefits of, and they might end up trapped in a cycle of search and change without benefitting from it.

Organizations that emphasize exploitation over exploration risk getting trapped in the existing knowledge and miss out on possibilities to gain new knowledge and there is a risk that the organization ends up unable to respond to changes in the environment because the knowledge it possesses is outdated (March, 1991; Raisch and Birkinshaw, 2008).

Adding the theory on exploration and exploitation, the tension between institutionalized learning and new learning described in the 4I framework is between exploring and exploiting knowledge. The framework brings up the tension and balance between exploration and exploitation by referring to it as feed forward and feedback processes of learning. Feed forward relates to exploration and contains the transfer of learning, where new ideas and actions flow (intuiting, interpreting, integrating) from individuals and groups to the organization where the knowledge becomes embedded (institutionalized) in the form of systems, routines, manuals and procedures. Feedback relates to exploitation in a way that the institutionalized learning creates a context through which subsequent experiences and situations are interpreted, what has been learned feeds back from the organization to group and individual levels, and this obviously affects the way individuals and groups learn, act and think (Crossan et al., 1999). This is an acknowledgement of March's (1991) discussion on exploration and exploitation, where he states that organizations store knowledge in procedures, rules and norms, this knowledge is gained over time through learning by individuals in an organization. At the same time, the individuals are affected by organizational beliefs. March (1991) calls this mutual learning and states that it has implications for understanding and managing exploration versus exploitation. Furthermore, ideas in the phase of exploration are in the described tension competing with already established phases of exploitation, but also with exploitation investments in both minds and assets, these pose major obstacles in balancing exploration and exploitation (Crossan and Bedrow, 2003). The tension come into existence because what has already been learned, i.e. the embedded, institutionalized learning, affects and possibly impedes the process of new learning. In order to fully benefit from new learning, the new learning needs to be fed forward through individual and group levels to the organizational level to become institutionalized, but the institutionalized learning is at the same time exploited through the feedback process from the organization to group and individual level and affects the new learning in the form of routines, rules and strategies (Crossan et al., 1999).

However, as the environment changes over time, organizations need to reinterpret the new context and develop new processes, strategies and structures that fit the new environment. Within a constantly changing environment, organizations must learn how to manage the tension

between exploiting the institutionalized learning and exploring new learnings to fit to the changing environment (Crossan and Bedrow, 2003). The paradox with the 4I framework is that the institutionalized learning that affects how individuals explore new learning may no longer fit the new context in an ever changing environment (Crossan et al., 1999). According to March (1991) adaptation requires both exploration and exploitation to be successful. He and Wong (2004) also discuss the tension between exploration and exploitation. They describe the tension in the following way; adapting to the existing environment may reduce the organization's ability to adapt to future changes in the environment while on the other hand, experimenting with new alternatives reduce the speed of refining and improving existing knowledge (He and Wong, 2004; March, 1991).

For organizations to have a continued development and not stagnate it is important to have a balance between exploration and exploitation, to be able to exploit learnings from the past without hindering new learnings to be explored (Jonsson, 2012:132, 214; O'Reilly and Tushman, 2008; Raisch and Birkinshaw, 2008). According to He and Wong (2004) exploration and exploitation is a dynamic process of absorptive capacity in a way that exploitation of existing knowledge and capabilities is needed to explore new learnings and capabilities, while exploring enhances the organizations existing knowledge base.

Research is close to a consensus that organizations need to find a way to balance exploration and exploitation, what is less obvious is how the balance can be achieved (Gupta et al., 2006). Jonsson (2012) argues that understanding how to balance exploration and exploitation requires a focus on routines and clear responsibilities in who does what, when and where. To create common knowledge strategies and objectives it is important to use the existing knowledge but also to try new and innovative solutions to create a learning philosophy in the organization (Jonsson, 2012:214). The act of simultaneously exploring and exploiting is called ambidexterity, organizations that are ambidextrous possess the ability to utilize new opportunities to learn at the same time as they utilize existing knowledge embedded in routines and systems (Gibson and Birkinshaw, 2004; O'Reilly and Tushman, 2008). Ambidexterity is one way to balance exploration and exploitation (Gupta et al., 2006). Although Holmqvist (2009) argues that the coexistence of exploration and exploitation that ambidexterity brings up does not have the same meaning as balancing exploration and exploitation. He states that ambidexterity does not address the fundamental problem of balancing exploration and exploitation (Holmqvist, 2009). Ambidexterity is however one way for organizations to manage the tension between the two

processes (Gupta et al., 2006), the following section will therefore cover the definition of ambidexterity.

2.3. Ambidexterity

Ambidexterity in its general definition is an organization's ability to simultaneously be engaged in two contradictory activities (Gupta et al., 2006; Prange and Verdier, 2011). Ambidexterity is therefore discussed in theoretical frameworks covering exploration and exploitation and the act of balancing these two. Ambidexterity can be achieved in two ways; either by creating two separate structures for different types of activity e.g. exploration in R&D and exploitation in production, or by requiring that the individuals in the organization make choices in their day-to-day work to balance exploration and exploitation. These two are called structural ambidexterity and contextual ambidexterity, respectively (Holmqvist, 2009; Prange and Verdier, 2011).

Organizational ambidexterity was defined by Duncan (1976) but gained increased momentum as a concept through March (1991). Nonetheless, Raisch et al. (2009) point to an existing lack in current research concerning ambidexterity. They stress that some issues are still unexplored, conceptually vague or ambiguous (Raisch et al., 2009). Raisch and Birkinshaw (2008) still consider organizational ambidexterity to be in a developing process and not fully viewed as a paradigm in organizational theory. They identify various gaps in the research as some areas of organizational ambidexterity are developed while others are still very weak. Clarity in what the term organizational ambidexterity really means is lacking, and some confusion in the use of the term has been identified (O'Reilly and Tushman, 2008; O'Reilly and Tushman, 2013). One example of this is when Gibson and Birkenshaw (2004) summarize several organizational scholars' view on ambidexterity in one sentence as "*simultaneously balancing seemingly contradictory tensions*" (Gibson and Birkenshaw, 2004:209). O'Reilly and Tushman (2004) state that ambidexterity is a matter of organizational structure while O'Reilly and Tushman (2008) views ambidexterity as a dynamic capability that is specifically embodied in senior leaderships learning and their ability to reconfigure and adapt assets and competences to changing context. These are only a few examples of the different ways of using the term.

However, all research on ambidexterity seems to agree with the underlying paradox of ambidexterity as described by March (1991) where exploration and exploitation are seen as two fundamentally different learning activities. Moreover, March (1991) proposed that learning approaches should be divided, treating exploring and exploiting as separate activities, and between which organizations ought to divide both resources and attention. In line with this, Birkinshaw and Gibson (2004) explain that the idea behind ambidexterity is that the demands an

organization faces are always in conflict. Duncan (1976) was however the first one to develop the thought of dual structures. Both Duncan (1976) and Tushman and O'Reilly (1996) believe that successful organizations that operate in an environment that is dynamic are ambidextrous, thus making them capable of simultaneously keeping up with daily business demands through efficient management while at the same time adapting to changes in their environment. However, the paradox of ambidexterity as presented by March (1991) concerns the various risks associated with focusing too much on either exploration or exploitation, such as the risk of getting stuck in the middle between these two activities if not addressed adequately. Simsek et al (2009) on the other hand suggest that organizations that engage in both exploration and exploitation can avoid disadvantages of focusing too much on one over the other. Thus, they argue, ambidexterity does not only mean having the same levels of exploration and exploitation but rather maximizing the achievement of both.

Raisch and Birkinshaw (2008) explain that organizations are ambidextrous when reconciling internal tensions and contradicting demands arising in the environment. Furthermore, Tushman and O'Reilly (1996) also state that an organization that successfully manages to simultaneously pursue explorative and exploitative activities is more likely to succeed compared with organizations that only emphasizes on one of these two activities on behalf of the other. O'Reilly and Tushman (2008) conclude that an organization needs to combine exploration and exploitation in order to be able to create value as only pursuing one activity on behalf of the other is not sufficient enough. This view is further strengthened by Raisch et al. (2009) argument of how long-term success among organizations, groups and individuals is possible due to a balance between conflicting demands with the use of structures, strategies and processes.

Many researchers discuss the difficulties of balancing exploration and exploitation in practice (He and Wong, 2004; Holmqvist, 2009; Tushman and O'Reilly, 1996). Moreover, some argue that ambidexterity can be seen as one strategy of how to manage exploration and exploitation within an organization but that ambidexterity in itself is not sufficient enough to address the problem of balancing these activities. Holmqvist (2009) sheds light on the fact that balancing exploration and exploitation is not the same thing as coexistence of these two activities. A majority of organizations are argued to not have the ability to balance exploration and exploitation in practice (Argyris and Schön, 1996; Holmqvist, 2009). According to He and Wong (2004), an organizations ability to balance between exploration and exploitation has been hard to accomplish by real organizations active in a real context.

2.3.1. Structural and Contextual Ambidexterity

The two main perspectives of ambidexterity are that organizations become ambidextrous either by a structural or contextual view. However, organizations can in some cases become ambidextrous through both perspectives (Jonsson, 2013:133; Raisch et al., 2009). The *structural* view on ambidexterity was the first to evolve with the intention to develop a structure that allows one part of the organization to focus on exploration while another part deals with exploitation (Jonsson, 2013:217; Tushman and O'Reilly, 1996). The dual structural view presented by Duncan (1976) describes how the creation of separate units makes it possible for organizations to choose whether to pursue explorative or exploitative activities. One repetitive argument that seems to be supported by those who support the structural view on ambidexterity is that ambidexterity can only be achieved through the development of structural mechanisms in order for the organization to handle the competing demands it is facing (Birkinshaw and Gibson, 2004). Thus, the structural solution is defined as adapting the organizational design in order to balance explorative and exploitative demands. By differentiating the structure, an ambidextrous organization is enabled to continue with various competencies instead of having to focus on a single one, thus, the intention of semi structures is to facilitate organizations with managing competing demands (Raisch and Birkinshaw, 2008). From the structural perspective, an organizations ability to simultaneously explore and exploit is the key to ambidexterity (O'Reilly and Tushman, 2013).

Although the view on organizational ambidexterity among researchers has evolved around the structural perspective, Gibson and Birkenshaw (2004) argue that *contextual* ambidexterity has become increasingly relevant due to the importance of balancing tensions. Research on contextual ambidexterity often defines cultural characteristics rather than structural characteristics (Raisch et al., 2009) and builds around the importance of implementing systems and processes that will assist individuals within the organization in dividing attention between conflicting demands (Gibsin and Birkenshaw, 2004; Tushman and O'Reilly, 1996) rather than dual structures as suggested by Duncan (1976). The views often arise from the individual's ability to involve in exploitative and explorative activities and where context is seen as the most suited solution to achieve ambidexterity. Therefore, contextual ambidexterity intends to enable individuals in the organization to engage in and conduct both activities, leading to a better understanding of how to balance the tension in their everyday work (Gibson and Birkinshaw, 2004; Jonsson, 2013:217).

2.3.2. Ambidexterity in an International Context

The meaning of international ambidexterity varies to a great extent among researchers. According to Hsu et al. (2013), international ambidexterity refers to the balance and simultaneous activities of explorative and exploitative foreign direct investments as well as the effect of international ambidexterity on an organizations performance. For Prange and Verdier (2011) on the other hand, the focus lies on the balance between exploration and exploitation in the internationalization process. Many researchers have studied the impacts of ambidexterity on performance, growth, innovation etc. but very few have focused on ambidexterity in an international context (Prange and Verdier, 2011). Given the premise of ambidexterity, a number of studies have attempted to understand its antecedents. Several have demonstrated that it is more likely to occur under conditions of environmental dynamism. The more dynamic the organization's environment is, the higher is the likelihood of ambidexterity (O'Reilly and Tushman, 2008; Siggelkow and Levinthal, 2003). The extent to which the different units within an organization pursue both explorative and exploitative activities simultaneously is shaped by the conditions of the local environment. Organizations active in an environment that is dynamic and competitive are more likely to achieve ambidexterity than those who operate in an environment where the level of dynamism is less. Organizations that are faced with a dynamic environment tend to find a balance between exploration and exploitation (Jansen et al., 2005). O'Reilly and Tushman (2008) questioned how organizations manage to survive in a changing environment. In trying to find a suitable answer to this question, they elaborated on two perspectives connected to an organizations ability to adapt and survive in the face of change and how this can be done. One of the perspectives states that some organizations have the ability to learn and therefore can adapt to changing environmental contexts. In order to understand this view better, there are two themes that try to find an explanation. The first regards an organization's dynamic capabilities as the reason behind the achievement of competitive advantage. The second suggest that organizations are able to adapt over time due to ambidexterity (Raisch et al., 2009).

However, researchers agree on the fact that it is no easy task to achieve a balance between exploration and exploitation. If the focus is too much on exploration it is very likely that bad ideas will be pursued. On the other hand, if the focus is too much on exploitation it can lead to a higher risk of missing out on opportunities (O'Reilly and Tushman, 2008). It is therefore considered that an organizations ability to balance may be dependent on the type of change. Depending on whether the context is fast or slow moving the balance between exploration and exploitation may shift. The need for explorative activities is increased when an organization is

facing a competitive and fast moving context, and on the contrary it is lowered when the context is moving slowly. A rapidly changing context may lead to simultaneous ambidexterity while ambidexterity becomes sequential in a context with slow change (O'Reilly and Tushman, 2008).

Today, according to Peng et al. (2005), organizations are taking institutional forces into consideration to a greater extent than before as these are becoming clearly reflected in their strategic approaches. According to Xu and Hitt (2012) organizations need to adapt to institutions in a new environment to succeed and survive in that new context. These institutions can be either formal, such as regulatory, economic and governmental or/and informal, such as culture. The strength to adapt to and operate in different institutional, sometimes institutionally difficult, environments arises from an ambidextrous approach. Experience from handling uncertainties in the external environment in different countries and experience from dealing with local lawmakers and politics is a valuable capacity when using an ambidextrous approach (Luo and Rui, 2009). According to Peng et al., (2005) ambidexterity is also dependent on the institutional environment in the country an organization wishes to enter. The ability and opportunity to be able to influence regulatory policies depend on the channels the organization is given to influence new regulations. However, majority of research tends to focus on an emerging market perspective of international ambidexterity and how organizations deal with host country institutional environment. For instance, Luo and Rui (2009) argue that MNCs from emerging markets are better prepared for operating in environments that are institutionally difficult as both the home market and abroad market tend to be similar in that sense. Organizations with a long history of operating in unstable and undeveloped economies gain valuable experience over time in handling external uncertainties and competence in how to cultivate difficult relationships (Luo and Rui, 2009). According to Luo and Rui (2009) ambidexterity involves both home and host country operation and evolves around interactions between system and process capacities of the organization. An organization needs to build a culture and infrastructure where employees are encouraged to develop new ideas that upgrade an organization's capabilities (Luo and Rui, 2009). Prange and Verdier (2011) study the links of ambidexterity to the internationalization process and conclude that international firms need to understand both local roots and global links when they internationalize. An ambidextrous organization should embrace multiple cultures and employ shared values as a support for a solid organization (Prange and Verdier, 2011).

2.4. Learning across Geographical Borders

The theory on ambidexterity address questions about how and whether organizations are able to adapt to changes in the environment. The 4I framework on organizational learning, developed

by Crossan et al. (1999), argues that there is a problem when the context has changed, the institutionalized learning may no longer fit the new context, it is therefore important to find a balance in exploration and exploitation to be able to adapt to these changes. There are speculations that the type and speed of change might be influential in finding the right ambidextrous dimensions, i.e. finding the right balance between exploration and exploitation (O'Reilly and Tushman, 2008). Knowing how to adapt to changes is especially important when moving across national borders. This led us to questioning what there is to know about learning across geographical borders and how the context affects learning.

Argote and Miron-Spektor (2011) created a framework (*Figure 2*, p. 23) for analyzing organizational learning. In their framework, organizational learning begins with experience, ends with knowledge and depends on the context. As seen in *Figure 2* (p 23), the context is a moderator in the relationship between the organizational experience and knowledge. They further argue that knowledge that is acquired through learning becomes embedded in the organization and since the learning process goes from experience to knowledge, this affects future learning (Argote and Miron-Spektor, 2011).

A geographic distribution of organizational units is challenging in organizational learning and knowledge transfer. When employees are distributed across different geographical locations, they may have different knowledge grounds and they may not have the same taken-for-granted understandings that facilitate information and knowledge sharing, and learning from experience (Argote et al., 2011; Cramton, 2001; Sole and Edmondson, 2002). National diversity may also be a problem associated with organizational learning and knowledge transfer in geographically distributed organizations. Different nations may e.g. have different norms for communication (Gibson and Gibbs, 2006).

National context moderates the relationship between experience and knowledge creation and transfer. Some of the national differences are obvious; different languages, different resources, different legal rules and policy regulations. Other differences are less obvious at a first glance, one example of this is that nations have different formal and informal institutions, i.e. different formal and informal rules that affects how organizations and individuals behave (Xu and Hitt, 2012). Also, methods of communication and working within and across teams vary across different national contexts (Cramton and Hinds, 2005). Working across national contexts may lead to context mismatch of the knowledge, and slow cross-context learning or knowledge transfer (Gibson and Gibbs, 2006). However, working with different national contexts can also lead to opportunities for increased learning since the adaptation of existing knowledge can lead

to creation of new knowledge and organizational learning (Argote et al., 2011; Cramton and Hinds, 2005).

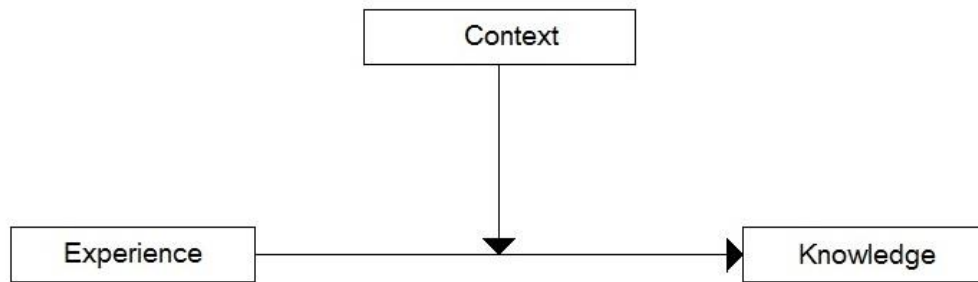


Figure 2. *A Framework for Analyzing Organizational Learning (Compiled by Argote et al., 2011 based on Argote and Miron-Spektor, 2011)*

2.5. Conceptual Framework

In conclusion, the conceptual framework for this thesis includes the 4I framework on organizational learning developed by Crossan et al. (1999). However, from our theoretical discussion it is clear that there is a dilemma when the institutionalized learning no longer is sufficient in a new international context with a different institutional environment. Therefore, we aim to remodel the framework to address the problem of the mismatch between institutionalized learning and a change in international context. Adaptation to new contexts requires both exploration and exploitation (March, 1991), and organizations that are capable of operating in dynamic environments are ambidextrous (Luo and Rui, 2009; O'Reilly and Tushman, 2008; Tushman and O'Reilly, 1996). Therefore, to avoid the mismatch between institutionalized learning and a new institutional environment that follows a change in international context, an ambidextrous balance between exploration and exploitation is important.

It is important to not be confused by the similarities in the terms institutionalized learning and institutional learning. Institutionalized learning captures learning that becomes embedded in the organization (Crossan et al., 2011). Whereas institutional learning refers to an organization's knowledge of foreign institutions needed in the institutional adaptation when entering a new international context (Xu and Hitt, 2012). The dilemma is that when organizations changes international context, institutionalized learning may not fit the new institutional environment it is faced with. When organizations invest in foreign countries they are exposed to multiple local institutions to conform to (Xu and Hitt, 2012). It is therefore beneficial to be able to apply capabilities and learnings gained in one foreign market to another international market in order to exploit the lessons learned. In order to exploit the institutional learnings from one country in

another, organizations need to adapt the institutionalized knowledge to the new local institutional environment (Xu and Hitt, 2012). Theory on ambidexterity states that the strength and ability to operate in different institutional and different international environments arise from an organizations ambidextrous approach (Luo and Rui, 2009). Successful organizations that operate in dynamic and changing environments are ambidextrous and thus have the ability to simultaneously explore and exploit in adapting to changes in the environment (Tushman and O'Reilly, 1996). Ambidexterity and a balance between exploring new environments and exploiting institutionalized learning helps organizations adapt to a new environment and a new international context that comes with different, and difficult, institutional environments.

The framework developed by Argote and Miron-Spektor (2011) includes the context as a moderating effect when describing organizational learning as a process that begins with experience and ends with knowledge. In order to address the problem of a mismatch between institutionalized learning and a changing context we integrate Crossan et al.'s (1999) 4I framework with Argote and Miron Spektor's (2011) reasoning that the context is a moderator in the organizational learning process.

In our conceptual framework (*Figure 3*, p. 25) we use the dimension of a changing context as a factor that affects the balance and the dimensions of exploration and exploitation in organizational learning. In our case, we refer to a changing context as a change in international context. Different contexts require different dimensions of exploration and exploitation (Argote et al., 2011; O'Reilly and Tushman, 2008). The balance between exploration and exploitation may depend on the speed and type of change in context. When there is a slight change in context, the need for exploration is reduced and more emphasis should be put on exploitation and the opposite is true for the reversed situation (O'Reilly and Tushman, 2008). Following this line of reasoning, when there has been a small and slow change in context, constant experimentation may be inefficient and unnecessary. On the other hand, when there has been a large and fast change in context there is an increased need for explorative activities since exploitative activities may not be sufficient to respond to the change in context (March, 1991; O'Reilly and Tushman, 2008). As illustrated in *Figure 3* (p. 25), the change in context affects how much emphasis should be put on exploration and also how much the already existing knowledge needs to be refined and adapted to fit to the new context.

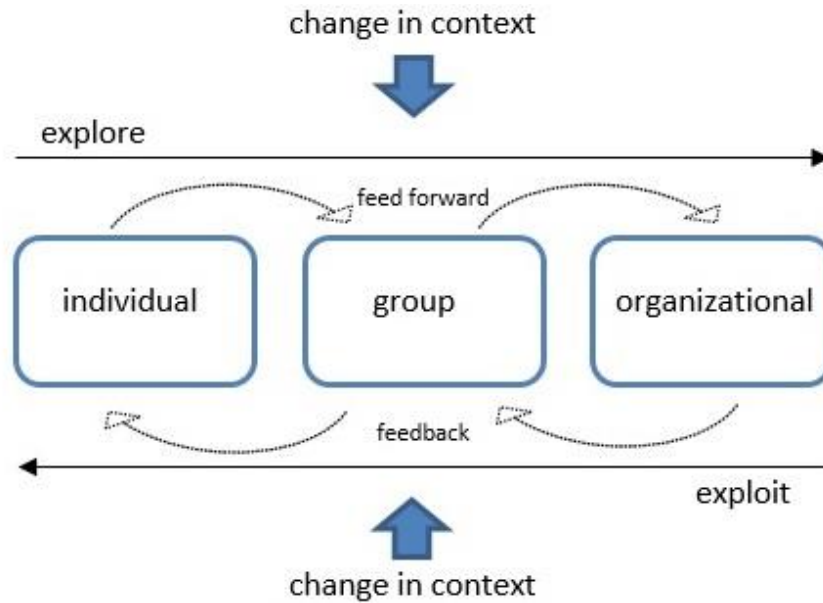


Figure 3. Conceptual framework based on literature review (Compiled by authors based on Crossan et al., 1999 and Argote et al., 2011)

In Crossan et al.'s (1999) framework on organizational learning, exploration is referred to as feed forward processes and the transfer of knowledge through individuals and groups and through processes of intuiting, interpreting, integrating and finally the successful learnings become institutionalized in the form of routines, systems and manuals. Exploitation is referred to as feedback processes where the organization feeds back the successful institutionalized learnings to the group and individual levels, which affects their work and how they learn. When the knowledge becomes embedded (institutionalized) in the organization it creates a context through which individuals and groups interpret new situations (Crossan et al., 1999) which affect the exploitation of knowledge. A change in context affects both feed forward (exploration) and feedback (exploitation) processes as described in the previous section (Crossan et al., 1999).

3. Methodology

This section will provide a discussion on the research methods used in this thesis as well as a discussion about how and why we have chosen our method. Thus, we will give an insight in the research approach, research design, data collection, as well as a discussion on data quality where we will approach threats to reliability and validity.

3.1. Research Approach

The choice of a qualitative method has increasingly gained establishment among business researchers. In contrast to quantitative research, which embraces a natural scientific approach, qualitative research focuses on understanding the social world via its participant's interpretation (Saunders, Lewis, and Thornhill 2012:163). Furthermore, qualitative research presents a picture of the relationship found between theory and research, and thus leads to theory being generated out of the research. More precisely, issues found in theory are drivers for collection and analysis of new data. The findings of the qualitative research are then resubmitted into relevant theory (Bryman and Bell, 2011:386-389; Saunders et al., 2012:163). The main difference between qualitative and quantitative methods is that the qualitative approach is focusing on gathering textual data as opposed to numbers. Qualitative research is rather focused on giving an explanation to the meanings that lay behind the numbers (Eriksson and Kovalainen, 2008:4). Furthermore, a qualitative method enables a greater understanding of a specific phenomenon as the research tends to look for reasons to different behaviors, motivating factors or beliefs people might have. Qualitative research essentially gathers data through interviewing and observing people and provides the advantages of collecting both visual and textual data (Bryman and Bell 2011:27; Eriksson and Kovalainen, 2008:4).

Researchers are requesting more qualitative studies to be performed, particularly within the research field of international business. The reason is that qualitative studies are argued to contribute to how complex contexts can be better interpreted and understood (Bryman and Bell, 2011:65). However, there is plenty of criticism with regards to qualitative research. One example of criticism directed towards qualitative studies is that they are not scientific enough. The difficulty with qualitative studies is that they often provide results that cannot be a subject of meaningful statistical analysis. However, even though quantitative studies contribute to an understanding of differences or relationships between variables and can be generalized on larger populations, quantitative studies cannot contribute with data that is not included in the questionnaire. This can mean missing important comments and inputs which results in worse understanding of the subject of the study (Bryman and Bell, 2011:408; Saunders et al., 2015:352).

A case study can be either directed or driven by the research questions. The more the research questions are focused on explaining how or why a phenomenon works the way it does, the more

relevant it becomes to conduct a case study. Conducting a case study is therefore relevant when the research questions require an extensive in-depth description of a phenomenon (Yin, 2014:4). The initial process of a case study is always a thorough literature review (Yin, 2014:3) and based on this literature review a conceptual framework is developed. Theory development prior to the collection of case study data is important since it may facilitate the research design and provide strong guidance in determining data to collect and defining strategies to use in the analysis of data (Yin, 2014:38). A deductive approach considers theory as the first source of knowledge. A hypothesis or hypotheses are developed based on what is already known about the phenomenon in theory, the hypotheses drive the entire data collection process. However, the relationship between theory and empirical findings can also take an inductive approach where the theory is developed as an outcome of the empirical findings. Nevertheless, these two opposite approaches are seldom separated in research, but rather combined. The use of both approaches is known as abduction and allows new ideas or hypotheses to be generated. Hence, an abductive approach offers the advantage of switching between deductive and inductive research throughout the whole process. In line with this we found that an abductive approach would be most suitable for our study as it enabled us to go back after the empirical findings to modify the theoretical framework (Bryman and Bell, 2011:11; Eriksson and Kovalainen, 2008:22-23). In using an abductive research approach we started with a rigorous literature review on which we based our problem discussion and interview guide. After conducting interviews we noticed that some parts of the literature were more prominent than others and we revisited the literature review to update it and modify it to make it match the empirical findings in order to facilitate and extend the analytical process.

We chose the design of a case study for our research as this method is the most suited one. As the intention of this thesis was to develop a deeper understanding and explain a specific phenomenon, the case study design enabled us to interpret and analyze the data and made it possible for us to find answers to our research questions (Bryman and Bell, 2011:60; Yin, 2014:4).

3.2. Research Design

As this thesis takes the design of a case study, the following section gives an explanation as to why the particular case was chosen. Moreover, a description of how the necessary data was gathered based on a qualitative research approach will be provided.

3.2.1. Research Unit and Sample

FIFA was founded in 1904 and has since then strived for a constant improvement of football together with its 209 member associations (FIFA, 2012). FIFA is an interesting organization to study when investigating the mentioned purpose of our thesis, it is an organization that needs to transfer knowledge between different countries every fourth year in organizing the FIFA flagship event; The FIFA World Cup™, as well as in other competitions and business operations (FIFA, 2013a). In order to do this they need to know how to adapt the knowledge they already possess. At the same time they need to explore the new market in order to know how to exploit the existing knowledge and they need to keep the exploration process going in between the different editions in order to deliver best possible outcomes. Furthermore, from an international perspective FIFA is one of the most global organizations in the world, working with member countries from all over the world and has around 400 employees from more than 40 nations working at the Head Quarter (HQ) in Zurich, Switzerland (FIFA, 2012).

In order to understand how international organizations and MNCs can find a balance between exploration and exploitation in order to adapt to new international contexts we found it most appropriate to use a single case study since it provided us the opportunity to gather meaningful and detailed data of every aspect of the knowledge transfer process. A single case study has proven to be the most suitable option when the intention of the research is to evaluate a phenomenon within a specific timeframe and with limited resources (Eriksson and Kovalainen, 2008:118). Thus, the research unit for this thesis is the PM & KT initiative at FIFA. The PM & KT initiative is a cross-divisional initiative that started in 2011 with the purpose of responding to the growing complexity of FIFA's activities such as the FWC, other competitions organized by FIFA, and FIFA's business operations. The idea behind the initiative is that every employee at FIFA will use the areas of the PM & KT platform and through this they will have an opportunity to perform better because of the access to an extensive and growing knowledge pool and previously prepared documents, templates and lessons learned. FIFA started the PM & KT initiative in order to deal with knowledge getting lost in between the editions of the FWC. The PM & KT initiative was implemented as a platform for sharing knowledge and learning. Studying the PM & KT initiative is especially interesting for the purpose of this thesis since one of the challenges with the initiative is to avoid the risk of getting too centralized. To avoid the risk of getting too centralized and to avoid the risk of stagnation in knowledge it is important for FIFA to balance exploration and exploitation in order to be able to adapt to the different international contexts they are facing. The initiative is still in an introductory phase but the aim is that, over time, the PM & KT initiative will support the whole organization, i.e. Local Organizing

Committees (LOC), member associations and other FIFA partners. It is also supposed to enhance teamwork, promote a consistent business culture with regards to event management, and be a platform for building programs and any project undertaken at FIFA (FIFA, 2013b).

Based on a number of reasons we found the PM & KT initiative to be a suitable research unit for the purpose of this thesis. First of all, as previously mentioned we wanted to provide a comprehensive empirical understanding of how international organizations and MNCs can balance exploration and exploitation in order to adapt to different international contexts and how they can find the right ambidextrous dimensions in doing this. Second, we wished to provide a rich picture of the situation in a real-life context (Bryman and Bell, 2011:403). As some employees subject to our interviews are highly involved in the development of the PM & KT initiative, and some employees are working with it on a more operational level, the gathered data are certainly up to date and reliable for the purpose of our thesis. (Bryman and Bell, 2011:395). In addition, we had access to primary data documents on the PM & KT initiative which were used to construct a description of the initiative and understand the timeline better, the documents were also used as a complement to the interviews. We were able to get the necessary access to the PM & KT initiative documents through a primary contact person at FIFA.

3.2.2. Data Collection Methods

The interviews were designed according to a semi-structured approach. This approach is described as being in between a structured, pre-coded interview and an unstructured, open interview (Quinlan, 2011:293). Semi-structured interviews often have an interview guide which includes questions that needs to be covered. However, the interviewee has a freedom of flexibility to reply the question in comparison to structured interviews. In other words, some questions are pre-determined but the order of the questions may vary, as will the questions from interview to interview as some questions may be excluded while additional questions may arise. We considered this approach to be the most beneficial for this thesis as we had a large number of questions that were both complex and open-ended (Saunders et al., 2012:379). The interviewee should be allowed to respond to the questions in a way that feels most appropriate for them. The interviewer is not supposed to interfere more than reminding the interviewee of the main subjects (Fisher, 2010:175). According to Bryman and Bell (2011:466), going off at tangents should be encouraged as it may provide valuable insights on aspects considered to be relevant and important by the interviewee. In addition, a semi-structured approach allows the interviewers to ask follow-up questions and change the order of the questions, which further increases the chances that the interviewees, if encouraged to continue with their train of thought,

can contribute even more with their experience and knowledge (Fisher, 2010:175). Nevertheless, there are some issues to consider in regards to the quality of data, for instance, the lack of standardization may raise concerns about reliability (Saunders et al., 2012:381).

The case study enabled us to collect data from various sources with the use of triangulation. By triangulating the data we were able to support the facts of the case study with multiple sources of evidence rather than a single source (Saunders et al., 2012:179; Yin, 2009:116). Hence, primary data were mainly collected through interviews, but also from internal documents on the subject of knowledge transfer. In some cases we sent e-mails with follow-up questions as a complement to the initial gathering of primary data. A qualitative case study is argued to be very difficult to replicate because of the rather impossible task of repeating the previous scenario once again. Then there is the uniqueness of each researcher, as their attention will vary from one to another and thus make it impossible to focus on the same aspects of the research (Bryman and Bell 2011:398-401).

The interviews have all been outlined in *Figure 4* below. However, a more detailed overview including information such as date and length can be found in the appendix 1.

Figure 4. List of interviews

Manager	Area of Responsibility	Location
Manager A	Media Relations Manager	FIFA HQ - Zurich
Manager B	Strategic Project Manager – Project Management Coach	FIFA HQ - Zurich
Manager C	Project Manager PMO	FIFA HQ - Zurich
Manager D	Media Operations Manager	FIFA HQ - Zurich
Manager E	Media Relations Manager	FIFA HQ - Zurich
Manager F	Senior Media Operations Manager – Project Management Coach	FIFA HQ - Zurich
Manager G	Media Operations Manager LOC	LOC Russia
Manager H	FIFA Media Officer*	Stockholm
Manager I	Venue Operations	LOC Russia
Manager J	PM & KT Project Manager in LOC	LOC Russia

*FIFA Media Officer is in most cases an external consultant with specific expertise in media areas (media operation and media communication) who is assigned on a temporary basis to an event.

As the process of transferring knowledge at FIFA is of international nature, different people become involved at various stages and locations. Thus, the interviews were conducted with employees at different sites. Firstly, we conducted interviews with employees at the FIFA HQ in Zurich, Switzerland. Secondly, we interviewed employees working at the LOC in Moscow, Russia. We also conducted one interview with a FIFA Media Officer, whose base is in Stockholm. For the interviewing process of this study a primary contact person at FIFA facilitated initial contacts with the most appropriate employees to interview. As new contacts were introduced to us via the interviewees we were able to conduct more interviews (Saunders et al., 2012:220). According to Bryman and Bell (2011:192) this is defined as snowball-sampling. Nonetheless, the respondents will remain anonymous throughout the presentation of the collected data.

3.2.3. Interview Protocol and Interview Process

As previously mentioned the interviews were conducted at the FIFA HQ in Zurich, Switzerland as well as through video conversations with employees at the LOC in Moscow, Russia and in Stockholm. A total of 10 interviews were conducted as can be seen in *figure 4* (p. 30). There is a central team, the Project Management Office (PMO) that partly consists of a number of project management coaches that come from the various divisions within FIFA. These coaches are very familiar with how the business works and provides meaningful insights for making the PM & KT initiative optimal in each division. Interviewing PMO coaches gave a better understanding of the objectives of the PM & KT initiative. All of the respondents evidently have different responsibilities within the organization. Some of the employees interviewed have been involved with the process of transferring knowledge for several years while others are newly introduced to the initiative and thus only involved with the current transfer of knowledge, e.g. from the 2014 FWC in Brazil to the 2018 FWC in Russia.

Before every interview a brief description of the subject and the main questions from the interview guide was e-mailed to each of the interviewees. This allowed the respondents to prepare before the interview was held. After each interview was finished the questions were examined and analyzed and sometimes revised in order to optimize the following interview (Bryman and Bell, 2011:480). The interview guides for the FIFA HQ and the LOC are presented in appendix 2 and 3. Some questions that had significant value among the first interviewees did not provide wishful answers later on and thus we decided to replace them. Another key note is that when the last interview was conducted it became rather obvious that the level of new information being brought up had stagnated (Bryman and Bell, 2011:490). This was an indication that 10 interviews were enough for the purpose of our study.

Besides all conducted interviews, one employee was of significant value for the collection of data as this person acted as an informant throughout the entire process and thus contributed with much needed and valuable information and guidance throughout the whole process. After given permission by each interviewee we were able to record all the interviews, this enabled us to concentrate on the conversation instead of taking notes (Saunders et al., 2012:396). One of many advantages of recording the interviews was that it enabled repeated examination of the interviewees' answers. Moreover, the recordings decreased the possibility of losing valuable information due to natural limitations as well as it made it possible to use direct quotations. In addition, we transcribed each conducted interview. While the process of transcribing was very time-consuming we believe that it provided us with the advantage of keeping the respondents words intact (Bryman and Bell, 2011:481-483).

3.2.4. Qualitative Assessment

Validity is argued to be one of the fundamental critiques concerning research. The integrity of the researched projects' conclusion is heavily dependent on the validity of the research. It is a measure with the purpose to find out whether the results of the research are truthful. Validity intends to question how reasonable, logical, useful and meaningful the research is (Bryman and Bell, 2011:41-42; Quinlan, 2011:75). Reliability is another important concept to consider as it measures whether the study would show the same results if it was done again. In other words, reliability measures whether the same conclusions would be the result if a study was replicated (Bryman and Bell, 2011:395).

By using various data sources we intend to increase the validity and reliability of our study. Instead of only conducting interviews, we focused on triangulating the data. This enabled us to support the facts of the case study with multiple sources of evidence rather than a single one (Saunders et al., 2012:179; Yin, 2009:116). Triangulation also facilitated the discovery of consistency between findings conducted from one interview to the other. Furthermore, triangulation allowed us to verify the findings with the use of internal documents on the PM & KT initiative.

Furthermore, by using the opportunity to ask follow-up questions we were able to clarify ambiguities in the interviews, this further strengthened the validity as we were able to reduce the level of uncertainty. We believe this approach allowed us to have greater confidence in our findings. After the findings were transcribed and presented in the empirical chapter they were reviewed by all respondents in order for them to confirm and validate our findings. According to

Bryman and Bell (2011:396) submitting findings from the study to the respondents for confirmation is referred to as respondent validation.

In order to enhance the replicability of our study we have carefully documented our research with transcripts of each interview, interview guides, and made sure that each interview was both conducted and transcribed in the presence of both authors. This further enhances the reliability of our thesis.

3.3. Analytical Process

According to Bryman and Bell (2011:408-409), transparency and generalization are two criticisms that become very evident in qualitative research. The reasons are that the analytical process of the data is believed to be diffuse, and in some instances it is hard to get an insight on how exactly the process of gathering data looked like or how the conclusions of the study were reached. In order to reduce the level of transparency and generalization we have continuously analyzed and reflected on our empirical findings in an attempt to avoid obstacles in later stages of the research process. Furthermore, after gathering empirical data we revisited the theoretical framework and made adjustments and extensions with relevant literature, this way we continuously re-established our theoretical framework throughout the analytical process in order to make the analysis deeper and more focused. This is in line with the abductive approach which provided us with the advantage of continuously going back and forth between empirical findings and the theoretical framework throughout the entire process (Bryman and Bell, 2011:11; Eriksson and Kovalainen, 2008:22-23). We started our analytical process immediately after the first interview was concluded, and continued to do so with every new interview. This allowed us to compare new data with data from previous interviews as well as with the documents we had access to. As a result, we could easily match the findings. We decided to cluster all gathered data materials to various labels accordingly. The labels were determined based on what was identified during the literature review. Hence, no electronic data analysis tool was used for the analysis of the data. Moreover, our intention was to organize the analytical process in line with the theoretical framework. This is a way to identify aspects in the conceptual framework that are either different or similar to the empirical findings. This process led us our conclusions and we were able to answer our research questions (Bryman and Bell, 2011:392).

The findings presented in the empirical chapter are based on the authors' interpretation of the answers provided by each respondent. We want to highlight that when we refer to: some, many, majority, etc. in the empirical and analytical chapters we refer to situations where more than five of the respondents indicated the same opinion.

4. Empirical Findings

This chapter constitutes the empirical findings focusing on the learning and adaptation processes. The chapter starts with an explanation of the PM & KT initiative, we move on by describing the learning processes, adaptation processes, how to balance exploration and exploitation, and finally the chapter ends by portraying how FIFA handles learning in different contexts with different institutional environments.

4.1. The PM & KT Initiative

The PM & KT initiative is organized in a 3 / 6 / 4 formula. There are 3 objectives to be reached by navigating within 3 areas. There are 6 phases that guides the employees through each project. And there are 4 standard project management outputs generated from the 6-phase model. The 6-phase model is the basis for the whole framework and works as a guide for each project lifecycle. The 6 phases produce 4 project management outputs in a sequential order that follows through to the next stage of the project lifecycle. The 3 objectives, the 6 phases and the 4 project management outputs will be explained in more detail further down in this chapter. The 6-phase model also supports the capture and reusability of knowledge in terms of documents created and lessons learned at each of the 6 phases, this is meant to facilitate future projects and make the whole organization more efficient (FIFA, 2013b).

The FWC is FIFA's flagship event and, as indicted by Manager C, the PM & KT is implemented to be a platform for all employees working with the FWC so that each edition starts from the same baseline. The PM & KT platform facilitates the exchange of knowledge from edition to edition where lessons learned and project handbooks are there to support the preparation of individual project charters. Each project has a timeline to follow, in the case of the FWC, the initiation, strategy and bidding project is the starting project of each new edition (FIFA, 2013a). The new host LOC should be selected at least seven years prior to the relevant edition of the FWC, therefore the bidding project needs to start at least ten years before each edition of the FWC. After the host LOC is selected, the projects are assigned different ownership structures. There are projects where FIFA has full ownership, there might be LOC involvement but in that case only to support with a local view in order to fulfill requirements set by FIFA. There is also joint ownership projects with coordination between project owners and managers from both FIFA and the LOC. Lastly, there are projects where the LOC has full responsibility for delivering the project, FIFA is however involved at steering board level and the LOC will still get input and overview from FIFA. Each project associated with the FWC follows the PM & KT standard processes and moves through the 6-phase model. The exact timing of each project is specifically designed for each edition but the PM & KT gives each edition a baseline to start from which is there to facilitate the work for the employees (FIFA, 2013b). Manager A

emphasizes the importance of capturing the knowledge from one world cup to the next. The PM & KT initiative is there to avoid the problem of having to start from scratch and:

“reinvent the wheel when it already exists, this means extra work and we are often repeating the same mistakes because there hasn’t been a sufficient base. You have new people coming in and the people who leave take their knowledge with them” (Manager A).

Manager A further explains that, previously, people would leave the organization with important knowledge, especially a lot of knowledge around the tournament, tacit knowledge which is hard to transfer with documents. *“Think about the staff that works here for 5-10 years and then walks away and the whole knowledge is gone”* (Manager B).

4.1.1. PM & KT Background

The background to the PM & KT initiative is that the projects and particularly the FWC is held in a different environment every time. There is a new host country for each edition of the FWC and, as stated by Manager A: *“you cannot just take the model from one world cup to the other”*. Manager A further explains that the development and change in responsibilities in the FWC is one of the reasons for why the PM & KT initiative was developed in the first place. For the 1998 FWC in France, the responsibility for the organization of the FWC was with the LOC. The LOC organized everything, FIFA outsourced most activities to an agency and the marketing and TV-rights were sold to external parties. FIFA was responsible for the game and for the referee but left the organization of the tournament to the host country and the LOC. Manager A explains FIFA’s role in the FWC in 1998: *“they sent an inspection crew from time to time but basically all responsibility in delivering was with the organizing committee”*. For the FWC in 2002, held in Korea/Japan, FIFA made a strategy move and started insourcing and taking over responsibility for some activities. At this time FIFA started to gain knowledge and implement deliveries. Full exploitation of the strategic move was made in the 2006 FWC in Germany when e.g. ticketing was brought in-house. Since the 2010 FWC in South Africa FIFA is financing the entire budget. In the 2014 FWC in Brazil they were still outsourcing some of the activities but the development has been fast and for the next edition of the 2018 FWC in Russia most activities have been insourced *“from ninety-eight to now there has been a substantial change in terms of responsibilities”* (Manager A).

Manager H further comments on the development that FIFA and the FWC have gone through:

“There has been an explosive development in sports events, the landscape is completely different today and it requires a lot more from the organizer these days, I think the way that FIFA has developed is necessary, that they

are there with an organization during the preparation and do not only enter shortly prior the tournament anymore”
(Manager H).

It was in 2010 when the FWC was held in South Africa that a FIFA media officer (Manager H) recognized the real benefits of having FIFA in a more central role when organizing the FWC, it was the first time that a global championship was held in Africa and the cultural differences was enormous:

“It was absolutely necessary to work this way in order to bridge, well... a lack of experience and other things, in order to build a knowledge base in South Africa for the LOC to be ready in 2010. And then FIFA kept this going in Brazil and it is very wise to keep working this way, it is absolutely necessary. Before it was sort of like reinventing the wheel, it was up to every new LOC to reinvent the wheel ... it takes a lot of extra time, but this way it is possible to bridge and transfer experiences” (Manager H).

In South Africa in 2010 when FIFA had a majority of the activities insourced, they realized that nobody in FIFA had the expertise to organize e.g. food and beverage sales in the stadiums. *“FIFA started to realize ‘but how do we do this and what do we do?’”* (Manager A). According to Manager A, FIFA solved this problem by hiring consultants from previous FWCs in order to gain knowledge. Eventually they realized that they needed to capture the knowledge somehow so that when one edition of the FWC was over they would learn from the mistakes and implement what was good in the next edition. However, FIFA realized a problem in the 2010 FWC in South Africa, even though they hired consultants from previous FWCs, mistakes were made because the consultants were good in their home market but not experts in general. Manager A explains that FIFA realized the need to build a platform where they could to save knowledge and keep the knowledge within FIFA in order have enough time to be able to adapt and tailor it to the next FWC.

Manager C explains that when looking back at debrief activities from the past, FIFA could see that a lot of mistakes and issues were caused by a lack of cross divisional communication. Before the PM & KT initiative the responsibilities for the divisions were not clear, employees were working in their assigned projects but sometimes there were overlaps in activities, a particular activity within one project in one division were also made in a project in another division. The responsibilities were unclear, as was the boundaries between divisions and this created a lot of confusion and as stated by Manager C this *“could raise the risk of missing a deadline”*. These problems finally led to the introduction and justification of the development of the PM & KT initiative.

4.1.2. The Objectives of the PM & KT Initiative

According to Manager C the initial step in the PM & KT development process was to structure a project in terms of three objectives. With the PM & KT initiative employees have the opportunity to enhance their performance as they are given access to an extensive knowledge base that is constantly growing, in addition to the documents and templates that already exist. The first objective is the development of the processes, this provides a standard to all team members on how to manage projects and transfer knowledge at FIFA. In addition, the various project teams are provided access to the PM & KT platform where they can find a 6-phase model that will guide them through each project (FIFA, 2013b).

The second objective is defined as the FIFA project management area and includes the interactive project platform for planning, executing and closing projects. According to Manager C this objective deals with the structure of the FWC as well as any other project activity. This objective intends to provide the boundaries of each project such as the scope, budget, and distribution of work (FIFA, 2013b). The project management platform is defined by Manager C as *“a place where people will store knowledge and the central area where people will develop their plans and do the reporting”*. Thus, the second objective is an area that enables the planning, executing and monitoring of a project to be further structured by breaking it down to key milestones including clear roles, responsibilities and deadlines (FIFA, 2013b).

Lastly, the third objective is the FIFA knowledge transfer area. The intention of the third objective is to improve the overall deliverables of the project. By capturing and organizing the knowledge throughout the whole project a repository will be provided including lessons learned, handbooks, and operations plans. The key documents are accessible in the PM & KT platform which is a source where knowledge from previous experiences can be both stored and retrieved by anyone involved in a project. Thus, the knowledge transfer area allows employees to access previous knowledge, lessons learned in the form of documented best practices and decrease the amount of repeated work which in turn speeds up the pace of future projects (FIFA, 2013b). The PM & KT platform is a way to learn from all projects in FIFA, when organizing a tournament employees should be able to gain from learnings from all previous projects. Manager F explains that FIFA is striving for a certain level of continuity to make this work:

“no matter if it's a U20 tournament in New Zealand or FIFA Women's World Cup in Canada or FWC in Russia, processes and stadiums should be clearly recognizable wherever you are and whichever project you are working on” (Manager F).

The PM & KT initiative is supposed to work as a catalyst for learning in all projects within FIFA. In every project there is a debrief session that the other projects can take advantage of and the project owner can make a change request when something comes up. This way, every project can learn from the experience in other projects. *“Right now, the FWC is the pilot in the PM & KT, but our vision is that it should be used in every event, youth tournaments, congress meetings or FIFA Ballon D’Or”* (Manager F).

4.2. Learning

The following paragraphs will give a thorough description of the learning processes at FIFA, starting with a description of the 6-phase model, which is the basis for the PM & KT initiative. The subsequent paragraphs cover FIFA’s learning process surrounding one project, with a special focus on the FWC, divided into learning prior a project, learning during a project, and learning after a project.

4.2.1. The 6-phase Model

As previously mentioned the PM & KT initiative includes a 6-phase model. Throughout all phases, the 6-phase model produces four management outputs; project charter, project plan, project report, and project debrief. These outputs are supposed to support the employees and project teams to achieve key benefits throughout the six phases of a project. The 6-phase model also supports the capture and reusability of knowledge at each and every one of the six phases in order to facilitate future projects and help the organization to perform more efficiently (FIFA, 2013b). Each one of the six phases is carried out by following a structured process that is divided into the following steps: input, work, and output. Input constitutes documents and checklists that cover all elements needed to start and accomplish a phase. Work is where the employees work together to achieve the objective of the specific phase, examples of the work step include meetings, discussions, defining roles and responsibilities for certain activities, setting milestones, delivering performance, analyzing etc., the work is supposed to produce an output with project deliverables. The output is turned into input for the next phase in the 6-phase model. (FIFA, 2013b).

As illustrated in *Figure 5* (p. 39), the 6-phase model starts with strategy and vision with top level objectives and evaluation of risk factors, this is where the project teams use knowledge and lessons learned from previous tournaments and how to deal with issues that were seen in the past. *“We have a template for strategy and vision which is called the project charter. And a project charter is a document that explains all of that, it puts it in black and white.”* (Manager C). The project charter is the project management output of phase 1 and 2 and defines top-level objectives and roles and

responsibilities. Project objectives and key milestones are agreed upon and defined in the project charter and this is a way to reduce changes throughout the project (FIFA, 2013b). By providing project managers with previous planning documents and handbooks, they have a template and a framework for making their own project plan and project charter: *“We are part of, well, all steps of the planning. The experience we have from previous editions is the base and starting point for the next one”* (Manager F).

“I can see knowledge transfer in this process, because knowledge transfer is not just for giving the information there in the document, that has to be interpreted by a person and then conceptually and then cognitive understanding should be there ... so new knowledge is created in a cycle, right? A knowledge cycle.” (Manager B)

Manager B continues to explain that new project managers create knowledge by adapting the project plans from previous FWCs to their own context.

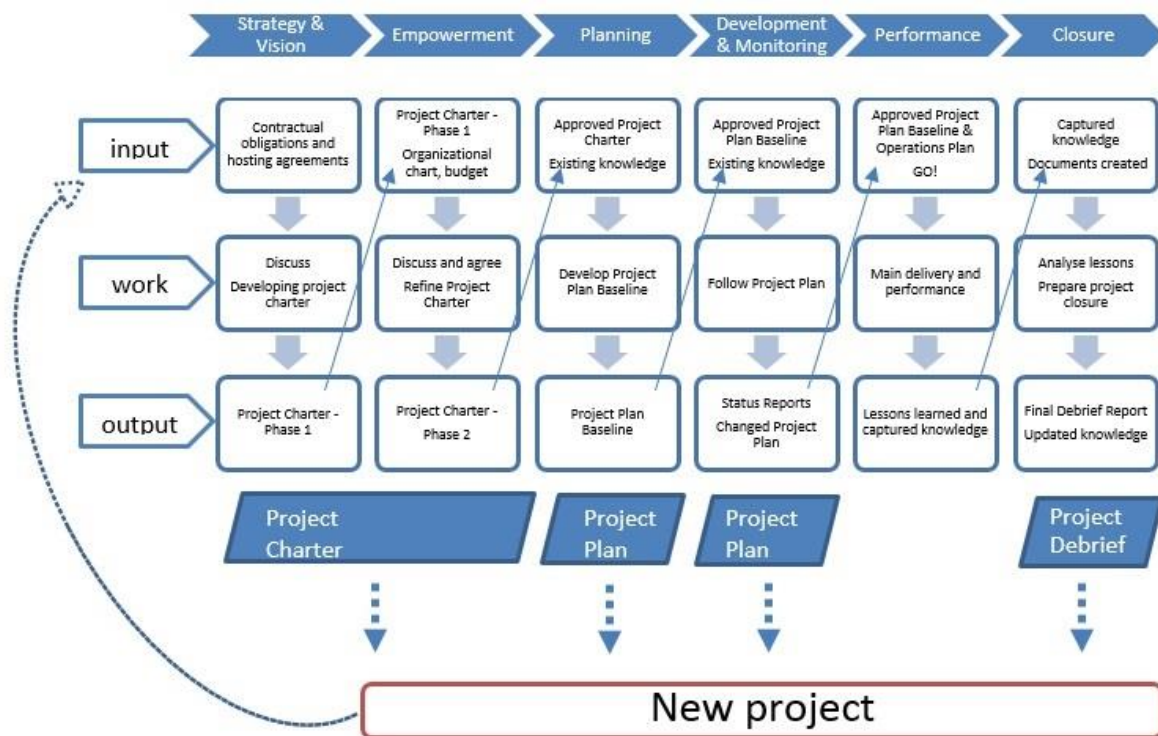


Figure 5. The 6-phase model compiled by authors based on FIFA’s 6-phase model (FIFA, 2013b).

Phase 3 creates a second project management output (see Figure 5), a baseline for the project plan, which includes a detailed project schedule of tasks and responsibilities for people involved in the project. The aim of the planning phase is to identify whether there are any gaps or overlaps across the various projects of the division and basically deciding who does what, when

and where. The project plan output is used as a guarantee for meeting planned milestones (FIFA, 2013b).

Phase 4 is where the planning in phase 3 is put into action. Manager C describes phase 4 as *“the phase where people do the work and they report according to the baseline which was done in the project plan”*. Phase 4 is about having inspections, creating project and management reports, handling change requests, and redo the baseline. One example of a phase 4 activity is having workshops to prepare everyone involved for the tournament. Phase 4 creates the third project management output, the project report. This report works as a tool for monitoring and making sure that the project progress is carried out according to the project plan baseline from phase 3 (FIFA, 2013b).

Phase 5 is the performance phase, i.e. the tournament, this is where knowledge transfer activities such as the observer program happen. Phase 6 is the closure of the project, it involves the fourth project management output, the project debrief, where *“people have to come back and explain for example why delivery was late, what went well, recommendation, how they would take care of it in the future”* (Manager C). In the project debrief, FIFA gathers key documents and lessons learned throughout all of the 6-phases to make it available for the future. This is a way to build and structure knowledge and once the project is closed the knowledge is updated and serves as a starting point and baseline for the next project (FIFA, 2013b). *“When people follow this and use this platform then all the documents and the knowledge stays there, this makes it easier for another team in the next tournament to pick it up and reuse it.”* (Manager C).

In conclusion, if the project is incorporated correctly with the platform throughout the whole life cycle, both documents and knowledge will be caught, picked up and reused by the next project team, stated by Manager C. This view is also supported by Manager B who explains that the platform follows the overall project management process, from strategic vision, to planning, monitoring and control to monitoring and development, this includes the creation of a status report. When the project is closed, the debrief report catches what was learnt from the projects, allowing the findings to turn into a cycle of learning. Manager C states that with the PM & KT initiative the FWC is more FIFA controlled as the knowledge is stored at FIFA. Following this discussion Manager F mentions that *“It is important that we work with the handbooks as living documents that are constantly updated”*, it can be about the simplest things such as taking away a request about having pigeon holes for printed documents, because people have those documents in their laptops. This type of learnings and knowledge is gained from every project, not just the FWC. Further, commenting on the importance of constantly learning Manager H states that:

“there has to be people who follows the development closely and I think that it’s important that FIFA don’t think only in terms of the FWC every fourth year, but that they follow the development in the prevalent areas and other events ... it’s a constant analysis of the environment. And it is up to FIFA to do this and bring it to the next LOC.”

4.2.2. Prior a Project

“In order to be able to organize a successful tournament there has to be a long period of preparation and a learning phase for the LOC, this is the most important task for FIFA, the local organization needs to be as well prepared as they can be” (Manager H).

It is important that FIFA prepares the LOC for the FIFA way of working so that when the temporary hired FIFA media officers arrive, they all have the same way of working. Manager H stress that it is incredibly important with the preparation work, it has to be carried out in a way that FIFA wants it. When the FIFA media officers arrive, they are a support for the LOC and give a final touch to the work that has been prepared for so long.

Manager I from the LOC in Russia explains that:

“having a handbook helps you understand your scope in general, some timelines, but you still need to ask a lot of questions. I mean I can ask a lot of questions to my main counterpart, I have some colleagues at FIFA that I can call anytime and ask some questions” (Manager I).

From an LOC member point of view the template and lessons learned documents help a lot in the preparation work:

“for each state of the project you understand what FIFA expect from you ... it’s combined with FIFA and LOC ... that is really appreciated this part of the system, the knowledge transfer system contains pictures, it was lessons learned, usable documents and videos.” (Manager G).

The knowledge transfer of what has been learnt since the last FWC is made through a workshop a couple of months prior the tournament. The workshop can be described as the starting point for the knowledge transfer for the temporary consultants coming in for each tournament. Several respondents refer to this forum as incredibly important, this is where the counterparts meet (the LOC employee and the FIFA Media Officer) and this is where FIFA prepares and tells the staff how the tournament is supposed to be carried out. Preparation is extremely important and the key to a successful FWC. The key is not to have a FIFA media officer to come in two weeks before, it is rather the years of learning and preparing the country and the LOC that is vital for a successful tournament. Manager H describes his role as a FIFA media officer as *“It is more about*

guiding and solving problems, not to tell exactly how it is done, and this is also one part of the knowledge transfer”.

The workshops work as a training and education of the staff that come in temporarily for the FWC: *“it is the final opportunity for cramming information in the preparation of the FWC”* (Manager F). The workshops involve information and seminars on the whole process from day one, rules to conform to etc. *“The challenge of the workshops is to provide the new people coming in with all the necessary information, but also to make sure that the experienced staff absorbs the changes since last time”*, otherwise there may be a tendency towards working in the same patterns and routines as always (Manager F). *“There are certain things that are not possible to put as a bullet in a handbook, this is where the workshops and seminars come in handy, where we also have a lot of photo and video material as examples”* (Manager D).

4.2.3. During a Project

The preparations that are made in between the editions of the FWC are of high importance for the FIFA media officers that are hired on a temporary basis and arrive just prior the start of the tournament. Even if they come in with a lot of experience, *“if I would come in facing a disaster I wouldn’t be able to rescue and deliver on my own”* (Manager H). Having experts only coming in for the actual tournament is very helpful, it is a part of the knowledge transfer and learning process during the tournament since they are there to support and bridge the issues that arise.

During the actual tournament, the FIFA media officers that are hired on a temporary basis have daily contact with the FIFA HQ staff. It works in both directions:

“FIFA prepares the FIFA media officers for problems that can arise where you are responsible, I report back all the time and together we go through the tournament step by step in close collaboration. This is an IT based reporting system, and is also a base for learning and building a knowledge base to bring forward to the next event ... I think that we are an important asset here, that we are the ears for FIFA where it actually happens, we can see how media works, new techniques etcetera. That we give FIFA reports is very important, and then it is up to FIFA to summarize this centrally, analyze and make sure it fits a new context” (Manager H).

The reporting system is also mentioned by Manager F, *“We want all the externals, like the FIFA media officers who work on a temporary basis during the tournament, to leave a report, what worked well? What did not work? ... we want a daily report from every arena”*.

Manager F explains that the daily reports are used both for problems that need to be addressed immediately but it is also stored for long term learning.

“I get the feeling that FIFA has put a lot of effort into documentation activities lately, they seem to carefully document what every tournament has been like and to find areas of development and improvement for the next edition of the FWC” (Manager H).

By having something called observer programs during the actual tournament, FIFA can transfer knowledge from one edition to the next. For instance they had employees from the LOC in Russia that attended the FWC in Brazil to watch and learn and bring the knowledge back to Russia. *“To see how it works, to see how people deal, yea.. as I said, it’s to get benefits before moving to the Russian office” (Manager E).* But there were also people from the LOC in Russia that worked in Brazil, *“personally, I believe that it’s way better to be there and work in practice, than to be part of an observation tour” (Manager D).* Manager B describes this as *“basically its observation at the same time as learning by doing”.* Both Manager I and Manager J explain how the knowledge gained from observer programs and secondees is captured and available to the LOC employees through workshops, presentations and documents.

4.2.4. After a Project - Debrief

In order to reach a new level and bring success factors and learnings forward, Manager H mentions the importance of evaluation and analysis, as well as development of material, manuals, education and checklists.

“I also store the knowledge for my own sake, I give debrief reports and all that but it also depends on every person how well you store and use your own knowledge ... the development is so fast, it is impossible to get stuck in how you ‘used to do it’” (Manager H).

Manager F explains the debrief in the following way:

“there is a debrief report where we ask basically everyone involved to summarize their impressions, good and bad ... ‘this could be improved for next time’, and then it is up to me to screen out issues that are very local ... but on the other hand, if there is something general, it is up to me to make sure that is brought through to the next edition by making change requests and updating the documents.” (Manager F).

Further, Manager C gives an example on how the debrief is used:

“We are documenting right now the lessons learned from Brazil and now people can put that into strategy and vision when we start a project ... it is a way to document how are we going to deal with issues that were seen in the past” (Manager C).

The debrief reports cover both technical issues, such as safety lockers for photographers or chairs that break, but also processes, how and when certain activities take place.

“This part is very useful and I feel that we can learn a lot from the external consultants. It is harder to get the local organization’s point of view, which may actually be more important for the local organization that stands in line to organize the next FWC. We are sort of the middle man in this ... the LOC employees are hired on short term contracts and I think that sometimes the knowledge might get lost. We tried with a debrief process from Brazil, where they came to Zurich this fall and we had a debrief session for two days where they handed over their reports, but of course, there are details that get lost” (Manager F).

When discussing the debrief, Manager F continues by stating that:

“The debrief session is one of the hardest moments of the PM & KT... Not the hardest maybe but it’s difficult to put it on paper, sometimes it becomes too general but you have to make it short and manageable otherwise it will grow into this huge monstrous document, our task is to screen and make it understandable and readable, while the hands-on knowledge is more detailed and that transfer has to happen human to human or the system will explode” (Manager F).

When discussing debrief and transfer of knowledge from one LOC to the next Manager D explains that in the current situation FIFA serves as the middle man in transferring the knowledge from LOC to LOC *“we are not really where it happens, I am at the HQ in the country, but I don’t see much of what is going on ... and there are probably details that get lost” (Manager D).* Also Manager I at the LOC in Russia indicates that knowledge risk getting lost when it is transferred from LOC to FIFA to LOC *“we had a debrief, it was like, first it was you know Brazil LOC to FIFA and then FIFA to us. And I think that chain is a little bit too long. It should be Brazil to Russia with the presence of FIFA”.* Manager I continue by stating:

“In the end I have to say I got a lot of information from my colleagues in Brazil at LOC. From FIFA people as well but you know, with LOC it’s different because we are facing the same difficulties, we are facing the same challenges” (Manager I)

4.3. Balancing Exploration and Exploitation

The aim of the PM & KT initiative is to allow people some level of own decision making rather than making strict rules. While some of the divisions prepare the manuals to be relatively firm, Manager D argues that in such cases it would be preferred to keep some level of flexibility instead. Manager D elaborates on the balance between exploring and exploiting knowledge and states that:

“what is important for us is that we make this at a level where it doesn’t become an instruction or a manual for ‘this is exactly how we want you to do this’, you have to leave it more open to adjustments and have more general guidelines for the processes” (Manager D).

Manager D also implies that there is a risk that FIFA becomes too centralized *“it is important that the instructions and manuals provided don’t impede the process”*. Manager C states that *“The knowledge is being categorized right now so that it can be easier reused”* and further elaborates on the fact that it is important to create a base of knowledge before the PM & KT initiative can let new ideas take more place. If there is no base in place, people will just continue re-doing the same work and face the same issues over and over again.

“It’s up to the project manager to digest and create, so that when there is transfer you have to have a certain framework that is provided and noted by the organization, so that this putting knowledge into the frame that is given by the organization should be institutionalized as a standard work process” (Manager B).

The ability to continuously explore new knowledge at FIFA is often connected to the changing environment. Manager H states that *“there is a constant development and a constant learning, and this is something I believe FIFA has managed to capture”*. Manager H further argues that *“it is also important that there is a development in what is being documented as everything that will be used as learning material for the next event always needs to be up to date”*. Regarding the importance of balancing exploration and exploitation of knowledge Manager G argues that the risk for stagnation and only relying on old knowledge and procedures is minimal; *“In my understanding, there is no risk that FIFA will stagnate, I think it is development because you analyze previous knowledge and invent something.”* Not only is the environment changing every time but there are also other changes to consider such as constant improvement in technology. In the marketing division Manager B explains that there are some people working on operation and some people are working on innovation and this way they stay up to date. Moreover, Manager G states that the PM & KT initiative will contribute to future editions with a broad base of knowledge, thus allowing for both exploration and exploitation of knowledge to take place:

“I would say that all these routines and manuals and handbooks are actually very useful because you have understanding how it should be done but it never stops you from thinking creatively of how it would be done better” (Manager G).

According to Manager B the risk of stagnation in learning is minimal even if most of the knowledge becomes institutionalized in the form of manuals and routines. There is always an aspect of a changing context to consider since *“events are not taking place at the same place, nor done by the same people. The time changes, the location changes, that makes a huge difference ... it’s a totally different context”*. Manager B continues by explaining that when *“adapting this knowledge into the new environment you have to create new knowledge”*, therefore there is no risk of repetition or stagnation, because the contexts are always different. Manager C agrees with this:

“We always deal with the new environment and it’s a driver for further change. Because we have a lot of turnover, we have people coming from outside, we have new partners, we have thirty tournaments, youth tournaments, women’s tournaments ... so I think new ideas for challenges will still happen” (Manager C).

But Manager C also stress the importance of stabilizing, which is why the PM & KT initiative is important:

“now we are trying to do so much and so many different variations that we don’t achieve our mission fully. People believe that we are exploring and doing new things but I don’t think we achieve full capacity of our organization because we are trying to do too much so with that [PM & KT] we will get a better sense of it” (Manager C)

Manager C continues by explaining his belief that without a stable framework, FIFA will miss out on opportunities and by trying to do too much at the same time they will not be able to respond to all the new ideas.

Manager I argues that everything differs based on personality and further states that the balance between exploring and exploiting knowledge depends on the ability of each individual. Manager E elaborates on the fact that FIFA has been organizing the FWC for a very long time and depending on this some employees might be more open than others towards using the existing knowledge base. One determining factor is the amount of time it takes exploiting existing knowledge. For instance, Manager E explains that some might find it rather time consuming to use existing knowledge in the form of tools such as manuals and handbooks and therefore not realize the advantages. Another respondent thinks it is equally important to learn new things and at the same time make use of what is already learnt, *“I think the mistake a lot of people always do is thinking I take from previous and just take it”* (Manager A). Many have difficulties to adjust and this is one of the biggest mistakes which tend to lead to conflicts and problems. There need to be a willingness by others to see and understand how it fits within the new context, which is why many respondents indicate that it is very important to have explanations for why things have to be done in a certain way, why the timeline is the way it is. According to Manager A this is the key to transferring tacit knowledge:

“So the key, and that’s the conflict potentially, is how to extract tacit knowledge. It’s very important with existing [knowledge] but also that you transfer the existing [knowledge] which absorb the new and then modifying it in a good way” (Manager A).

Both Manager D and Manager F also believe it is important to find the right balance between exploring and exploiting knowledge. However, they see the benefits of concentrating a lot of effort on exploiting existing knowledge in such a way that existing tools are used. This is

especially important when a project group involves members from different nationalities. In such cases Manager F sees the advantages of using time schedules based on previous experiences, especially during the construction phase when a new arena has to be built. In explaining how previous situations of how construction work in Brazil only finished at the same moment as the FWC begun, Manager F states that *“the conclusion is that there is no point in starting too late therefore we always need to be able to adapt the timeline and time schedule.”*

4.4. Adaptation

FIFA’s 6-phase model is supposed to be tailored to fit the complexity of each project or activity that is to be managed. *“When a project team starts to apply the model, it can tailor it to suit its needs.”* (FIFA, 2013b:91). In organizing the FWC the different projects are owned and organized by either FIFA or by the LOC, the exact project ownership for each project is differently assigned and defined for each edition of the FWC (FIFA, 2013a).

“The adaptation process is in the responsibility of the project owners, one from FIFA and one from the LOC side, they need to look through the existing documents and say ‘ok, what works for the respective host country and what does not work’, it’s collaboration and one organization so joining the local experts so we have the knowledge for what worked well in the past and then to have the local colleagues come in and verify that it works or not and it requires a flexibility and willingness from both sides” (Manager A).

In the adaptation process it is important that FIFA and the LOC can meet halfway:

“they must be able to listen our to arguments and we have to listen to their arguments and then we can find a way to compromise ... they have to learn how we want to work and we have to learn how they work, but in the beginning at least we want to steer more from a FIFA point of view” (Manager D).

These thoughts are also reflected in the LOC, for instance Manager J explains the adaptation as a joint process between FIFA and the LOC with *“input and output from FIFA and LOC side”*. Also Manager G states that *“I wouldn’t say it’s up to me ... of course we work with FIFA very, very closely”*. When describing how this close collaboration with a FIFA counterpart works, Manager G further explains:

“He of course explained me how it worked previously and then we try and find a solution which will best work for our clients. I would say it’s of course with support from FIFA, and its teamwork, it’s a common decision and of course we base on previous experience ... it’s always interesting to know how it was done previously.” (Manager G)

Manager G further elaborates on the adaptation process as teamwork between FIFA and LOC:

“the handbooks that are given to us are, let’s say clean, they are not adapted ... And I would say the adaptation process is doing also together, and we see for example now, you know, we cannot work this way in this country, we have to think how to make it, and then we together think how to adapt it ... I mean they do not filter this, but when they give it to us we together analyze it and come to an understanding that we do this the same way, we do this differently ... And this is of course with FIFA, together we look for those solutions.” (Manager G).

Manager G continues by explaining:

“I never heard from FIFA that you have to do it this way or its end of discussion, never! And I think it’s the right way, we all have to be flexible and we have to discuss and we appreciate it because FIFA has more experience as they have been doing it for many years and of course we also, if they tell us something, we say ‘guys it doesn’t work this way, let’s just think how to do that’.” (Manager G)

Further Manager H states that *“what’s important here is that you have to adapt, I mean all business is local in one way or another”*. The FWC is organized in accordance to the local conditions and the local environment, FIFA comes in with a global concept that has to settle and work in a good way with the local context. Manager H explains that if the FWC ends up in an environment with very little global experience, it is necessary for the LOC to gain global experience.

“The manual in itself, you know, it helps but it’s not just a final document you can rely on, you need skills to develop your plans, you need to imply your plans to the existing environment because, you know, Russia is different from Brazil and Qatar will be different from Russia.” (Manager I).

Manager H stress that *“EVERYTHING is about adaptation. But you have to understand the adaptations”* you have to understand how to transfer the experience. And for the LOC employees to understand they need hands-on experience, they need to see how it works in order to be able to understand the documents, *“it is not possible to just send a manual to people who don’t have the global experience” (Manager H).*

“FIFA is really moving between different environments and cultures and conditions and FIFA has a central and important role, BUT it is also important that the individuals are better prepared for the existing conditions” (Manager H).

The workshop is mentioned to be an important tool in preparing for the local conditions, and Manager H stress the importance of preparing the staff for the local culture. *“You cannot just bang the documents on the table and ‘do it like this’, you have to do this in a way that works in the local context” (Manager H).* Manager J explains that it is useful when she gets to talk to FIFA employees eye to eye and ask questions in workshop meetings. From an LOC employee point of view, the documents with processes and lessons learned has to be analyzed, and they can come up with

solutions in how to avoid issues from previous editions “I think FIFA provides examples of how it was done, who is better involved in this, and then we are trying to also find a solution.” (Manager G).

In order to understand the cultural differences Manager H believes that it is important to be there and adapt the knowledge to the conditions once you get there. The ideal mix between using the documents and adapting them to the country is to “bring a lot of experience with us but also to be able to adapt to the way that is right for the specific edition of the FWC AND the way that we work in FIFA” (Manager F). The language and culture is mentioned by many respondents to be a key determinant in finding the balance in adaptation. “In Brazil, a lot had to be done in Portuguese therefore we had to leave a lot of work to the LOC, and in Russia it will probably even be one more level since they also use a different alphabet” (Manager D).

Further Manager E mentions that in terms of culture:

“I just know that if you want to get results from Russians you need to push, if you are not pushing, no results. If you are pushing Brazilians they become nervous, they need smiling persons pushing them in a different way, with Russians, if you are smiling, you don't have anything.” (Manager E).

Moving between different countries poses many challenges:

“The preconditions of stadiums differs greatly depending on where in the world you are ... even in Sweden, you have everything from pretty old stadiums to top modern new ones that fulfill all the requirements we have and there is a need to be flexible and adaptable to the specific conditions in each country” (Manager D).

Manager D continues with “We have to be flexible, you have to think about the fact that a FWC only lasts for 4 weeks and the stadium is there for many, many years so you have to think about that when you give recommendations on building stadiums”. Manager D further explains that it is important to be able to adapt the timeline in the project planning. The timeline has to be adapted to the different countries because certain processes, like applying for visas, may require more time in one country compared to another. Also Manager A mentions the importance of adapting the timeline to the specific country conditions:

“Russia has a very cold winter, in Brazil you can basically build the entire year, in Russia you have a couple of months when you cannot do anything ... that's why the timeline needs to be adjusted so for example in Russia, the timeline was put forward a year earlier than previous world cups ... that was all adjusted because we studied the requirements in the new host country, looked at what they have, does this fit? What needs to be adjusted?” (Manager A).

The adaptation depends on the specifics in the country, *“things need to be changed and adjusted on the request of the host country and the LOC ... look in Qatar now, we need to change quite a lot in the existing hosting agreement”* (Manager A). Manager D further explains:

“Brazil; big country and long distances, Russia; big country and long distances, and then there is Qatar with 70 kilometers from north to south, everything is basically in one cluster, how do we handle that? ... there is a possibility for media to attend two to three games every day because of the short distances ... I mean, in Brazil it was fairly easy to plan according to the capacity of the stadiums and depending on the game schedule, but how do we handle this in Qatar? Do we need the same capacity for all of the stadiums because everyone wants to attend every game?” (Manager D).

Another example is the transition from Germany in 2006 to South Africa in 2010:

“Germany is very good at organizing, they have a stable football tradition, big stadiums, they were far ahead the project plan in the construction of the stadiums and are used to arranging big events so that wasn’t hard at all ... whereas a lot of work was needed in South Africa” (Manager F).

The geographical distance plays a big part in this as well and that is a benefit with Russia:

“we can travel there pretty easily and help the LOC with the preparation. It was another situation in Brazil where we really had to plan the trips in advance and stay for maybe two weeks, it was a lot harder to have control in that sense” (Manager F).

Many respondents mention the importance of flexibility in the adaptation process and especially from FIFA’s point of view, it is important to handle the balance between exploration and exploitation of learnings and knowledge with certain sensitivity in accordance to the country.

4.5. Learning in Different Contexts and Institutional Environments

In order for a country to enter the bidding phase it needs to provide something called governmental guarantees for the key areas required by FIFA. Any country has the right to send a request as long as the legal aspects are considered. Manager A explains that it is usually during this stage that FIFA’s legal team has a chance to realize if there is any level of uncertainty with regulations in a country. During the 2006 FWC in Germany and the 2010 FWC in South Africa, FIFA only needed to implement a few bylaws as the legislation was in line with requirements set by FIFA, meaning that a majority of the legal requirements were already covered in the existing legislation. Manager A further explains that in Brazil the legislation was in contradiction to some of the requirements set and therefore the legal team had to find a way to compromise. For each time the host country changes there is a need for adaptation to the different governmental structures. Organizing the FWC involves a lot of stakeholders and the host country government

is a body who provides the guarantees and therefore *“legislation requires flexibility from the country that has been assigned to organize the FWC”* (Manager G). In line with this, Manager B points out the importance of making a risk assessment as the project involves not only the FIFA organization but also the LOC. Manager B states that having backup plans will assure that focus is always on the outcomes and objectives of what is intended to be achieved. With each new context there is also a new legal environment to take into consideration. *“Of course each country is different and we have different rules, different political situation and social situation”* (Manager J).

Each time the context changes, a new legal environment will present new problems. For the 2014 FWC in Brazil FIFA experienced a number of legal issues. One that stood out in particular was the fact that in Brazil, as in many other countries, selling alcohol in the stadium is forbidden. However, because of a commercial agreement that FIFA had with one sponsor within a certain product category they had to impose an additional law only for the FWC. However, trying to change the laws and regulations in one country tends to be a painful and long process that often encounters resistance. However, the institutional knowledge gained in one country can be used in a new country even if it is a new legal environment *“From that [FWC Brazil] experience we want to prepare enough for Russia”* (Manager B). Nonetheless, there is always a chance that new and unfamiliar legal issues will arise. Therefore, it is very important to take each country’s institutional environment into consideration. Since Russia recently hosted the Winter Olympics in Sochi, the country already possess some level of experience when it comes to hosting events of this scale. Manager B explains that looking at the previous event in Russia *“is a good case to see the objectives, and then talk to the organizing committee of the Winter Olympics in Sochi, and then register what problems they had”*. Another way that FIFA is trying to learn from past experiences when it comes to the institutional environment is to make sure they understand Russia better and try to enhance on sustainability measures. *“We need to do an analysis of the system in the country. What’s the political system? What’s the structure of the local organizing committee? What’s the scope?”* (Manager A).

The LOC changes as the context changes:

“In Brazil they were a complete, wholly owned entity. And they all knew how to implement FIFAs requirements in the tournament. In Russia and in Qatar they [LOC] are the same part of the government party so a part of their task is to deliver what the government wants in terms of infrastructure” (Manager A).

In some cases, this has nothing to do with the way FIFA wants it to be done:

“In Russia we don’t just look to have a huge number of stadiums. 2002 [FWC in Japan/ South Korea] was the worst case in history when we had 20 stadiums, most stadiums were destroyed after the tournament and we spent

millions on this but there was no need. So after that, we defined a minimum of 8 and maximum of 12 stadiums, now we have gone down to say 8 maximum of 10 stadium in the host country and then to adjust and say work rather with temporary infrastructure. Reduce the number of seats then and create infrastructure that works for you also after the world cup instead of working with creating a stadium for 60 000 or 80 000 when you only need 20 000.” (Manager A).

Another example of learning in different contexts and adapting to different institutional environments is the working conditions for the employees in a certain country where the requirements for hosting a FWC is much higher now than it has been before:

“We realized that the requirements haven’t been tough enough when it comes to certain aspects, in the new bidding documents, these important aspects are emphasized, CSR, human rights, working conditions, etcetera. This is definitely a learning process, now we are a lot tougher on those aspects” (Manager F).

5. Analysis

This chapter returns to the theoretical background and conceptual framework, which will be used to analyze the empirical findings presented in the previous chapter. This chapter follows the same structure as the theoretical background and conceptual framework, starting with learnings, exploration and exploitation, ambidexterity, learning over international borders, and finally, the chapter ends with a revisited conceptual framework, where the model is adjusted and updated according to our analytical findings.

5.1. Learning

Vera and Crossan (2003) suggested that learning creates knowledge and knowledge has an impact on learning. FIFA is an organization that shares this view of learning and knowledge. FIFA uses the PM & KT platform to store the knowledge which is used as a base for further learning, this is described as a cycle of learning and knowledge.

In the empirical discussion, learning was categorized in prior, during, and after a project. Manager B described that knowledge is created in a cycle where the knowledge that is being transferred in documents and handbooks has to be interpreted by an individual and that there has to be a cognitive understanding. This correlates well with Crossan et al. (1999) 4I framework on organizational learning, where learning happens in feedback and feed forward processes of intuiting, interpreting, integrating and institutionalizing.

"Learning prior a project" is a feedback process when the institutionalized learnings are used to prepare the LOC for the tournament through workshops etc., this is where FIFA supplies the LOC with debrief documents and other existing documents which are intuited and interpreted by individuals in the preparation work. One indication that FIFA has institutionalized learning and feedback processes is when Manager C states that with the PM & KT initiative the FWC is more FIFA controlled, meaning that the knowledge is at FIFA where the expertise is stored and shared to the LOC and the next project teams.

"Learning during a project" involves both feed forward and feedback processes, and also what is described in Crossan et al.'s (1999) framework as intuition and interpretation of new learnings, intuition is described as recognition of patterns and possibilities. In intuition, tacit knowledge becomes more explicit and shared with others through social interaction and where knowledge takes the shape of metaphors, concepts or models (Nonaka and Takeuchi, 1995). The respondents in the case study at FIFA explained that capturing the tacit knowledge is important and the process of converting tacit knowledge into explicit can be critical and challenging. The way that FIFA deals with this is to make sure that there are explanations for why processes have to be carried out in a certain way and according to a certain timeline, they also have photo and video material as tools to transform tacit knowledge into explicit. Manager A strongly indicated

that it is important that people understand why they have to have a certain timeline, an indication that confirms Nonaka and Takeuchi's (1995) explanation of knowledge creation through social interactions etc.

Feedback and feed forward during the FWC is seen in FIFA's way of using FIFA media officers' everyday reporting during a tournament, where they are described as FIFA's ears and eyes on the field. During a tournament there are both feedback and feed forward processes in the daily contact between FIFA HQ and FIFA media officers. Feedback is when the FIFA HQ employees prepare FIFA media officers for problems that can arise where they are situated. Feed forward happens when the FIFA media officers are reporting back to the FIFA HQ about successful and less successful occurrences. These reports are saved as lessons learned and later on integrated and institutionalized through interpretation and integration in accordance with the 4I framework.

Interpretation, as described in the 4I framework, is seen in the interaction between LOC employees and FIFA employees at different levels during tournaments and other projects. "Learning after a project" happens through debrief sessions with interpretation and interactions between FIFA and the LOC. Integration is by Crossan et al. (1999) described as a process where shared understandings are created, at FIFA this happens in the debrief sessions where both LOC employees and FIFA employees gather to collect and summarize experiences. This is an integration and summary of lessons learned and activities that worked well. The debrief activity is an example of a feed forward process. In the debrief, the PM & KT platform is updated with the debrief documents, lessons learned and change requests, in this process the new knowledge and learnings become institutionalized in the documents that serves as a baseline and starting point for following projects. In Crossan et al. (1999) this would be referred to as a feedback process where the institutionalized learning creates a context through which new learnings are intuited, interpreted and integrated. This happens between editions of the FWC, where different projects can benefit from learnings and updates in other projects and the documents are updated all the time.

Levitt and March (1988) define organizational learning as a process of using historic events to create routines that affects behavior. This way, organizations can learn from failures and successful procedures, where successful learnings become institutionalized. If an organization does well, the routines that they followed are linked to this success and are subsequently reinforced (Levitt and March, 1996). This can be seen at FIFA when Manager D explains how he screens out the learnings from FWC that were too local and on the other hand bring forward the

learnings that are successful and can contribute to the next FWC. There is a system for change requests in the manuals, both for outdated requirements and for new ways to conduct processes and procedures. In the debrief session the learnings that were successful are being documented and used in following projects. One example of how successful procedures are institutionalized at FIFA is when Manager C explains that if the project is incorporated correctly with the platform throughout the whole life cycle, both documents and knowledge will be caught and thus picked up and reused by the next project team. When the project is closed, the debrief report catches what was learnt from the projects, allowing the findings to turn into a cycle of learning.

The learning cycle at FIFA does not only happen in one big cycle for a project, you can also see the processes of intuiting, interpreting, integrating and institutionalizing in each of the 6 phases of a single project. This is described in FIFA's 6-phase model, where lessons learned and other outputs from each phase are institutionalized and brought through to the next phase in the creation of project charters, project plans and lessons learned. In the sixth and last phase, the debrief session gathers all the lessons learned from all the phases of one project, and the successful learnings are institutionalized and the updated knowledge serves as a starting point for the next project.

When discussing the PM & KT initiative, it was clear that FIFA wishes to have continuity throughout all of the projects and competitions. FIFA wants the PM & KT initiative to work as a platform for learnings and knowledge for all projects, and that processes and stadiums should be recognizable in each new project. The desire to have continuity and recognizable processes in all projects is something that could be connected to discussions in theory on replication as strategy developed by Winter and Szulanski (2001).

5.2. Balancing Exploration and Exploitation

Feed forward and feedback in organizational learning are represented by exploration and exploitation processes. Exploration refers to the transfer of learning from individuals and groups to the organization where the knowledge becomes embedded in the form of systems, routines, manuals and procedures. Exploitation is by Crossan et al. (1999) referred to as a feedback process when institutionalized learning creates a context through which subsequent experiences and situations are interpreted, which clearly affects the way individuals and groups learn. Institutionalization is described as an organizational learning process that creates routines, tasks and clear responsibilities are defined (Crossan et al., 1999).

Furthermore, discussions on exploration and exploitation have been concerned with the presence and absence of learning (Gupta et al., 2006; Raisch and Birkinshaw, 2008). In this thesis we decided to go with the stream of research that believes that exploitation involves some kind of learning (Gupta, 2006; Vermulen and Barkema, 2001). This follows March's (1991) argument that exploitation is the act of using, improving, refining and extending existing knowledge (Gupta et al., 2006; He and Wong, 2004). In accordance with this we analyze parts of FIFA's adaptation processes when organizing a FWC in a new country as exploitation of knowledge. FIFA provides the LOC with handbooks and manuals which need to be refined and adapted in order to work in the local context, this is especially important in a new institutional environment. In this case the exploitation is an extension of the existing knowledge when it is adapted to the local context. This process can be seen in what is categorized as the "learning prior a project" where current knowledge affects new learning as it is the starting point for a new project. Learning prior means exploitation of existing knowledge and it includes learning in refining existing knowledge to make it fit the new context. For instance, Manager B described how new knowledge is created through the adaptation of existing knowledge, thus indicating that the exploitation of existing knowledge involves learning.

One important factor in this thesis is that it is important to find a balance in exploration and exploitation (Levinthal and March, 1993; March, 1991). There is a contradiction when institutionalized learning, that affects how individuals interpret and learn, does not fit in a new international context with a new institutional environment (Crossan et al., 1999; Crossan et al., 2011; March, 1991; Xu and Hitt, 2012). Thus, the existing knowledge has to be adapted to the new international context and according to March (1991) adaptation requires both exploration and exploitation to be successful.

Exploration refers to learning and innovation and means finding new knowledge while questioning old knowledge embedded in systems and routines (Gupta et al., 2006; He and Wong, 2004; March, 1991). It is important to be flexible and adaptable to be able to explore and learn (Jonsson, 2012). Moving from country to country in each edition of the FWC, FIFA has to be flexible and adaptable, therefore they have to question old knowledge to make sure it works in a new context. Looking at the history and the background of the PM & KT initiative, FIFA seems to have spent a lot of resources on exploration in the past, trying to adapt to the new contexts they are facing every fourth year for the FWC, as well as in other projects. According to some of the respondents, before the PM & KT initiative it was up to every LOC to explore and sometimes reinvent the wheel. Too much emphasis on exploration may lead to a waste of

resources on experimentation that the organization might not be able to absorb and the organization may end up reinventing knowledge that already exists (March, 1991; Raisch and Birkinshaw, 2008). This is something that FIFA realized and it was one of the main reasons for why FIFA implemented the PM & KT initiative. Manager C explained that without a stable framework that catches the learnings, FIFA will not achieve its full capacity and miss out on opportunities, and by trying to do too much at the same time FIFA will not be able to respond to new ideas. With the PM & KT initiative, FIFA has a better chance of avoiding overlaps and reinventing the wheel for every new edition of the FWC, and there is also the possibility to learn from other projects.

Having too much emphasis on exploitation, on the other hand, means that there is a risk that an organization gets trapped in existing knowledge, and misses out on opportunities to gain new knowledge which makes it unable to respond to changes in the environment (March, 1991; Raisch and Birkinshaw, 2008). With institutionalized learning there is a risk that organizations fail to explore and learn and only exploit what they already know (Crossan et al, 1999; Levitt and March, 1988). For organizations to have a continued development and not stagnate it is important to have a balance between exploration and exploitation (O'Reilly and Tushman, 2008; Raisch and Birkinshaw, 2008). With the PM & KT initiative, FIFA has a more official way of institutionalizing knowledge and there is a risk that they become too centralized. However, the majority of the managers in the FIFA case study agreed that the risk of stagnation in terms of exploring new knowledge is very low. For instance, Manager B regards the risk of stagnation in exploring new knowledge as minimal even if more and more of the knowledge is becoming institutionalized in the form of manuals and routines. The low level of risk is explained by the changing context as both the environment and the people involved with the FWC changes. FIFA is moving between different international contexts all the time and they have to be able to adapt the existing knowledge to the context, thus they have to engage in both exploration and exploitation. The respondents indicate that the changes in contexts make the risk for repetition or stagnation almost impossible, moving between international contexts is described as a driver for change. FIFA is trying to avoid the risk of getting too centralized by keeping the documents flexible and open to adjustments. Nevertheless, there is always a risk with institutionalized learning and, in the case of FIFA, the risk that the institutionalized learning does not fit in a new international context and institutional environment is very high since they change country for every edition. The respondents describe this as a driver for change but if the institutionalized knowledge, in the form of handbooks and routines, is not flexible enough this can become problematic. To avoid the mismatch between institutionalized learning and a new

institutional environment in a new international context it is therefore important for FIFA to make sure that the handbooks and manuals do not take the form of an instruction describing the exact procedure.

By constantly updating the documents and by keeping them flexible and adjustable there is room for both exploration and exploitation at FIFA. For instance, Manager G explained that the routines, manuals and handbooks are very useful to get an idea of how it should be done, but she never felt like it stopped her from being creative in the adaptation process or from exploring new ways. All of the respondents in the case study indicate that adaptation is extremely important. For the adaptation to be successful there is a need to have both exploration and exploitation (March, 1991), something that is seen in the collaboration between FIFA and the LOC. The LOC is given handbooks and manuals to exploit, with their local knowledge they have an understanding of how much they can use and exploit from the existing FIFA knowledge, and together they can come to an understanding of what needs to be explored and adapted to fit in the new context. The managers pointed out that the challenges associated with balancing exploration and exploitation can vary depending on the changing context as well as other factors such as an individual's ability to make use of existing tools as well as how time-consuming it is. The balance is found by having documents, routines and manuals that are fairly basic and not seen as an instruction for how to organize the FWC, they should rather be seen as guidelines with examples and suggestions that can be adapted in order to fit the context.

5.3. Ambidexterity

The discussions in literature on ambidexterity are aimed at the importance of balancing the tensions between exploration and exploitation, thus confronting the challenge of engaging enough in exploitation to make use of current capabilities and, at the same time, invest resources in exploration to be able to respond to changes and stay up to date with future capabilities (Levinthal and March, 1993). Furthermore, other discussions on ambidexterity suggest that organizations that simultaneously explore and exploit are more likely to achieve superior performance than organizations focusing on one over the other (He and Wong, 2004; Tushman and O'Reilly, 1996). O'Reilly and Tushman (2008) argue that some organizations are able to adapt because they have the ability to learn. As in the case of FIFA it was strongly indicated during the interviews that they have the ability to learn in the long run. As explained by for instance Manager H, FIFA has put a lot of effort into documentation activities lately. Evidence from interviews show that prior to the launch of the PM & KT initiative the responsibilities of the different divisions were not clear. The employees were all involved with their assigned

projects but in some cases the activities tended to overlap each other. The respondents explained that the responsibilities as well as boundaries between divisions were unclear which in turn led to a lot of confusion. This evidence suggests that there was a lack of sufficient control mechanisms such as clear processes. Finding a balance between conflicting demands is according to Raisch et al. (2009) achieved with the use of strategies and processes and will lead to long-term success for the organization. However, the interviews show that even after the PM & KT initiative was introduced some employees were engaged in explorative activities at the expense of exploitative activities. As indicated by Tushman and O'Reilly (1996) as well as O'Reilly and Tushman (2008), an organization is more likely to succeed if it successfully manages to simultaneously pursue explorative and exploitative activities instead of only focusing on one of these two activities on behalf of the other. Thus, simultaneously pursuing both is necessary but how the balance should look is less evident.

According to Birkinshaw and Gibson (2004) the structural view argues that ambidexterity can be achieved through the development of structural mechanisms in order to better handle the competing demands facing the organization in terms of alignment and adaptability. What becomes very clear through the structural view is the trade-offs that are made between benefitting from clear objectives while losing flexibility. It was evident from the respondents' point of view how little support the structural solution has in the organization. Several examples throughout a majority of the interviews specify the need for flexibility. One respondent explained that each project owner needs to decide on how the process should be adapted in order to fit their division. Having one project owner from FIFA and one project owner from LOC collaborating is possible, but there is a need for flexibility and a willingness from both sides in order for it to work. According to the dual structural view presented by Duncan (1976) the realization of organizational ambidexterity comes through allowing one part of the organization to focus on exploration while another part deals with exploitation. However, as indicated by the respondents, the employees rely on flexibility which is rather the benefit of contextual ambidexterity. With the contextual view on ambidexterity each employee is allowed to choose how they wish to divide their time between every-day work and explorative activities. Working this way both depends on and requires the individual to be flexible, as was also indicated during several interviews. In addition to the level of decision making allowed by the PM & KT initiative, the respondents elaborate on the fact that some level of flexibility should be allowed instead of having relatively firm manuals. The manuals should not act solely as instructions but rather allow for adjustments in order to have a balance between exploration and exploitation. This further

strengthens the view of how important flexibility is for organizational ambidexterity and suggests that the contextual view on ambidexterity is more relevant among employees at FIFA.

The flexibility is further strengthened by how Gibson and Birkenshaw (2004) and Tushman and O'Reilly (1996) view contextual ambidexterity. They argue that contextual ambidexterity builds around the importance of implementing systems and processes that will assist individuals within the organization in dividing attention between conflicting demands. Several respondents indicate that the PM & KT initiative is seen as a process that facilitates the work for employees with tools that allows each individual to divide their attention between conflicting demands and in that way find the right balance between explorative and exploitative activities.

What becomes clear in the case study of FIFA is that both structural and contextual ambidexterity is evident. This is found to be in line with Raisch et al. (2009) argument that an organization can in some cases become ambidextrous through both perspectives.

5.3.1. Ambidexterity in an International Context

When organizations invest in foreign countries they are exposed to multiple local institutions to conform to. It is therefore beneficial to be able to apply capabilities and learnings gained in one foreign market to another international market in order to exploit the lessons learned. In order to exploit the institutional learnings from one country in another, organizations need to adapt the knowledge to the new local institutional environment (Xu and Hitt, 2012). Ambidexterity and a balance between exploration and exploitation of learning and knowledge helps organizations adapt to a new environment and a new international context that comes with different, and difficult, institutional environments. All of the respondents in the case study of FIFA indicate that each time the host country changes FIFA has to adapt to new and different governmental structures. According to the respondents, FIFA needs to make sure that the institutional environment of every new country is taken into consideration. A level of concern and consciousness has been raised where elaborations like these take place. Seen from the examples where FIFA turned to other major events such as the Winter Olympics in Sochi or the FWC in South Korea/Japan to find problems that could be examined and thus contribute to the preparation of the next FWC in Russia. This finding complies with the key argument by Peng et al. (2005) that organizations are taking institutional forces into consideration to a greater extent than before as these are becoming clearly reflected in their strategic approaches.

As explained by Manager A enhancing on sustainability measures in order to avoid situations where FIFA fails to contribute to the infrastructure in a country is another key aspect that has been given significantly more attention in recent years. This complies with Xu and Hitt's (2012)

argumentation that organizations need to adapt to institutions in a new environment to succeed and survive in that new context. Another example of this is when FIFA realized that they need to impose tougher requirements on the host countries for the governments to have requirements on CSR, human rights and working conditions in the host country. This could be seen as a way of institutional learning where FIFA has improved and developed through experiences and where they use institutional knowledge gained in one country on another country as explained by Xu and Hitt (2012). These aspects and institutions may not have been given as much attention before but now FIFA has learned that those aspects are of high importance and thus they adapt and use previous learnings by imposing higher requirements on the host countries. According to Luo and Rui (2009) experience from handling uncertainties in the external environment in different countries, and experience from dealing with local lawmakers and politics is a valuable capacity when using an ambidextrous approach. Furthermore, Peng et al. (2005) argue that ambidexterity depends on the institutional environment in the country an organization enters, and the ability to influence local policies and regulations. FIFA has been influencing the local laws by creating bylaws in cooperation with the governments, another proof of the ability to find the right ambidextrous dimensions at FIFA. The dilemma that institutionalized learning does not fit a new institutional context therefore becomes less problematic for FIFA. With regards to this FIFA has a bargaining power not comparable to other international organizations and MNCs. By being able to influence local policies and regulations FIFA has a capacity to make the new institutional context fit their institutionalized learnings to some extent.

According to Luo and Rui (2009) ambidextrous organizations have the ability to adapt to as well as operate in environments that are both institutionally different and difficult. Trying to change the laws and regulations in one country in order for them to fit what is requested by FIFA can be a painful and long process that is often met with resistance as noted by several respondents. However, some respondents argue that the institutional knowledge that has been gained in another country is very likely to be exploited even if the new institutional environment in the next country differs. One example of this is when FIFA decided to be more responsive in terms of host country infrastructure and existing stadiums. FIFA reduced the required number of stadiums after the FWC in Japan/South Korea in 2002 where most of the stadiums were destroyed afterwards, now instead FIFA aims to contribute with infrastructure and stadiums that works for the host country after the FWC. These findings are very much in line with the theory mentioned by Xu and Hitt (2012) as they explain that organizations that try to exploit the institutional knowledge learned from one country in a new country need to adapt the knowledge

to a new institutional environment. However, in order to adapt an organization needs to balance both activities.

5.4. Learning across Geographical Borders

As indicated in the theoretical framework, working across national contexts may lead to a mismatch of knowledge or slow knowledge transfer (Gibson and Gibbs, 2006). Although, it is also said that it can lead to opportunities for increased learning since the adaptation of existing knowledge can lead to creation of new knowledge and organizational learning (Argote et al., 2011; Cramton and Hinds, 2005). The latter statement is confirmed in the case study of FIFA. With institutionalized learning there is a risk that organizations fail to explore and learn and only exploit what they already know which can lead organizations to stagnation in knowledge. At FIFA this risk is said to be minimal because of the fact that they are moving between different countries. For instance, Manager B explained that the adaptation of existing knowledge creates new knowledge and this way knowledge is created in a cycle. Because of the fact that they are moving between different contexts, there is a low risk for stagnation or repetition, and by adapting the knowledge to the new environment FIFA is creating new knowledge. However, as mentioned in earlier paragraphs, there is always a risk with institutionalized learning, especially when moving between different countries as frequently as FIFA is. To avoid stagnation in knowledge and a mismatch between institutionalized learning and a new context it is important to keep the handbooks and documents flexible and open for changes.

In organizational learning and knowledge transfer there may also be problems associated with culture, language and norms of communication (Gibson and Gibbs, 2006). This is where the sensitivity and flexibility become important aspects for FIFA, and this is also where the ability to find the right balance of exploration and exploitation is important. It is the change in context that affects the balance, in certain countries language skills are more problematic than in others, e.g. in Germany and South Africa the language was not a major problem since both German and English are official languages at FIFA, whereas in Russia they have a different alphabet. In South Africa on the other hand, culture differences were the major challenges. FIFA has to adapt the knowledge to the culture and language but at the same time they have to share the knowledge and prepare the host country with the knowledge they already possess. What is most important is that FIFA is aware of the difficulties with languages and cultures and they see the importance of having a close collaboration with the LOC.

5.5. Revisited Model

The discussions in literature on ambidexterity are aimed at the importance of balancing the tensions between exploration and exploitation, thus confronting the challenge of engaging enough in exploitation to make use of current capabilities and, at the same time, invest resources in exploration to be able to respond to changes and to stay up to date with future capabilities (Levinthal and March, 1993). Furthermore, other discussions on ambidexterity suggest that organizations that simultaneously explore and exploit are more likely to achieve superior performance than organizations focusing on one over the other (He and Wong, 2004; Tushman and O'Reilly, 1996). Ambidexterity is in theory identified as one way to engage in exploration and exploitation at the same time (Luo and Rui, 2009; Tushman and O'Reilly, 1996; et al.), what is less evident is how this can be done (Gupta et al., 2006; He and Wong, 2004). In this case study, FIFA can be identified as an ambidextrous organization, engaging in both exploration and exploitation at the same time. FIFA can also be recognized as an ambidextrous organization in the view of e.g. Luo and Rui (2009) and Peng et al. (2005) thanks to the ability to adapt to local conditions as well as the ability to influence local laws and regulations. The term ambidexterity is however ambiguous and it is not clear whether it means having explorative and exploitative activities simultaneously or whether balancing the tension between the two is more important. There are conflicting views in theory but in the case study of FIFA we found that having exploration and exploitation *simultaneously* is not enough, finding the right *balance* between the two is however crucial when adapting to changes in the context. With the *right* balance we refer to our finding that the change in context affects how much FIFA needs to focus on exploration or exploitation and the optimal balance is unique for every new context. This is somewhat similar to Simsek et al. (2009) suggestion that ambidexterity is not the simple act of having the same levels of exploration and exploitation but rather the maximization of attaining both. O'Reilly and Tushman (2008) suggested that the speed and type of change may influence the balance between exploration and exploitation in a way that fast moving environments may require more exploration, whereas in slow moving environments too much focus on exploration might be a waste of resources in relation to the benefits gained. O'Reilly and Tushman (2008) called for future research to further explore this since the existing empirical findings are scarce. In the case study of FIFA we found evidence that depending on the country they enter with the FWC, they have different levels of exploration and exploitation. The balance is also affected by how large the change in context is. A slight change in context requires less focus on exploration and more on exploiting already existing knowledge. If, on the other hand, the context is very different from what FIFA previously experienced, there will be more exploration activities since exploitation of

existing knowledge might make FIFA unable to respond to the differences in the new context. This is illustrated in *Figure 6* (p. 65), where the change in context serves as a scale that determines how much emphasis is put on exploration and exploitation.

In the case study of FIFA the respondents indicated that sensitivity and flexibility are important factors in trying to find the optimal balance between exploration and exploitation. Furthermore, the respondents clearly stated that the levels of exploration and exploitation differ depending on the country in which the FWC is held. One example of this is a comparison between the 2006 FWC in Germany and the 2010 and 2014 FWCs in South Africa and Brazil. Germany is close in cultural, geographical and institutional distance from the FIFA HQ in Zurich, they are used to hosting big sports events and they have a strong football culture. In Germany, exploitation of existing knowledge was sufficient, investing in and focusing too much on exploration would have resulted in reinvention of knowledge that was already in the existing knowledge base. The FWCs in South Africa and Brazil, on the other hand, required way more adaptation, exploration, preparation, support and work from FIFA.

Another example of the different levels of exploration and exploitation depending on the change in context is the comparison when going from Brazil to Russia and from Russia to Qatar. Both Brazil and Russia are big countries with long distances and planning the capacity of the stadiums was fairly easy. Qatar, on the other hand, is a small country and there is basically a possibility to attend more than one game each day. Therefore, in Qatar, FIFA needs to explore a way to handle a situation where the tournament is centralized to a small area, solutions that worked well before might not be sufficient in this setting. This is a clear indication that the degree of change in context affects the optimal levels of exploration and exploitation. When there is a big change, there is naturally a need for more exploration, it is still important to engage in both but the right balance might be to have more focus and “overweight” on either exploration or exploitation. The balance changes depending on how well previous experiences and existing knowledge, i.e. institutionalized learnings, fit to the new context and the new institutional environment. In finding the right balance between exploration and exploitation, sensitivity and flexibility are the most important capabilities when adapting the balance to changes in the context.

In the revisited model illustrated in *Figure 6* (p. 65), there are still processes of feedback and feed forward through individuals and groups to the organization where learnings become updated and institutionalized in lessons learned and handbooks. It is important to have a balance between exploration and exploitation in order to avoid stagnation in learning and in order to avoid that institutionalized learnings do not fit the new international context and a new institutional

environment that an organization decides to operate in (Bontis et al., 2002; Crossan et al., 1999; Gupta et al., 2006). In order to avoid a mismatch between institutionalized learning and a new context, an organization needs to adapt to the changes and manage the tension between exploration of new knowledge and exploitation of existing knowledge. Adaptation requires both exploration and exploitation according to March (1991) but as already mentioned, the challenge is not to have exploration and exploitation *simultaneously*, it is rather the *balance* that matters (He and Wong, 2004; Holmqvist, 2009; O'Reilly and Tushman, 2008; Raisch and Birkinshaw, 2008).

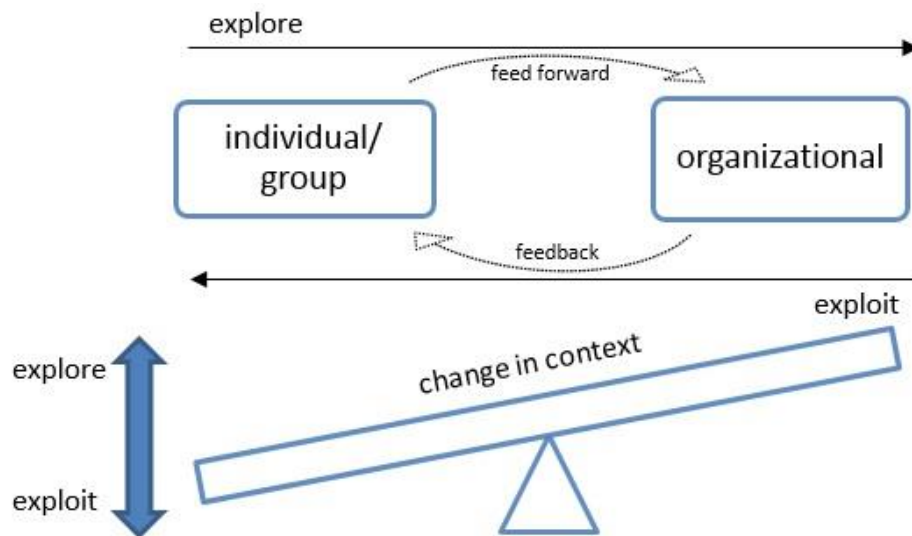


Figure 6. Revisited model compiled by authors.

In Figure 6, the context, or rather the change in context, acts as a determinant in the balance of exploration and exploitation of learning. The change in context affects how much emphasis is put on exploration versus exploitation. From the case study of FIFA it is clear that the context, and the change in context, affects what the optimal balance should be like. If the context has changed significantly, there is a need to put more emphasis on exploration since the existing, institutionalized knowledge might not fit the new context with a different institutional environment. On the other hand, if there is only a slight change in context, organizations can instead focus on exploitation of learnings from one country in another by adapting it to the new context and the new local institutional environment (Xu and Hitt, 2012). When the difference from one country to another is small, it might be a waste of resources to explore new things when an organization already have processes and activities that work, and it might end up inventing the wheel all over again. As seen in Figure 6 we suggest that the optimal balance does not mean having equal levels of exploration and exploitation, but depending on existing knowledge and depending on the new context, the optimal balance will most likely be uneven in the distribution of exploration and exploitation.

6. Concluding Discussion

This is the final and concluding chapter where we go back to the purpose of the thesis and discuss the findings of the case study. In this chapter, the research questions are answered and implications for theory, future research and managers are presented.

The purpose of this thesis was to gain a deeper understanding of how international organizations and MNCs can find a balance between exploration and exploitation in order to be able to adapt to different international contexts. One of the challenges of operating in dispersed markets is that, as the context changes, the learnings that have been institutionalized in an organization might not fit in a new international context with a new institutional environment. In order to adapt existing knowledge to a new international context and a new institutional setting, there is a need to balance exploitation of old knowledge and exploration of the new environment (Crossan et al., 1999; Crossan et al., 2011; March, 1991). FIFA was an interesting case to study for the purpose of this thesis as it is one of the most international organizations in the world, organizing the biggest single sports event in the world, the FWC, in a new country every fourth year. Trying to understand the challenges organizations are faced with when adapting to changing international contexts our research questions concerned how international organizations can balance exploration and exploitation in order to be able to adapt to different international contexts. And how the specific contexts affect an international organization in finding the right ambidextrous dimensions in the balance of exploration and exploitation. Having FIFA as a case we focused on how FIFA balances exploration and exploitation when adapting to the different contexts they are faced with in arranging the FWC in different international contexts, and how a specific context affects FIFAs ambidextrous dimensions. One issue with institutionalized learning is that organizations risk ending up in a stagnation in knowledge where they fail to explore and only exploit what they already know (Crossan et a., 1999; Levitt and March, 1988; O'Reilly and Tushman, 2008). We found that FIFA balances exploration and exploitation by cooperating with the LOC and by keeping the documents flexible and open for adaptations. The respondents stressed that important factors in the adaptation process is sensitivity and flexibility, and a balance in using existing FIFA knowledge and using LOC employees when adapting the knowledge to the local context. Further, we found that the change in context affects the balance of exploration and exploitation, where a significant change requires more exploration and with a slight change, the need for exploration is reduced.

6.1. Implications of Findings

This thesis contributes to the research on organizational learning and ambidexterity, specifically by addressing the tension between exploration and exploitation. Researchers focusing on the

balance between exploration and exploitation and ambidexterity emphasize that the balance is hard to achieve in practice (Gupta et al., 2006; He and Wong, 2004; Holmqvist, 2009; Raisch and Birkinshaw, 2008). The findings from the case study of FIFA suggest that the optimal balance of exploration and exploitation is unique for every organization and for every context, thus the optimal balance changes as the context changes. It is therefore important to constantly update and change the degrees of exploitation and exploration when adapting to changes in context. The most important factors in finding the optimal balance are sensitivity and flexibility in the adaptation process. This finding is supported in theories on flexible replication, where replication is described as a process that includes flexible adaptation (Jonsson & Foss, 2011). Further, this thesis contributes to research focusing on the ambidexterity perspective in research on international business (e.g. Hsu et al., 2013; Prange and Verider, 2011) contributing with a framework for how organizations can tilt the importance of exploration and exploitation depending on the current international context.

Prange and Verdier (2011) highlighted a need for more research on how ambidextrous dimensions should be adapted to the specific context, and how context-specific conditions affect the optimal degrees of ambidextrous dimensions. O'Reilly and Tushman (2008) called for more empirical evidence when suggesting that the context may affect the balance between exploration and exploitation. In hyper-competitive, fast-moving environments, there is a need for exploration whereas in slow-moving environments, the costs for exploration may not match the benefits gained (O'Reilly and Tushman, 2008). This thesis addressed these questions and found that the change in context affects the optimal degrees of ambidextrous dimensions. When there has been a significant change in context there is an increased need for exploration and adaptation of existing knowledge. When, on the other hand, there is a slight change in context the need for exploration is decreased and the organization can engage more in exploitation of existing knowledge. In case there is a slight change in context, exploration may lead to a waste of resources compared to the benefits gained, as well as an increased risk of reinventing knowledge that already exist. The optimal balance in exploration and exploitation, i.e. the optimal degrees of ambidextrous dimensions, is affected by and dependent on the level of change in context. In the case study of FIFA, this is seen in the level of change when going from one country to another. If there is a high level of change, the optimal balance between exploration and exploitation will have more weight on exploration, whereas if the countries are similar there will be more emphasis on exploitation of knowledge.

6.1.1. Limitations

There are certain limitations in our findings when it comes to generalizability and external validity. FIFA is different from most corporate organizations, FIFA enters one market and then they leave to enter a new market elsewhere, when a corporate organization enters a new market in a new country it often stays there for longer than 4 weeks, although, it should be mentioned that the preparation process is far longer than the actual tournament. Also, in terms of institutional learning, FIFA has a bargaining power towards governments that most international organizations and MNCs do not possess, thus making the findings slightly difficult to apply to other organizations. It was evident in our findings that FIFA has the ability to influence local policies and regulations, this ability is rare amongst most other international organizations and MNCs for which the ability to adapt to local institutions is even more important.

6.1.2. Future Research

As mentioned in the limitations of this thesis, FIFA possess an exceptional bargaining power with the economic development that comes with hosting a FWC as well as the ability to influence local institutions. This indicates that the need for exploration may be slightly lowered compared to the situation for an MNC or a smaller international organization. It would therefore be interesting to conduct a similar study on a smaller MNC or international organization to find out if and how the balance is tilted even more towards exploration.

One interesting area for future research is the research on subsidiary to subsidiary and HQ to subsidiary knowledge transfer. In the case of this thesis, the flow goes from one LOC (subsidiary) to FIFA (HQ) and from FIFA to the new LOC (subsidiary). Several respondents in the case study of FIFA indicated that some knowledge get lost in this process, the suggestion is that the knowledge transfer should happen with all three parties involved at the same time. Following this, it would be interesting to further explore the theory on reverse knowledge transfer investigated by e.g. Ambos et al. (2006). Interesting issues to address could elaborate on efficient ways to transfer knowledge between subsidiaries, without losing the important input and experience of the HQ.

Another interesting area for future research is connected to the finding that with the PM & KT initiative, FIFA is trying to reach continuity in all of the competitions and projects, which should be clearly recognizable everywhere in the world and in every project connected to FIFA. Support for this can be found in the replication as strategy theory (Winter and Szulanski, 2001). Since the existing knowledge and the new context have an impact on the balance of exploration and

exploitation it would be interesting for future research to look into how the balance of exploration and exploitation is affected when organizations use replication as strategy.

6.1.3. Implications for Managers

When an organization wants to enter a new market in a new international context, it is important to know that the balance between exploration and exploitation needs to be adjusted and adapted in order to fit the new international context and institutional environment. The findings are not only applicable when an organization changes international context, but also when there is a change in for instance technological development or media. Rapid changes in how organizations can use certain media channels increase the need for exploration in order to respond to the change in context.

7. References

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Appendix

1. Overview of Respondents and Interviews

Respondents (10)	Area of Responsibility	Interview method	Location	Duration
Manager A	Media Operations Manager	Face-to-face English Recorder used	FIFA HQ - Zurich	49 minutes
Manager B	Strategic Project Manager – Project Management Coach	Face-to-face English Recorder used	FIFA HQ - Zurich	60 minutes
Manager C	Project Manager PMO*	Face-to-face English Recorder used	FIFA HQ - Zurich	60 minutes
Manager D	Media Operations Manager	Face-to-face English Recorder used	FIFA HQ - Zurich	50 minutes
Manager E	Media Relations Manager	Face-to-face English Recorder used	FIFA HQ - Zurich	45 minutes
Manager F	Senior Media Operations Manager – Project Management Coach	Face-to-face English Recorder used	FIFA HQ - Zurich	60 minutes
Manager G	Media Operations Manager LOC	Video interview English Recorder used	LOC Russia	75 minutes
Manager H	FIFA Media Officer**	Video interview English Recorder used	Stockholm	58 minutes
Manager I	Venue Operations	Video interview English Recorder used	LOC Russia	48 minutes
Manager J	PM & KT Project Manager in LOC	Video interview English Recorder used	LOC Russia	43 minutes

* PMO – Project Management Office

** FIFA Media Officer is in most cases an external consultant with specific expertise in media areas (media operation and media communication) who is assigned on a temporary basis to an event.

2. Interview Guide – FIFA HQ

Introduction and general overview

- What is your general responsibility in the FIFA organization?
- What is your responsibility in the PM & KT initiative?
- Please describe your understanding of the PMKT program.

Knowledge transfer and explore/exploit

- Can you describe how FIFA transfers knowledge from one World Cup to the next?
 - The process, how it works
 - How do you learn from successful procedures and mistakes?
 - How do you avoid that the same mistakes are made again?
- How would you describe the balance between learning new things and using and storing what is already learned?
 - Would you say that there is a tendency towards using the same processes, procedures and routines as you always have, that has always worked or would you say that there is a tendency towards exploring new knowledge and a continuous development of the processes, procedures and routines?
 - How do current procedures, routines, manuals and handbooks affect you in learning new things/thinking outside the box and updating or creating new procedures, routines, manuals and handbooks?
 - How would you say that FIFA as an organization avoids getting stuck in the same procedures as always? How do you avoid the danger of stop developing, that what you already know is the base of every process?
 - How do you make sure that you have an ongoing process of learning and a spirit of being innovative with processes and procedures?
- Can you please tell me how you keep the learning and exploring process going?
 - How do you learn and develop what you already know?
 - A lot happens in the world in 4 years, how do you keep up to date while at the same time making sure that successful procedures from the last FWC are being brought through to the next FWC?
 - How do you e.g. follow and explore the development and evolvement of new marketing techniques and media channels such as Facebook and Twitter?

Context adaptation and institutional learning

- Every FWC is held in a new environment, how do you adapt what you already know to the new context?
 - How do you transfer knowledge to the local organization and how do you make sure it is adapted to the local environment?
 - How do you adapt the documentation (handbooks, manuals etc.), the existing knowledge and lessons learned to the following host country?

- How does the adaptation process work?
 - Organizational adaptation?
 - Cultural adaptation?
 - How does it work with languages? English speaking country or not? The way people communicate in different countries?

- How do you adapt to the host country from a political and legal perspective?
 - Rules and regulations, how, when and how much?
 - Politically
 - How much can you use what you have learned politically and legally in a different setting and how do you do to adapt what you have learned in order to avoid starting over completely with these issues every time?
 - Is there a difference in the way you needed to adapt (both legally and culturally and all the documentations) to e.g. Germany and South Africa and Brazil?
 - Depending on the country and context there will be different kinds of problems in different countries, how do you adapt the knowledge to a new country and how do you prepare for potential problems in that particular country?
 - Do you ever feel that there is a resistance from the local organization that they do not want to do it according to the way FIFA wants it to be done?

Questions concerning PM & KT

- Can you please tell me the background of the PM & KT initiative?
- How is the initiative organized? What is the plan behind it?
- How are you going to get the employees to understand how important the initiative is and how are going to motivate the employees to use it?
- What are the success factors of the PK & KT initiative?
- What is less good with the PM & KT initiative?
- What would you say is the big difference now that you have the PM & KT initiative? Difference from how you operated before the PM & KT was put in place?
- Would you say that there is a risk with the PM & KT initiative that you stop exploring, that it will create a stagnation in the learning process and in the development of new routines, that people might start using informal routines that they know works?
- Are there any challenges in working with the PM & KT initiative

3. Interview Guide - LOC

Introduction and general overview

- What is your general responsibility in the FIFA organization and the LOC?
- Can you please describe the LOCs role in the organization of FWC?
- Please describe your understanding of the Project Management & Knowledge Transfer (PM & KT) initiative. How much do you work with the PM & KT initiative?

Knowledge transfer and explore/exploit

- What was your responsibility at the Olympic Games in Sochi?
- How are you going to adapt your knowledge from the Olympic Games to fit the organization of the FIFA World Cup™?
- Could you please describe your understanding of knowledge transfer in FIFA and the FWC?
- What is your understanding of how FIFA transfers knowledge from one FWC to another?
- How will you transfer and bring with you the knowledge that you gained in Brazil to Russia?
- How do you share the knowledge with the LOC in Russia? Please give an example.
- A lot happens in the world in 4 years, how do you keep up to date while at the same time making sure that successful procedures from the Brazil are being brought through to Russia?
- How do you make sure that there is an ongoing learning process? I.e. how do you avoid that the knowledge stagnates and you just use the same procedures in every FWC?
- How would you describe the balance between learning new things and using what is already learned (for example documents and manuals from FIFA)?
 - Would you say that there is a tendency towards using the same processes, procedures and routines as before (in previous editions of the FWC), or would you say that there is a tendency towards exploring new knowledge and a continuous development of the processes, procedures and routines?
 - How do current procedures, routines, manuals and handbooks affect you in learning new things/thinking outside the box and updating or creating new procedures, routines, manuals and handbooks?
 - How would you say that FIFA as an organization avoids getting stuck in the same procedures as always? How does FIFA avoid the danger of stop developing, that what is already known is the base of every process?

PM & KT

- What do you expect from a knowledge transfer program in general and what do you expect from the PM & KT initiative?
 - What tools do you expect that FIFA will provide you with in the knowledge transfer and adapting your knowledge to the Russian context?
 - How much support do you get from FIFA when adapting the knowledge that they give you to the local context? Is it entirely up to you to adapt it and make it

work or do you get any kind of tools to use in adapting? (for example explanations of how the knowledge was adapted in previous editions)

- Are you expecting any kind of support from FIFA in how to transfer the knowledge and adapting it to the FWC?
- What are the success factors of the PK & KT initiative?
- What is less good with the PM & KT initiative?
- Would you say that there is a risk with the PM & KT initiative that FIFA stops exploring? That it will create stagnation in the learning process and in the development of new routines, that people might start using informal routines that they know works?
- Are there any challenges in working with the PM & KT initiative?

Context adaptation

- Every FWC is held in a new environment, how good is FIFA at adapting what they already know to the new context (this time Russia)?
 - How does FIFA transfer knowledge to the Local Organizing Committee and how do they make sure it is adapted to the local environment?
- How does the adaptation process work?
 - Organizational adaptation?
 - Cultural adaptation?
- How do you adapt to the host country from a political and legal perspective?
 - Rules and regulations, how, when and how much?
 - Politically
- Depending on the country and context there will be different kinds of problems in Brazil and Russia, how do you adapt the knowledge to Russia and how do you prepare for potential problems?
- Do you ever feel that the way FIFA wants you to proceed with things is not the right way to do it in Russia? How do you handle that?