



Individual responses to competing institutional logics in emerging markets

Dana Minbaeva^{a,*}, Maral Muratbekova-Touron^b, Dilek Zamantılı Nayır^c, Solon Moreira^d

^a Copenhagen Business School, Denmark

^b ESCP Europe, France

^c Marmara University, Turkey

^d Fox School of Business, Temple University, USA

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ABSTRACT

In this paper, we study individual responses to competing institutional market and community logics. We argue that when individuals experience strong pressures both from market and community logics in hybrid contexts, they are unlikely to choose one logic over another. Instead, they combine both logics act as hybridizers. We identified three roles of local (Kazakhstani and Turkish) managers as hybridizers: bridging between competing logics, boundary spanning and cultural buffering.

1. Introduction

The influx of foreign direct investment (FDI) and the arrival of multinational enterprises (MNEs) have been highly influential in the development of contemporary management practices in emerging markets (Chen & Miller, 2010; Chen, 2008; Chen, Xie, & Chang, 2011, 2011; Faure & Fang, 2008). The western management practices that have been introduced as emerging economies open up to outside influences reflect capitalist market logics that emphasize competition, effectiveness, and efficiency (2004, Thornton, 2002). In contrast, indigenous management practices are deeply rooted in community logics (Greenwood, Díaz, Li, & Lorente, 2010; Marquis, Glynn, & Davis, 2007; Marquis, Lounsbury, & Greenwood, 2011; Marquis, Lounsbury, & Greenwood, 2011), and embedded in social structures in which moral and relational obligations feature more prominently (Oyserman, Sakamoto, & Lauffer, 1998). The contrast between western and indigenous management approaches reflects different institutional logics rooted in institutional orders that dictate contradictory (and often incompatible) rationales for managerial decision-making (Hotho, Minbaeva, Muratbekova-Touron, & Rabbiosi, 2020).

This institutional complexity (Saka-Helmhout, Deeg, & Greenwood, 2016) has not been adequately addressed in the international business (IB) literature (Newenham-Kahindi & Stevens, 2018) and it has been largely overlooked at the individual level (Hotho et al., 2020). In emerging markets, individual managers working for western MNEs experience strong pressures from competing logics on a regular basis, and their responses to these competing logics play an important role in

shaping organizational outcomes (e.g., Almandoz, 2012; Battilana & Dorado, 2010). It is extremely important to understand these individual responses, especially in the context of emerging economies, as MNE subsidiaries in these countries are facing ever-increasing pressure to conform to local cultural, institutional, and legal expectations that sometimes directly contradict MNEs' practices. Accordingly, the goal of this study is to explore these issues by addressing the following question: In emerging economies, how do individual decision-makers respond to competing institutional logics?

We build on the institutional complexity literature (e.g., Pache & Santos, 2013) and translate its core arguments to the individual level using theoretical insights from organizational behavior theory (e.g., Bazerman, Tenbrunsel, & Wade-Benzoni, 1998). We develop a central hypothesis about individual responses in the context of high hybridity, which occurs when individuals experience strong pressures from both market and community logics, and we unpack the role of these individuals as hybridizers. Using quantitative data collected through vignette-based experiments, we show that when individual managers working in the subsidiaries of western MNEs located in Kazakhstan and Turkey experience strong pressures both from market and community logics, they are unlikely to choose one logic over another. Instead, they develop workable solutions that allow them to combine the two competing logics and act as hybridizers. Through our qualitative inquiry, we further unpack the role of hybridizers into three behaviors: bridging between two competing logics, boundary spanning, and cultural buffering.

The contributions of this paper are threefold. First, in contrast to the

* Corresponding author.

E-mail address: dm.smg@cbs.dk (D. Minbaeva).

growing body of literature that addresses organizational reactions to institutional complexity (e.g., Greenwood et al., 2010; Oliver, 1991), this study analyzes *individual behavioral responses* and, thus, responds to the call for additional research on the micro level (Greenwood, Raynard, Kodeih, Micelotta, & Lounsbury, 2011; Lander, Koene, & Linszen, 2013). Second, despite the fact that the literature on institutional complexity in different countries has grown rapidly, most research has been conducted in single-country contexts. As such, it has overlooked situations in which an organization with logics rooted in its homeland is challenged to adapt to new environments when it goes abroad (Stovel & Savage, 2005; Suddaby & Greenwood, 2005; Thornton, 2004). By using multiple contexts (home-host, i.e., Germany versus Turkey and Kazakhstan), our study advances our understanding of institutional complexity by extending its core arguments to IB. We believe that the individual-level insights developed in this paper are highly relevant and that they may improve our understanding of how subsidiaries can juggle local-global demands on their managerial practices and engage in continuous negotiations with their headquarters (Balogun, Fahy, & Vaara, 2019; Schotter & Beamish, 2011). Finally, the countries chosen as host environments—Turkey and Kazakhstan—represent emerging markets that are seldom investigated in IB research. Our lack of knowledge about these countries and their managerial practices is worrying, as these countries represent the middle group of emerging economies in terms of their economic power and they are expected to be the next wave of emerging markets after the BRICS countries.

The paper is structured as follows. After introducing the theoretical background of our study, we develop our main hypothesis and explain the methods we used in this study. Thereafter, we describe the measures and results from our quantitative and qualitative analyses. The paper ends with a discussion of the results and concluding remarks regarding our contributions as well as the limitations of our research.

2. Theoretical background

Subsidiaries of western MNEs located in emerging markets operate in plural institutional fields representing several institutional logics associated with different social-belief systems (Hotho et al., 2020). Local employees working in these subsidiaries often experience pressures from two competing institutional logics: the market logic and the community logic (Chen & Miller, 2010; Chen, 2008, 2011; Hotho et al., 2020). A market logic is often characterized by competition, impersonal relationships, effectiveness, and efficiency (2004, Thornton, 2002). Within these subsidiaries, the market logic becomes institutionalized in the form of management practices transferred from the western headquarters (HQ). Accordingly, local employees experience the pressures inherent in the market logic when they need to follow practices transferred from the HQ. In other words, strong pressures associated with a market logic result in a high degree of practice adoption among employees (i.e., “we do what HQ says”), while weak pressures associated with a market logic allow for a lesser degree of practice adaptation (i.e., “we do what works in our subsidiary”).

While market logics as well as the relevant pressures and responses have been relatively well-researched in studies of management (2004, Almandoz, 2012; Thornton, 2001), recent contributions have highlighted a need to pay more attention to logics rooted in non-market institutional orders, such as communities (Marquis et al., 2011a, 2011b). Thornton, Ocasio, and Lounsbury (2012) conceptualize the community as an institutional order alongside the state, corporations, families, religions, markets, and professions. Brint (2001, p. 8) defines communities as “aggregates of people who share common activities and/or beliefs and who are bound together principally by relations of affect, loyalty, common values, and/or personal concern.” Marquis and Battilana (2009) outline three essential characteristics of communities: small scale, boundedness, and strong ties among members. Moreover, Almandoz (2012, p. 1387) characterizes the relationships within a community as enduring “affective connections” with “altruistic and

reputational concerns.” Finally, Marquis et al. (2011a, 2011b, p. xvi) define communities as “collections of actors whose membership in the collective provides social and cultural resources that shape their action.” They also argue that the idea of a community as an essential institutional order is extremely powerful because a community provides meaning and shapes the behavior of actors in an institutional field. The conceptualization of a community as an institutional order that, in turn, shapes the institutional logics of organizations requires us to move beyond geographically-bound notions of communities to understand them as sources of identity and as key relational structures for organizational actors.

Subsidiary employees experience the pressures of community logics in the workplace because those subsidiaries are embedded in certain social structures that form the local environment. This implies that subsidiary employees are exposed to community logics through their interactions with members of the community (e.g., customers, suppliers, government officials, family members, friends, and acquaintances). Such interactions provide these employees with a number of social cues that invoke the interests, identities, and repertoires of action embedded in the community logic (Hotho et al., 2020). In emerging economies, such social cues are supported by a high level of general trust, as the indigenous logic has proven itself to be reliable over time, in contrast to the relatively new market logic of western capitalism. Furthermore, in emerging economies, formal institutions are weak and are typically undergoing tremendous change due to the transformation of the economic and value systems. A “formal-institutional collapse” has taken place in such economies, resulting in an “institutional context [that] no longer provides organizing templates, models for action, and known sources of legitimacy” (Newman, 2000, p. 605). As a result, local management practices—or “what actually works”—are often rooted in indigenous community logics (Greenwood et al., 2010; Marquis et al., 2007, Marquis et al., 2011a, 2011b) in which moral and relational obligations feature more prominently (Oyserman et al., 1998). Individual decision-makers facing strong community pressures may conform with community expectations because they “feel obliged” to do so (Minbaeva & Muratbekova-Touron, 2013, p. 125) in order to gain a “socially desirable community identity” (Almandoz, 2012, p. 1387) or satisfy an internalized sense of responsibility towards community members (Hotho et al., 2020).

Table 1 summarizes the differences between the logics rooted in market and community institutional orders, the rationalities that each type of logic presents to individuals, and the related institutional pressures for conformity and individual responses.

In the next section, we discuss what happens when individuals simultaneously experience strong pressures related to market logics and strong pressures related to community logics.

3. Hypothesis development

Individuals may be predisposed to adopt logics in different ways. Scholars describe different responses to conflicting logic. Individuals may delay decision-making (Holm, Decreton, Nell, & Klopff, 2017); ignore, comply, resist, combine, or compartmentalize (Pache & Santos,

Table 1
Institutional logics: market versus community.

Institutional logic	Rationality for individuals	Institutional pressures for conformity	Responses from individuals
Market logic: efficiency, profit maximization, actor centered	Maximize own utility	Pressure for economic fitness or efficiency	Rational choices
Community logic: social obligation and identification (self-defined)	Maximize the well-being of the group	Pressure for social obligation	Emotional responses

2013); blend (Currie & Spyridonidis, 2016); balance (Smets, Jarzabkowski, Burke, & Spee, 2015); or avoid, defy, acquiesce, or compromise (Hotho et al., 2020). However, these studies were conducted in settings with different degrees of strength in the logics, and they all assumed that one logic was viewed as the main or a dominant logic. Therefore, one might wonder what kind of individual responses will be observed when two competing logics are equally strong.

In their theoretical paper, Pache and Santos (2013) propose that in such “high hybridity” contexts, an individual is unlikely to choose one logic over the other. In fact, the individual is more likely to combine the two logics than to adopt other response strategies. As these authors explain, an individual who experiences strong pressures from two competing logics with which he or she identifies will be knowledgeable about both logics and committed to seeing both of them prevail (Pache & Santos, 2013). Furthermore, given that such individuals are capable of understanding the needs and interests of the coalitions of members that identify with each logic as well as motivated to promote both logics, they “are likely to be in a good position to find ways to combine the two logics in a sustainable way, irrespective of the degree of hybridity of the context” (Pache & Santos, 2013, p. 26).

We agree with this argument. In emerging markets, when local employees work for a subsidiary of a western MNE, they are likely to remain faithful to the community logic because of their strong identification with that logic. At the same time, because their workplace promotes economic fitness, effectiveness, and efficiency, they are also interested in seeing the market logic prevail. Hence, in their responses, these individuals will neither comply with market logic while defying the community logic nor comply with community logic while defying the market logic. Instead, they will try to protect the institutional status quo of both logics.

The field of organizational behavior refers to such behavioral responses as the consequence of a “multiple-selves problem”—a struggle between what one *wants* to do and what one *should* do (Bazerman et al., 1998). *Should* is the decision maker’s cognitive, rational, and reasoned preference, while *want* is his or her emotional or affective preference. Bazerman et al. (1998, p. 228) further explain: “In trying to identify how most people think about what they want, we see the *want* self reflected in preferences that are (1) emotional rather than rational, (2) affective rather than cognitive, (3) impulsive rather than thoughtful, and (4) ‘hot headed’ rather than ‘cool headed.’” On the other hand, “we see the *should* self being more rational, cognitive, thoughtful, and cool headed” (Bazerman et al., 1998, p. 228).

We argue that community-logic pressures appeal more to the individual’s *want* self, as the individual has developed solid ties with the respective community through life-long exposure to that community’s logic. Through such exposure, the individual develops a strong in-group perception (Gudykunst & Kim, 2003) and, consequently, internalizes a strong sense of obligation and responsibility towards community members (Baldwin, 1992; Oyserman et al., 1998). Market-logic pressures relate more to the individual’s *should* self, as compliance with such pressures is associated with presumed economic benefits for the individual. Furthermore, the individual knows that he or she will be held accountable for his or her decisions within the organizational context. What happens when both market-logic pressures and community-logic pressures are strong? The individual combines his or her *should* and *want* selves, and then uses these *multiple selves* to protect the institutional status quo of both logics.

Based on these arguments, we propose the following:

In such situations, Pache and Santos (2013, p. 27) argue that individuals may create “new institutional arrangements as a means to adapt their world to their cultures and identities” and develop workable solutions that combine the two competing logics. In their individual responses, the individuals act as hybridizers—“individuals who are able to change the current institutional order to craft new sustainable hybrid institutional arrangements” (Pache & Santos, 2013, p. 27). However, the kinds of behaviors that help individuals in their role as hybridizers and

lead to the creation of new institutional arrangements are unclear. Therefore, we take our hypothesis one step further and explore these issues by addressing the following question:

We test our hypothesis and explore our research question using a sequential mixed-method study. We combine quantitative and qualitative data collected in the emerging markets of Turkey and Kazakhstan.

4. Method

4.1. Choice of context

We identified two emerging economies, Turkey and Kazakhstan, as fitting empirical contexts for our study. Both countries have recently experienced changes associated with the arrival of western capitalism and the introduction of a market economy. However, community logics remain strong and dominate social relations in these two societies.

4.1.1. Turkey

The history of modern Turkey began with its defeat in the First World War. The constitutional Republic of Turkey succeeded the 600-year-old Ottoman Empire in 1923 under its founder and first president, the young military officer Mustafa Kemal, also known as Atatürk, the Father of the Turks. Turkey emerged from the war with significantly reduced territory, ongoing ethnic conflict, and a somewhat “Turkish” identity. The Sultan fled the country, and Atatürk instituted secular reforms and abolished the caliph—the religious leader of Islam—in 1924 (Caramani, 2008; Kitir, 2012). From 1923 to 1945, Turkey had a single party. During this period, the government was formed and led by Atatürk and his party colleagues. He soon began a process of secularism inspired by other Europe countries. This process included the unification of the educational system, the closing of Islamic courts, and the introduction of civil law inspired by Swiss legal institutions. Atatürk also led the replacement of the Arabic/Persian alphabet with the Latin alphabet and introduced more equality between the sexes (Caramani, 2008; Kitir, 2012).

Turkey initially remained neutral during the Second World War. However, even though Atatürk’s successor, President Ismet İnönü, signed a non-aggression treaty with Nazi Germany in 1941, the Turkish government declared war on Germany and Japan in February 1945.

Following the war, a multi-party system was established in Turkey in 1945, at which time Turkey became a charter member of the United Nations. It joined NATO in 1952. However, in the ensuing decades, the fledgling democracy did not always function smoothly. The country suffered military coup d’états in 1960, 1971, 1980, and 1997 (Caramani, 2008). Since 1997, Turkey has expanded its economy, experienced the development of an alternative political path, and become increasingly urbanized. In the 1980s, liberal reforms paved the way for the “Anatolian Tigers”—successful businessmen who symbolized the previous 10 years of economic expansion as well as the government. Today, the state holds substantial influence in such areas as communication, transportation, and industry.

Since the beginning of this century, Turkey has enjoyed average annual GDP growth of 5.4 % despite the decline caused by the international financial crisis in 2008. This should be seen in relation to the country’s near bankruptcy in 1999 and the resulting IMF surveillance. Ten years later, in 2009, Turkey experienced GDP growth of 8.9 %, which not only highlights its investment potential but also demonstrates that it is still an expanding emerging economy (Kitir, 2012).

4.1.2. Kazakhstan

The Kazakhs emerged as a distinct group by the sixteenth century. They practiced a nomadic way of life and inhabited an expanse of territory in Asia that was larger than Western Europe. The territory became part of the Russian Empire in the mid-nineteenth century. After the Russian revolution in 1917 and the ensuing restructuring, Kazakhstan became a Soviet Republic in 1936. The Soviet campaign to sedentarize

Kazakhs together with the Soviet policy of collectivization resulted in the extermination of approximately one third of the Kazak population in the 1930s. The Soviets used the grain-producing lands as the reason for launching the Virgin Lands Campaign, which resulted in significant Russian immigration to traditional Kazak lands starting in the 1930s. In the 1930s and 1940s, these “unfriendly” and scarcely populated lands served as zones of special settlement for hundreds of thousands of people who were relocated by the Soviets due to their ethnicity or beliefs. The Soviet space program at Baikonur and the establishment of the Semipalatinsk nuclear test site brought additional population inflows from other parts of the Soviet Union.

Kazakhstan declared its independence in 1991 following the collapse of the Soviet Union. The country is now home to more than 120 ethnicities, including Kazakhs, Russians, Uzbeks, Ukrainians, Germans, Tatars, and Uyghurs. Mutual assistance through kin and kin-based networks has continually helped Kazakhs survive during times of economic shortage and created an advantage for the ethnic Kazakhs even when they were a minority in their own republic (Schatz, 2004). As a result of the massive emigration of minorities after the collapse of the Soviet Union, Kazakhs now make up 63 % of Kazakhstan’s total population of more than 18 million. Today, Kazakh is the “state” language. Russian, which is spoken by the majority of Kazakhstanis, and is used in business, government, and inter-ethnic communication, is the “official” language.

Kazakhstan’s political regime can be characterized as an “enlightened” authoritarian state that contributed to political stability in a difficult period of change, thereby fulfilling one prerequisite for a favorable investment climate (Wandel & Kozbagarova, 2009). The country is rich in fuel and mineral resources, and it has attracted foreign investments in its extraction industries. Kazakhstan has undertaken significant market-oriented reforms and, after coping with the difficult transitional period, the country experienced an economic boom starting in 2000, which was slowed only by the 2009 global economic crisis. The economy has grown by an average of 8 % per year since 2000, supported by increases in oil output and oil prices.

The country’s status as a success story in Central Asia and in the Commonwealth of Independent States is the result of not only favorable global conditions for the oil sector but also market-oriented economic reforms, including rapid price and trade liberalization, privatization, a methodical macroeconomic policy, and the promotion of entrepreneurship (Wandel & Kozbagarova, 2009).

As indicated above, community logics are still strong in both Turkey and Kazakhstan. Both are clan-based network societies in which the degree of social obligation varies depending on two interrelated attributes of social ties: relatedness (blood versus non-blood ties) and immediacy (Hotho et al., 2020). Both relatedness and immediacy, which refers to the distance between community members and can be categorized as direct or indirect ties, have an impact on individual responses to community logics (Hotho et al., 2020). For example, in Kazakhstan, the *clan*—a network of individuals linked by immediate, distant, and fictive kin relations—plays an important role not only in personal life but also in business (Minbaeva & Muratbekova-Touron, 2013; Umbetaliyeva, 2001). Both the Kazakhstani and Turkish cultures are considered to be highly collectivist (Minbaeva & Muratbekova-Touron, 2013; Muratbekova-Touron, 2002, for Kazakhstan; Hofstede, 2001; Çukur, 2007; Pasa, Kabasakal, & Bodur, 2001, for Turkey). People in both countries are emotionally dependent on their groups, the “we” is extremely important, and looking after each other in an exchange of loyalty is crucial. However, some changes in individual preferences have been observed in Kazakhstan, where individual needs sometimes prevail over community needs (Minbaeva, Hutching, & Thomson, 2007), especially among those who have worked or studied in western companies or countries (Minbaeva & Muratbekova-Touron, 2013).

To the best of our knowledge, there are no comparative studies of the Kazakhstani and Turkish national cultures. However, given the shift from group-oriented to individual preferences and the fact that numerous ethnic groups in the Kazakhstani population value

community logic less than Kazakhs (e.g., Germans, Poles, Russians, and Ukrainians), Kazakhstani culture maybe be less collectivist than Turkish culture. Turkey is more homogenous in terms of ethnic diversity and the majority of ethnic groups in the country are also group-oriented communities, such as the Armenians and the Kurds.

4.2. Choice of methods

To test our hypothesis and explore our research question, we designed a sequential mixed-method study, which combines quantitative and qualitative methods in a sequential research strategy (Creswell, 2003). We relied on quantitative analysis to verify the formulated hypothesis, while qualitative interviews were used to reflect on the quantitative findings, assist in explaining and interpreting the results, and explore the research question. Our research process started with development of core arguments from the institutional complexity literature, after which we piloted our ideas in both countries and iterated them through archival searches. The quantitative data was collected through vignette-based experiments, background questionnaires, and semi-structured interviews (see Fig. 1 for a visualization of the research process).

As we were familiar with the apprehensive attitude of locals in relation to management research in general and to interviews in particular, we chose to use vignettes in order to present hypothetical but realistic situations that contained the variables of interest. This data-collection method is useful and less susceptible to social desirability bias, especially when sensitive topics are in focus (Hotho et al., 2020; Wallander, 2009). In replying to these standardized, randomly assigned situational descriptions, respondents reveal true their perceptions, values, and judgments (Wallander, 2009). We developed vignettes that put respondents in the shoes of a manager who needed to make a personnel recruitment or procurement decision, and therefore needed to respond to pressures from both market and community logics.

All vignettes started with an introduction of the company in which the respondent was supposedly working. In order to put Kazakhstani and Turkish respondents, who are naturally rooted in the community-based environment, in a situation in which they were exposed to a market logic, we chose the subsidiary of a western (German) MNE as the employer. The company’s German origin was justified by the presence of numerous German MNEs in both Kazakhstan and Turkey. In addition, both countries have strong connections with Germany. For example, more than two million Turks make up the largest ethnic minority in Germany. Moreover, after the collapse of the Soviet Union, about 800,000 ethnic Germans immigrated to Germany from Kazakhstan due to the German right-of-return law, while approximately 200,000 ethnic Germans still live in Kazakhstan. There are more than 200 German companies in Kazakhstan (http://www.auswaertiges-amt.de/EN/Aussepolitik/Laender/Laenderinfos/01-Nodes/Kasachstan_node.html) and more than 4000 in Turkey. In sum, the local populations of both countries are familiar with the German national and business cultures.

The vignettes were written in English and then translated into Russian for Kazakhstani respondents and Turkish for Turkish respondents. Two researchers, one in Turkey and one in Kazakhstan, administered the vignettes in 2014. The researchers were native speakers of the respective languages, an aspect that is important when approaching respondents in community-based societies (Hotho et al., 2020; Minbaeva & Muratbekova-Touron, 2013). The respondents perceived the researchers as “insiders” who understood their cultures, which made it possible to administer the vignettes and conduct the interviews in an environment characterized by a high level of trust. Three vignettes randomly selected from the list of all possible combinations of variables of interest were assigned to each participant.

Additional individual-level information was gathered using a background questionnaire. More specifically, we gathered demographic data (e.g., gender, age, ethnicity) as well as other background information, such as work experience (local and abroad), current position, position

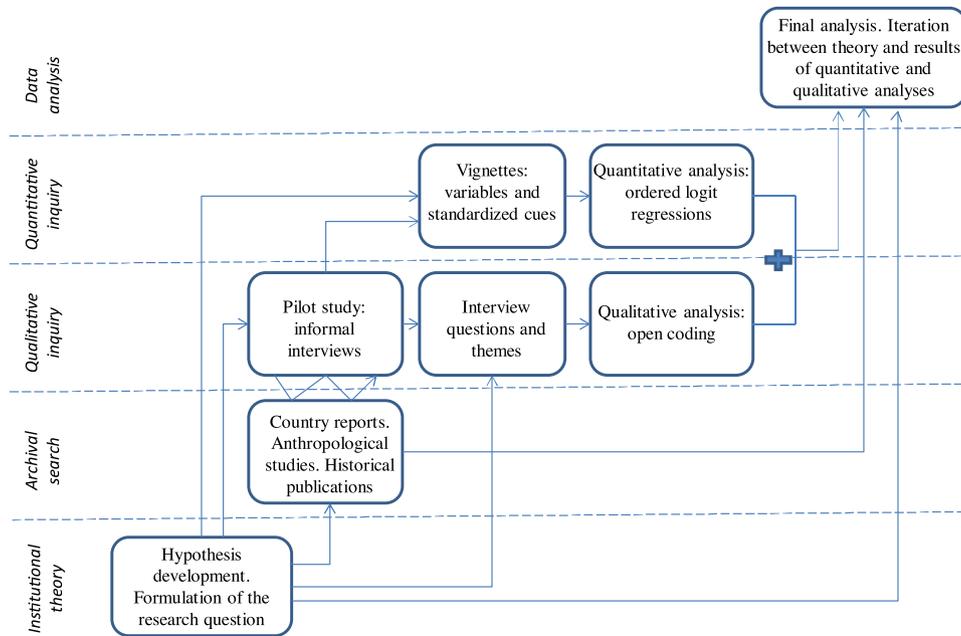


Fig. 1. Research process.

tenure, and education level.

The vignette study was followed by qualitative interviews, which allowed us to develop a deeper understanding of individual response strategies. We conducted semi-structured interviews to gather information about the respondents' perceptions of and experiences with institutional complexity. In addition to some general questions (see the Measures section), we asked respondents to reflect upon their answers to the vignettes. In particular, we asked them to provide us with more information on why they chose a particular response strategy and how they would handle the conflicting demands of community and market logics in practice. We also asked about their likely responses in different situations and whether they had concrete examples from their own experiences. In addition, we wanted to capture the particularities of the Kazakhstani and Turkish ways of management.

4.3. Choice of informants

In order to identify relevant informants given the focus of the research question, we applied a multi-level sampling procedure. In an initial examination of company websites and the membership lists of the German Chambers of Commerce located in the target countries (AHK Central Asia, 2013; AHK Turkey, 2013), German companies that simultaneously maintained subsidiaries in Turkey and Kazakhstan were determined to be the basic population for the cross-national study as a whole. In order to study individual response strategies to competing logics, we found it necessary to ensure that potential respondents had profound knowledge of procedures in different organizational units and held decision-making authority. Consequently, in the fashion of purposive sampling, top managers working in Turkish and Kazakhstani subsidiaries of the chosen German companies were selected as the ideal informant pool. The respondents were then recruited through snowball sampling. Some managers were highly reluctant to respond to our request. To ensure their participation, we approached them through a personal contact or with a recommendation. To increase the number of respondents in Kazakhstan, we included respondents who had previously worked for German companies in the sample.

In total, we gathered 180 usable vignettes: 111 from 37 Turkish respondents and 69 from 23 Kazakhstani respondents. We also conducted interviews with 10 Kazakhstani managers who worked for the subsidiaries of foreign MNEs in Kazakhstan and with 17 Turkish managers

who worked for German multinationals in Turkey. The interviews lasted between 40 and 130 min and were undertaken in the local language. Prior to each interview, respondents were assured that their responses would remain anonymous in order to encourage honest answers.

5. Measures

5.1. Vignette-based experiment

The body of the vignettes included standardized cues aimed at collecting data on the pressures associated with the market and community logics as well as individual behavioral responses to competing logics (see Table 2 for an overview of the variables of interest). Table 2 provides an example of a vignette on recruitment and selection to provide a better understanding of the vignettes that were presented to the participants.

5.1.1. Individual responses

At the end of each vignette, the respondent was asked whether he or she would comply with the market-logic pressures (i.e., would send an announcement to HR/procurement services, as expected by the market logic; *response send*) or comply with community-logic pressures (i.e., would recommend a candidate for hire/accept a long-term procurement contract without sending the announcement to HR/procurement services, as expected by the community logic; *response recommend*). For both questions, respondents were asked to indicate their most probable behavioral responses using seven-point Likert-type scales ranging from 1 (highly unlikely) to 7 (highly likely).

5.1.2. Market-logic pressures

To operationalize the pressures from market logics, we used the degree of internalization of HQ-originated management practices. We operationalized the internalization of HQ's management practices on the basis of Pache and Santos's (2013) typology, which refers to an individual's degree of adherence to a market logic as *novice*, *familiar*, or *identified*. As Pache and Santos (2013), p. 9) argue, "an individual who is novice with respect to a given logic has no (or very little) knowledge or information available about this logic." An individual who is familiar with the logic "has been acquainted with the logic and its associated prescribed goals and means, but is neither emotionally nor ideologically committed to it... Complying with the logic is neither taken-for-granted

Table 2
Examples of vignettes.

1. Recruitment and selection	
Variables of interest	Standardized text cue
Introduction and firm type	Imagine that you are working as a manager at GERMAN GMBH, which is a subsidiary of a German food multinational. You have been working in this subsidiary for a few years. One of your responsibilities is to recruit and select applicants for vacant positions. You have the authority to recommend applicants for hire, but the final decision is usually made by your boss.
Boss	<ol style="list-style-type: none"> Your boss is German. Your boss is Turkish/Kazakhstani.
Headquarters' management practice (1 = identified, 2 = familiar, 3 = novice)	<ol style="list-style-type: none"> The recruitment and selection processes are standardized across the whole multinational and described in the work manual. One of these standardized rules is that all vacancies must be announced by HR Services. You are perfectly aware of this rule. Following this rule is a standard operating procedure in your subsidiary. The recruitment and selection processes are standardized across the whole multinational and described in the work manual. One of the standardized rules is that all positions must be announced by HR Services. However, you are not sure how strict this rule is. Moreover, you can recall that sometimes managers in your subsidiary use other approaches. You do not know whether there are standardized recruitment and selection processes in your multinational. You are not sure whether there are any rules and procedures at all. In your subsidiary, managers usually do what is appropriate in a given situation.
Social ties	<ol style="list-style-type: none"> You have a vacant position for an office manager. You know a qualified candidate. He is your close relative. You have a vacant position for an office manager. You know a qualified candidate. He is a good friend of yours. You have a vacant position for an office manager. You know a qualified candidate. He is your distant relative. You have a vacant position for an office manager. You know a qualified candidate. He is your former classmate from the university.
Questions	<ol style="list-style-type: none"> Would you contact him to propose the opportunity to him? Would you send the job announcement to HR Services? Would you recommend him for hire without sending the job announcement to HR Services? <p>Response choices range from 1 = "highly unlikely" to 7 = "highly likely."</p>
2. Procurement	
Variables of interest	Standardized text cue
Introduction and firm type	Imagine that you are working as a manager at GERMAN GMBH, which is the subsidiary of a German food multinational. You have been working in this subsidiary for a few years. One of your responsibilities is to announce tenders and select suppliers for long-term procurement contracts. You have the authority to recommend proposals, but the final decision is usually made by your boss.
Boss	<ol style="list-style-type: none"> Your boss is German. Your boss is Turkish/Kazakhstani.
Headquarters' management practice (1 = identified, 2 = familiar, 3 = novice)	<ol style="list-style-type: none"> The procurement practices are standardized across the whole multinational and described in the work manual. One of these standardized rules is that all tenders must be announced by Procurement Services. You are perfectly aware of this rule. Following this rule is a standard operating procedure in your subsidiary. The procurement practices are standardized across the whole multinational and described in the work manual. One of these standardized rules is that all tenders must be announced by Procurement Services. However, you are not sure how strict this rule is. Moreover, you can recall that sometimes managers in your subsidiary used other approaches. You do not know whether there are standardized procurement practices in your multinational. You are not sure whether there are any rules and procedures at all. In your subsidiary, managers usually do what is appropriate in a given situation.
Social ties	<ol style="list-style-type: none"> You have an upcoming tender for office supplies. You know a qualified provider. He is your close relative. You have an upcoming tender for office supplies. You know a qualified provider. He is a good friend of yours. You have an upcoming tender for office supplies. You know a qualified provider. He is your distant relative. You have an upcoming tender for office supplies. You know a qualified provider. He is your former classmate from the university.
Questions	<ol style="list-style-type: none"> Would you contact him to propose this opportunity to him? Would you send the tender to Procurement Services? Would you recommend him for the long-term procurement contract without sending the tender to Procurement Services? <p>Response choices range from 1 = "highly unlikely" to 7 = "highly likely."</p>

nor part of her identity” (Pache & Santos, 2013, p. 9). Finally, an individual who identifies with the given logic has “not only been socialized into the logics’ worldviews but has developed, through training or experience, a connection to the logic which provides her with a positive sense of self” (Pache & Santos, 2013, p. 10). Accordingly, each vignette described a situation in which an individual was a novice, familiar, or identified with the focal management practice.

5.1.3. Community-logic pressures

To operationalize the pressures of community logics, we adopted the measures found in Hotho et al. (2020), who conceptualize community-logic pressures using two characteristics of social ties: relatedness and immediacy. Following Hotho et al. (2020), we identified four clan ties that can be used to operationalize social ties characterized by different levels of relatedness and immediacy: *close relative* (consanguineal and immediate clan ties), *good friend* (fictive and immediate clan ties), *distant relative* (consanguineal and distant clan ties), and *former university classmate* (fictive and distant clan ties).

5.1.4. Controls

We included two groups of control variables: vignette-based controls (situational factors included in vignettes) and individual-level controls (from the background questionnaire). According to Hotho et al. (2020), the individuals who are typically most exposed to conflicting pressures in the organizational setting are decision-makers who are “visible” to “significant others” (i.e., those assuming the right to affect the direction of an actor’s actions), such as managers responsible for recruitment or procurement decisions. We therefore introduced a dummy variable, *management practice*, to capture the type of management practice (1 = recruitment/selection and 2 = procurement). In addition, each vignette described two situations using two nationalities for the immediate manager: German and local (i.e., Turkish or Kazakhstani). Accordingly,

we introduced a dummy variable, *boss nationality* (1= German and 2 = local). Finally, respondents were asked to indicate whether they would contact the candidate to propose the opportunity to him or her (*contact*; seven-point Likert-type scales ranging from 1 = highly unlikely to 7 = highly likely).

We used a short questionnaire to collect individual-level information about the respondents. More specifically, we asked for information on gender, age (years), ethnic background, the highest level of education, where the highest level of education was achieved (locally or abroad), years of work experience, years worked abroad, current position (top or middle management), years in the current position, and years in the current company. We included the following controls: *gender* (1 = female, 2 = male), *age* (years), *ethnicity* (1 = local (Turk or Kazakh); 2 = non-local), *education country* (1 = local (Turkey or Kazakhstan); 2 = abroad), *work experience total* (years), *work experience abroad* (years), *current position* (1 = top management; 2 = middle management), *current position tenure* (years), *company tenure* (years), and *country* (1 = Turkey; 2 = Kazakhstan).

5.2. Semi-structured interviews

In the semi-structured interviews, we relied on several general questions to initiate the conversation. For example, we asked “What factors would you characterize as important when conducting business in Turkey/Kazakhstan?”, “Have you seen differences in recruitment/procurement practices between Germany and Turkey/Kazakhstan?”, and “When doing business in Turkey/Kazakhstan, are there any advantages/disadvantages of being a native Turk/Kazakhstani rather than a German apart from the language? Can you provide examples?”. We then asked the respondents to reflect on their responses to the vignettes and explain their choices.

Table 3
Descriptive statistics and correlations coefficients (N = 180).

	Variables	Mean	S.D.	Min	Max	[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
[1]	Identified x Close relative	0.06	0.24	0	1	1.00										
[2]	Identified x Good friend	0.09	0.29	0	1	-0.08	1.00									
[3]	Identified x Distant relative	0.08	0.28	0	1	-0.08	-0.10	1.00								
[4]	Identified	0.31	0.46	0	1	0.38	0.49	0.45	1.00							
[5]	Novice	0.36	0.48	0	1	-0.19	-0.24	-0.23	-0.50	1.00						
[6]	Close relative	0.21	0.41	0	1	0.49	-0.17	-0.16	-0.02	-0.05	1.00					
[7]	Good friend	0.31	0.46	0	1	-0.17	0.48	-0.20	0.00	-0.03	-0.35	1.00				
[8]	Distant relative	0.25	0.43	0	1	-0.15	-0.19	0.52	0.03	0.10	-0.30	-0.39	1.00			
[9]	MngtPractice	0.5	0.5	0	1	-0.02	0.06	0.06	0.11	-0.08	-0.14	0.14	-0.01	1.00		
[10]	Boss nationality	0.51	0.5	0	1	0.07	-0.02	0.02	0.03	-0.04	0.08	-0.13	0.08	-0.12	1.00	
[11]	Gender	0.33	0.47	0	1	0.02	0.05	-0.04	0.02	-0.04	0.01	0.01	0.00	0.09	0.16	1.00
[12]	Age	38.12	8.72	27	60	0.00	0.06	-0.08	0.00	0.02	-0.12	0.04	0.05	0.03	-0.12	-0.12
[13]	Ethnicity	0.77	0.42	0	1	-0.02	-0.09	-0.02	-0.06	0.00	0.00	0.00	0.02	0.08	-0.10	-0.03
[14]	Education country	0.83	0.37	0	1	0.05	-0.16	0.08	0.01	-0.13	-0.02	-0.09	0.02	0.03	0.00	0.22
[15]	Work experience total	15.34	8.13	3	36	-0.01	0.05	-0.06	0.00	-0.05	-0.10	0.03	0.03	-0.02	-0.05	-0.09
[16]	Work experience abroad	1.24	3.88	0	21	-0.04	0.18	-0.10	0.00	-0.07	0.01	-0.01	-0.01	-0.07	0.01	-0.14
[17]	Current position	0.53	0.5	0	1	0.01	0.07	-0.04	0.04	-0.06	-0.06	0.03	0.00	0.00	-0.03	-0.12
[18]	Current position tenure	4.37	4.27	0.08	22	0.01	0.05	-0.04	0.02	0.00	-0.09	0.02	0.04	-0.04	-0.09	-0.09
[19]	Company tenure	9.45	6.25	0.25	27	0.04	0.15	-0.11	0.07	-0.05	-0.04	0.09	-0.03	-0.04	-0.09	0.04
[20]	Country	0.38	0.49	0	1	0.04	-0.02	0.05	0.00	0.00	0.10	-0.04	-0.03	-0.03	0.12	0.10
[21]	Contact	3.63	2.43	1	7	-0.10	-0.03	0.05	-0.05	0.07	-0.06	0.02	-0.02	-0.01	0.06	-0.02
	Variables	Mean	S.D.	Min	Max	[12]	[13]	[14]	[15]	[16]	[17]	[18]	[19]	[20]	[21]	
[12]	Age	38.12	8.72	27	60	1.00										
[13]	Ethnicity	0.77	0.42	0	1	0.27	1.00									
[14]	Education country	0.83	0.37	0	1	-0.28	0.18	1.00								
[15]	Work experience total	15.34	8.13	3	36	0.93	0.15	-0.27	1.00							
[16]	Work experience abroad	1.24	3.88	0	21	0.24	-0.05	-0.25	0.27	1.00						
[17]	Current position	0.53	0.5	0	1	0.56	0.19	-0.24	0.60	0.25	1.00					
[18]	Current position tenure	4.37	4.27	0.08	22	0.70	0.17	-0.15	0.67	-0.02	0.39	1.00				
[19]	Company tenure	9.45	6.25	0.25	27	0.69	0.17	-0.20	0.66	0.11	0.46	0.64	1.00			
[20]	Country	0.38	0.49	0	1	-0.38	-0.70	-0.11	-0.19	-0.04	-0.16	-0.27	-0.31	1.00		
[21]	Contact	3.63	2.43	1	7	-0.38	-0.20	0.07	-0.29	-0.15	-0.05	-0.19	-0.32	0.41	1.00	

Table 4
Ordered logit model (dependent variable: *response send*).

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Identified x Close relative				-2.364*** (0.935)	-1.978** (1.090)	-2.366** (1.175)
Identified x Good friend					1.170 (1.245)	0.784 (1.160)
Identified x Distant relative						-0.763 (1.502)
Identified			0.286 (0.424)	0.778* (0.558)	0.370 (0.776)	0.751 (0.756)
Novice			-0.088 (0.376)	-0.063 (0.396)	-0.056 (0.400)	-0.074 (0.409)
Close relative		0.553 (0.497)	0.581 (0.513)	1.207** (0.606)	1.124** (0.617)	1.239** (0.667)
Good friend		0.220 (0.438)	0.237 (0.448)	0.256 (0.469)	-0.026 (0.510)	0.087 (0.551)
Distant relative		-0.100 (0.495)	-0.072 (0.520)	-0.086 (0.539)	-0.108 (0.539)	0.104 (0.621)
MngtPractice	0.054 (0.375)	0.119 (0.392)	0.065 (0.419)	0.060 (0.414)	0.109 (0.426)	0.109 (0.425)
Boss nationality	-0.181 (0.305)	-0.160 (0.319)	-0.178 (0.330)	-0.151 (0.319)	-0.174 (0.312)	-0.186 (0.311)
Contact	0.082 (0.137)	0.090 (0.132)	0.094 (0.135)	0.085 (0.134)	0.083 (0.133)	0.087 (0.137)
Gender	-0.043 (0.601)	-0.040 (0.607)	-0.035 (0.614)	-0.092 (0.598)	-0.185 (0.632)	-0.202 (0.637)
Age	-0.048 (0.086)	-0.039 (0.087)	-0.035 (0.090)	-0.023 (0.090)	-0.025 (0.088)	-0.029 (0.088)
Ethnicity	-1.663** (0.806)	-1.745** (0.815)	-1.669** (0.831)	-1.680** (0.827)	-1.605** (0.851)	-1.625** (0.867)
Education country	0.648 (0.738)	0.799 (0.770)	0.756 (0.787)	0.941 (0.787)	0.981 (0.817)	1.008 (0.836)
Work experience total	0.219** (0.104)	0.224** (0.105)	0.221** (0.107)	0.217** (0.112)	0.226** (0.111)	0.232** (0.114)
Work experience abroad	-0.050 (0.063)	-0.052 (0.060)	-0.053 (0.061)	-0.059 (0.058)	-0.073 (0.059)	-0.073 (0.059)
Current position	-1.356** (0.597)	-1.374** (0.599)	-1.390** (0.607)	-1.387*** (0.596)	-1.438** (0.636)	-1.455** (0.660)
Current position tenure	-0.155* (0.117)	-0.154* (0.116)	-0.155* (0.118)	-0.162* (0.118)	-0.166* (0.122)	-0.167* (0.124)
Company tenure	0.037 (0.059)	0.028 (0.058)	0.025 (0.058)	0.024 (0.057)	0.024 (0.058)	0.022 (0.057)
Country	-1.715** (0.862)	-1.758** (0.824)	-1.731** (0.823)	-1.696** (0.844)	-1.651** (0.831)	-1.659** (0.855)
Constant	-4.377* (2.792)	-3.824* (2.860)	-3.691* (2.845)	-3.146 (2.805)	-3.188 (2.765)	-3.170 (2.756)
Number of observations	180	180	180	180	180	180
Log likelihood	-210.231	-209.243	-208.818	-205.463	-204.696	-204.442
Chi2	14.399	18.472	22.443	28.365	24.983	24.213

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$; one-tailed tests.

Robust standard errors clustered at the respondent level in parentheses.

6. Results

6.1. Quantitative analysis

Table 3 reports the descriptive statistics and pairwise correlations for all variables considered in our econometric estimations. We did not identify any potential collinearity concerns related to our main explanatory variables. Despite that, we also estimated our models entering separately any variable with a pairwise correlation above 0.6. The results are the same as those reported below. Furthermore, the average VIF is around 4.7, which is well below the recommended threshold of 10.

In order to test our prediction regarding individuals responses when experiencing both high market and community pressures we need to employ a model that takes into account the distribution of our two dependent variables (i.e., Likert-type scales ranging from 1 to 7). Because both outcome variables are categorical and can be naturally ordered, we opted to estimate two sets of ordered logit regressions for each dependent variable independently. The results reported in Table 4 predict individual response to high pressures from the market logic

(dependent variable: *response send*) and results in Table 5 predict individual responses to high pressures from community logic (dependent variable: *response recommend*). All the models in both tables are estimated using one-sided tests. To account for intra-group correlations, we use robust standard errors clustered at the vignette respondent level.

Based on our predictions we expect that “when individuals experience equally strong pressures from both market and community logics, they are unlikely to choose one over the other”. Econometrically this argument suggests that we should observe the same pattern when using this interaction term to predict compliance to community logic. Alternatively, statistically insignificant results for the interaction term *identified x close relative* predicting both dependent variables would also indicate that individuals are unlikely to choose one logic over the other. First, let's examine the results reported on Table 4. Because Model 6 represents the most restricted estimations as it includes all controls and interaction effects, we use those coefficients to interpret our results. When the pressures from both market and community logics are high (*identified x close relative*), respondents in their individual responses will defy the market logic as the coefficient for this interaction term is negative and statistically significant ($p < 0.05$).

Table 5
Ordered logit model (dependent variable: *response recommend*).

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Identified x Close relative				1.279* (0.922)	1.176 (1.079)	0.320 (1.463)
Identified x Good friend					-0.253 (0.837)	-1.125 (1.231)
Identified x Distant relative						-1.581 (1.290)
Identified			-0.338 (0.467)	-0.564 (0.508)	-0.457 (0.709)	0.392 (1.145)
Novice			0.429 (0.398)	0.433 (0.407)	0.433 (0.406)	0.409 (0.404)
Close relative		-0.802 (0.635)	-0.789 (0.688)	-1.113** (0.660)	-1.092** (0.640)	-0.897* (0.651)
Good friend		-0.507 (0.406)	-0.474 (0.428)	-0.464 (0.437)	-0.399 (0.423)	-0.207 (0.412)
Distant relative		-0.692* (0.469)	-0.691* (0.480)	-0.674* (0.489)	-0.683* (0.502)	-0.274 (0.436)
MngtPractice	0.635** (0.340)	0.629** (0.357)	0.758** (0.373)	0.766** (0.374)	0.763** (0.374)	0.842** (0.414)
Boss nationality	-0.023 (0.323)	0.050 (0.328)	0.076 (0.328)	0.076 (0.331)	0.071 (0.333)	0.024 (0.345)
Contact	0.373*** (0.103)	0.365*** (0.102)	0.366*** (0.106)	0.371*** (0.103)	0.373*** (0.104)	0.384*** (0.109)
Gender	-0.188 (0.512)	-0.237 (0.523)	-0.257 (0.525)	-0.268 (0.519)	-0.256 (0.511)	-0.306 (0.514)
Age	0.033 (0.093)	0.042 (0.099)	0.027 (0.107)	0.018 (0.104)	0.019 (0.106)	0.012 (0.107)
Ethnicity	0.034 (0.628)	0.124 (0.608)	0.052 (0.617)	0.053 (0.603)	0.030 (0.616)	0.025 (0.631)
Education country	-0.381 (0.520)	-0.485 (0.518)	-0.401 (0.504)	-0.446 (0.497)	-0.466 (0.508)	-0.443 (0.496)
Work experience total	0.003 (0.092)	-0.014 (0.096)	-0.002 (0.104)	0.003 (0.101)	0.002 (0.102)	0.009 (0.103)
Work experience abroad	0.003 (0.027)	0.003 (0.027)	0.008 (0.028)	0.011 (0.029)	0.014 (0.030)	0.016 (0.030)
Current position	0.729* (0.561)	0.720* (0.557)	0.816* (0.597)	0.857* (0.592)	0.854* (0.593)	0.851* (0.591)
Current position tenure	-0.263*** (0.096)	-0.261*** (0.091)	-0.275*** (0.098)	-0.282*** (0.099)	-0.282*** (0.098)	-0.282*** (0.095)
Company tenure	0.095** (0.047)	0.102** (0.047)	0.115** (0.050)	0.118** (0.049)	0.119** (0.050)	0.121** (0.049)
Country	0.557 (0.786)	0.668 (0.766)	0.632 (0.758)	0.592 (0.746)	0.580 (0.753)	0.639 (0.770)
Constant	2.687 (2.841)	2.351 (2.997)	2.217 (3.127)	1.916 (3.015)	1.943 (3.058)	2.057 (3.068)
Number of observations	180	180	180	180	180	108
Log likelihood	-263.744	-261.886	-259.832	-258.792	-258.740	-257.521
Chi2	51.376	54.497	51.696	62.185	61.930	62.008

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$; one-tailed tests.

Robust standard errors clustered at the respondent level reported in parentheses.

Examining the results reported in Table 5, we observe that the interaction term *identified x close relative* is not statistically significant ($p > 0.10$). This pattern suggests that simultaneously high community and market pressure will not make individuals more, or less, likely to comply with the community logic. Based on these results, the quantitative analysis only partially confirms our hypothesis.

As an additional analysis, we use a Wald test to verify whether the combined effect of the interaction term *identified x close relative* and the main term are simultaneously equal to zero, which would suggest that removing the interaction term does not significantly reduce the model's fit. The results for the estimations reported in Table 4 (i.e., *response send*) reject the null hypothesis that both terms are simultaneously equal to zero ($p < 0.05$).

We highlight several findings related to the control variables. For the dependent variable *response send*, the control variable *country* is highly significant across all models. Therefore, we undertook an additional analysis in which we split the overall sample into two samples: one from Turkey and the other from Kazakhstan. In the Turkish subsample, respondents are likely to defy the market logic, while respondents in the Kazakhstani subsample are likely to comply with the community logic.

However, even in split samples, our hypothesis is only partially confirmed, as the responses to the second logic in both samples are insignificant.

Furthermore, to verify if our results are consistent to alternative model specification, we also tested our prediction using a Tobit model as a way to deal with potential censoring issues. For the Tobit specification we set the lower limit at 1 and the upper limit set at 7. The results were highly similar to those reported in Tables 4 and 5. Finally, we also estimated our results using a rank-ordered logit choice model. This type of model is used as a choice-based method of conjoint analysis which can also be used to model vignettes when the same respondents are exposed to different scenarios. In line with our expectations, the estimations for the rank-ordered logit model are also highly comparable to those reported in our main analyses.

6.2. Qualitative analysis

The results of the quantitative analysis indicate that in a context of high hybridity (i.e., when competing logics are of equal strength), individuals do not choose one logic over the other. Theoretically, there is

an expectation that individuals will try to combine both logics to create new institutional arrangements and preserve the status quo of both logics. How do they do so? In other words, how do individuals fulfill their role as hybridizers? We discuss these questions using data from the qualitative analysis.

6.2.1. On combination

In multiple instances, our respondents talked about the strength of both logics and the need to somehow justify their legitimacy:

Consider the fact that we all work in the private sector. You need to work with the right people. I might want to employ a person I know, but if he or she is unsuitable for the job, there are no two ways about it—that person cannot be employed. If that person is not properly qualified for the job and does not fulfil the requirements of the position, no one in the private sector will give him or her the job for the sake of his or her dark eyes¹ or just to make a friend happy. After all, there is money involved. You pay him or her a salary. Financial losses are involved if you choose the wrong person, so you need to be sure about the candidate. (Commercial manager, Electric company, Turkey)

Qualification is the key word in hiring. I do not want an unqualified candidate even if the candidate is my brother. I am not going to do his job in addition to mine. (Investment manager, Bank, Kazakhstan)

Respondents also highlighted the inefficiencies and limitations of the two logics in certain situations:

Foreigners [Germans] might be a little more concerned about the way in which you hire somebody—the way you select a candidate. The idea that you hire your relatives may damage your reputation. This is, of course, an important issue for a German because he represents his company. (Manager, Construction, Turkey)

If the person is not qualified, I will not recommend him for a job in a foreign company. It is not good for business, it is not good for me, and it is not good for him or her. (Sales manager, Machinery, Kazakhstan)

However, in general, the respondents tried to combine the competing logics through selective coupling. Selective coupling involves combining intact elements drawn from each logic (Pache & Santos, 2013). In our case, these elements were the qualifications of a candidate (market logic) and trust or confidence in the relationship (community logic). Many respondents stressed the importance of having a qualified candidate with the right qualifications for the job regardless of his or her social ties. At the same time, they emphasized the importance of social ties for business:

If he or she is my close relative and is qualified for the job, I will definitely recommend him or her. Otherwise, other relatives will treat me as arrogant. However, if I see that he or she is not qualified for the job, I will say so to the HR manager or other managers. We do not need incompetent employees in key positions in the company, such as the position of risk manager. If the position is secondary—like an administrative position—then I will be more flexible. I may invite relatives. (Finance director, Bank, Kazakhstan)

If you have people close to you that you know well who are full of moral values and that you fully trust—people about whom you can easily say: “This is my friend and I assume responsibility for all of his or her actions”—then you have comfort, business can be conducted faster, and you receive correct information. (Mechanical engineer, Automotive, Turkey)

In the area of recruitment and selection, selective coupling combines the selection of a good CV (the candidate’s qualifications) with the

importance of recommendations (consideration of social ties). Another example of selective coupling is a transparent selection process with the involvement of a third party (market logic) and respect for relationships (community logic):

You can suggest someone, as you are a professional, but a team of experts will be evaluating him or her. ... Your relatives may be suitable and so might your very close friends, and you can provide references. I think it is very important [that there is a final team of experts that go over your recommendation and confirm it]. You provide references regarding such aspects as adaptability and reliability, but I think it is important to have an evaluation by an independent eye to make sure that things fit together. (Business development manager, Construction, Turkey)

In reflecting on their past experiences, our respondents explained that they adhered more to regulations and complied with norms from headquarters when they were still relatively new to the organization, as they were “first and foremost employees of a foreign MNE” (various interviews). In their responses, local managers indicated that early in their careers or at the time when “the Westerners came,” they often tried to conceal nonconformity or engaged in “window dressing”, ritualism, ceremonial pretence or symbolic acceptance” (Oliver, 1991, p. 154–155) of the HQ-imposed norms. Over time, they found ways to move from compliance to what Pache and Santos (2013) refer to as compartmentalization and, later, toward combination. This finding is in line with Pache and Santos’s (2010) claim that local regulative, cognitive, and cultural influences interfere with national and global trends, which then leads toward the homogenization of rules, values, and practices.

After our respondents reflected on the limitations and inefficiencies of the two logics, we usually asked them to describe how they actually responded to the pressures of the competing logics. In their answers, respondents spoke of “both worlds,” “balance,” “double benefits,” and “combination.” For example, with regard to procurement decisions, respondents referred to “consideration of the social network and the transparent documentation of tendering processes.” When discussing recruitment and selection processes, they spoke of “a focus on CVs” and the “involvement of recommendations by the right people”:

I was asked to find a risk manager for one of our company’s holdings. I started contacting and interviewing people from my network—competent family members and friends, former colleagues. ... We hired a person I did not know, but he came from my network and I trusted him. It is important to work with people you trust. It is also better for business. (Finance manager, Financial services, Kazakhstan)

Our company has perfectly combined the emotional, hot-tempered way of the Turks with the systematic, rational style of the Germans. We start things in a very emotional and excited way, like Turks do, but we continue in a disciplined manner, like the Germans. Therefore, we have a perfect mix—a perfect synthesis. (Corporate communications, Automotive, Turkey)

6.2.2. On a hybridizer’s role

We asked interviewees who indicated that they combined both logics to reflect on how they did so. In this regard, they often talked about a “third way,” a “different tactic,” and “non-standard/unconventional, unique approaches”:

If you can balance the two worlds, you can be stronger than purely Turkish or purely German companies. This is the key to success. (Manager, Shopping mall construction, Turkey)

We identified three specific behaviors of local (Kazakhstani and Turkish) managers associated with their role as hybridizers: bridging between two competing logics, boundary spanning, and cultural

¹ Turkish idiom: “for the sake of his or her dark eyes” (i.e., because he or she is attractive/good-looking).

Table 6
Three behaviors associated with the role of hybridizers.

Behaviors	Actions	Examples
Bridging between two competing logics	Use community network to improve business performance Facilitate communication between local and foreign employees Hire and integrate qualified community members	Using connections to open doors, find shortcuts, obtain quality products at reasonable prices, and discover new business opportunities Focus on qualifications in hiring community members (gaining trust and efficiency at the same time)
Boundary spanning	Network with municipalities and government agencies to promote the company, facilitate contracts, speed up the bureaucratic process, etc.	Meeting with government representatives during trade shows and discovering new business opportunities Acting as a representative of the company who speaks the local language (e.g., ministry officials may behave differently if they have to deal with foreign managers and speak English)
Cultural buffering	Use foreign managers as a shield when communicating unpleasant news to locals Understand local cultural requirements and be flexible with market logic requirements	Sending foreign managers to share bad news with customers Asking foreigners to announce that a community member was not hired Being flexible with customers that do not meet payment deadlines Enabling communication between foreign managers and local customers: comprehension of codes, mastering languages

buffering (see Table 6 for descriptions).

6.2.2.1. Bridging between two competing logics. Our respondents often referred to their abilities to build bridges between the two competing institutional orders. They indicated that their use of community ties helped local managers “open doors,” “find shortcuts,” obtain quality products at reasonable prices, and discover business possibilities. Connections, which were precious in the eyes of local managers, also led to trustful business relations, which are extremely important in the context of emerging countries where the economic and business situation may be unstable. Therefore, following community logics becomes a key success factor in the business environment of emerging countries. This capability is associated with optimum business performance, which respondents highlighted by referring to doing things “faster,” “quickly,” “more flexibly,” or “in a more efficient way”:

With good relations ... you can get results and overcome bureaucracy faster because there is confidence in your relationship. Then you can execute tasks and reach a result more quickly. Of course, whenever you do business in Turkey, sweet talk or a warm approach can quickly open doors. It does not necessarily mean an abuse [of power].” (Mechanical engineer, Automotive, Turkey)

In Turkey, we are able to get faster and more practical results without relying too much on the system. However, when you try to make the system more flexible in German companies or when you find shortcuts, you experience many difficulties.” (Deputy general manager, Construction, Turkey)

Another important action that characterizes the role of bridging between two competing logics is hiring and integrating qualified community members into the company. As mentioned above, local managers focused on qualifications when hiring community members. This allowed them to simultaneously gain trust and efficiency, thereby combining the requirements of both community and market logics:

Why should we not bring people into the company who we know well and who work well? Everybody benefits from this. (Manager, Recruitment agency, Kazakhstan)

Even if that person is one of my relatives, his or her qualifications should be evaluated by the purchasing department. After that, a job offer can be made by that department. In a company like this, I want to avoid being regarded as someone who gains an advantage from my acquaintances. However, I will suggest my relative, saying “I know a person who has been in this business for many years. I trust him or her, but I cannot make any claims regarding the possible salary. It is up to you to decide whether to make an offer. I will not force you, but I want you to evaluate him or her.” If I do not do that, I will lose face. (Mechanical engineer, Engineering, Turkey)

6.2.2.2. Boundary spanning. Boundary spanners are defined as people who act as knowledge intermediaries between individuals inside and outside their organizations. They serve as critical links between organizations and their environments (Adams, 1976; Aldrich & Herker, 1977; Dowling, Festing, & Engle, 2013; Friedman & Podolny, 1992). Scholars in the field of international HRM view expatriates as boundary spanners because they represent the company in the host country and may gather information on it (e.g., Dowling et al., 2013). Local managers working for subsidiaries of foreign MNEs also fulfil this important role. These managers bring market intelligence to their companies, and they promote their companies to municipalities and different government agencies. Most importantly, they can open doors, facilitate contracts, and speed up bureaucratic procedures using their networks, thus fulfilling their role as a bridge between two competing logics. Boundary spanning is extremely important in the context of emerging countries, where government agencies pay special attention to the country’s business development:

There is a huge difference between Germany and Turkey in relationships with the municipalities. Because the economy in Turkey is growing and booming, the government views foreign investors in a slightly more positive way. ... I did not see any German ministers visit the company’s stand for at least ten years, but a Turkish minister visited it. They are even so concerned about our operations here that they ask questions. The Minister of the Economy personally comes to visit and then he asks, “Why don’t you buy the project in Ankara?”. They know what type of business we are involved in because they are in the loop. Direct foreign investments are very important for them. When you invite a minister to an inauguration, they come. (Business development manager, Construction industry, Turkey)

Municipalities, governments—you need to get along with them well, and consider their political opinions and values. For example, if religion is very important to them, you need to respect that even if you have another opinion. This is particularly true in countries with a structure like ours, such as those in South America and Asia. (Commercial manager, Automotive, Turkey)

In most cases, foreign managers (expatriates) are unable to act as boundary spanners for MNEs because they do not speak the local language. Local managers are extremely helpful in such situations because ministry or municipality officials prefer to deal with local managers who speak their language and share their culture:

The finance ministry is reluctant to give foreigners an appointment because they cannot speak English. It is also the same at the central bank. (Executive vice president, Bank, Turkey)

In this regard, our study demonstrates how the interplay between community and market logics “on the ground” can mitigate institutional voids from the perspective of an MNE.

6.2.2.3. Cultural buffering. The role of cultural buffer is key because it helps reduce potential conflicts between foreign managers (and the market logic they represent) and local people (e.g., employees, customers, and contractors adhering to a community logic). According to our respondents, local stakeholders expected local managers (i.e., managers of Turkish or Kazakhstani origin) to act in “their way” and to adhere to the community logic. If the manager was of German origin, compliance with the community logic was not expected. This is why local managers preferred to ask foreign managers to reject candidates (i.e., members of the community who did not make it through the selection process), and to present bad news to customers or contractors. If local managers handle these activities, they may damage their reputation and trust, thereby weakening community ties. Notably, when local managers use foreign managers as a shield, there is greater tolerance of the unpleasant news:

“You made a mistake. You are wrong. Are you stupid?”—when Germans say such things to our customers, the customers do not take them as negative because it is not a Turk saying them. I can see that this is very effective sometimes. If we have to deliver bad news, we ask a German to do it. Then we say, “Yes, he is right.” It is very straightforward. You do not have present the bad news—the German does, and you then jump in and say to the customer “Did he say something wrong, brother?”. (Deputy general manager, ECE, Turkey)

Another example of cultural buffering, this time in relation to foreign managers, is being flexible with rules dictated by subsidiaries that are sometimes not completely adapted to the business reality of emerging economies. This is why local managers who may circumvent the rules (e.g., laws that were recently passed but extremely difficult to apply) or who may be more flexible than foreign managers with customers who do not meet the payment deadlines play an important role in avoiding unnecessary conflicts:

In our business environment, flexibility and agility are keys to success. Therefore, we need people who think and act “around” the rules—not breaking them, but knowing where to bend them. (VP in HR, Bank, Kazakhstan)

In general, hybridizers act as a catalyst between two different cultures. They facilitate communication between foreign managers and locals because they are aware of the differences and understand the codes of both cultures:

The German and Turkish cultures differ from each other. We are more of a Mediterranean country and somewhat close to the Middle Eastern countries. Even if everything is bound in rules, they are based on human relations. However, a German looks at rules and at how business is done differently. He or she says “I gave my bid once, I have a contract, so I do not need to visit my customers every month or every three months. This is written in my contract. If I send this report monthly or every three months, that means I have fulfilled my end of the deal” and evades that work. That is the German perspective. However, our Turkish customers expect to see our faces or chat with us. They want to share problems with us face to face. They do not want to engage in e-mail correspondence, which is remote and cold. This stems entirely from culture. In Turkey, if you have defects, they ignore them when you come face to face, but they do not want a cold relationship based on remote correspondence. (Deputy general manager, Construction, Turkey)

7. Discussion

In this paper, we studied the individual responses of local managers operating in hybrid contexts in which they experience equally strong, conflicting pressures from market and community logics. Specifically,

we looked at individuals working for subsidiaries of western MNEs, which represent market logics, and living in their own social environments (Turkey and Kazakhstan). Most studies published on this topic to date focus on the organizational level (Sarabi, Froese, Chng, & Meyer, 2020) and explore how characteristics of the subsidiary affect its performance (O’Brien, Sharkey Scott, Andersson, & Ambos, 2019). However, the influence of subsidiary/local managers has largely been overlooked in IB (Strutzenberger & Ambos, 2014).

We hypothesized that individuals who experience strong pressures from both market and community logics will not choose one logic over another. Instead, they will try to combine both logics and create some kind of workable solutions that protect the institutional status quo of both logics and ensure that both logics prevail. We also explored how this combination of logics occurs and how individuals fulfill their role as hybridizers.

We found partial support for our hypothesis in our quantitative analysis. The qualitative data showed that individuals in contexts of high hybridity, which are characterized by equally strong pressures from competing logics, will not choose one logic over another. Following qualitative analysis showed that, in their role as hybridizers, individuals are able to balance the interests of different coalitions representing competing logics in order to achieve optimum business performance and, in some instances, a competitive advantage. In other words, without attempting to resolve the possible conflicts between two competing logics (as argued in previous studies, e.g., Mair & Hehenberger, 2014), individuals simultaneously act upon both logics and use that combination as a strategic resource. In other words, they are likely to adopt a selective coupling strategy that combines elements drawn from each logic (Pache & Santos, 2013). In our case, these elements were a candidate’s qualifications (market logic) and trust or confidence in the relationship (community logic).

Our findings are in line with the theoretical predictions found in Pache and Santos (2013) and other studies in institutional theory arguing for differences in individual responses to competing institutional logics (Almandoz, 2012; Meyer & Hammerschmid, 2006) and stressing the role of individuals (Lawrence, Suddaby, & Leca, 2009; Lawrence, Suddaby, & Leca, 2011; Powell & Colyvas, 2008). However, our findings further highlight the need for a more fine-grained understanding of the role of individuals in institutional contexts characterized by competing logics. Future research should also look deeper into the micro-processes that drive the behavior of hybridizers and engage in theorizing about whether such micro-processes might be influenced by organizational practices. Moreover, researchers often assume that an organization (or particular individuals in an organization) responds in a single way to conflicting demands (Greenwood et al., 2011). However, individuals may need time to address conflicting institutional demands and they may adjust their responses. Therefore, we recommend studying how organizational responses develop over time. Another potentially fruitful avenue of research stemming from our qualitative analysis could focus on the organizational performance implications of having hybridizers in strategic positions. Finally, our understanding of the desirability of “multiple selves” in organizations has implications for debates on diversity management and its business implications.

Another relevant line of research, particularly for IB studies, would be to assess the generalizability of our findings by exploring the suggested individual responses in other contexts characterized by high hybridity. We believe that in many pluralistic societies where the market logic is relatively new (compared to the community logic), local employees working in the subsidiaries of western MNEs will exhibit similar patterns in their responses to the competing institutional logics. We also believe that they deal with the institutional complexity in a much more fluid manner than the “either/or” thinking (Chen & Miller, 2011) that tends to characterize academic discussions. We therefore encourage in-depth studies of managers’ cognitive response strategies when faced with multiple institutional demands as well as examinations of how those strategies interrelate with behavioral strategies, such as those

observed in this paper.

8. Conclusion

Despite the multiple limitations of this paper (e.g., the chosen methods, the sample population, and the reliance on two countries), we believe our research is timely. We extend the institutional logics literature to the IB setting and, thereby, respond to numerous calls to analyze how and why actors react to different institutional logics (e.g., Thornton & Ocasio, 1999).

In addition to its theoretical insights, our research may help managers deal with competing logics in a multinational setting. Our study has direct implications for the management of HQ-subsidary relationships in terms of the transfer and implementation of management practices. In particular, we stress the importance of having clearly articulated global management practices and striving for their implementation, especially in pluralistic societies. In relation to this goal, our findings highlight the importance of recognizing the presence of “multiple-self” individuals (individuals who strongly identify with both logics) in hybrid organizations and putting them into pivotal or strategic positions. Such individuals have the abilities needed to become true institutional entrepreneurs (Maguire, Hardy, & Lawrence, 2004; Powell & Sandholtz, 2012), to engage in the ambidextrous behavior necessary for dealing with institutional complexity, and to become sources of institutional adaptation and innovation (Pache & Santos, 2013). Our findings should also inspire researchers to reconsider the generic definition of talent in MNEs, which thus far only encompasses aspects of performance and potential (single-market logic).

Overall, contrary to recent warnings regarding the “dark side” of strong organizational identification for multicultural employees (Fitzsimmons, 2013), we argue that managers of western subsidiaries in emerging economies should push towards stronger identification with market logics, which entails numerous benefits for MNEs (see Edwards, Sanchez-Mangas, Jalette, Lavelle, & Minbaeva, 2016). This could be done through, for example, the pursuit of high-performance work systems across all subsidiaries (Dastmalchian, Bacon, & McNeil, 2020). Identification with the market logic increases when management practices supporting that logic are available, accessible, activated, and proven to be useful for individual purposes. Stronger identification with the market logic is necessary because this logic is relatively new in the context of emerging economies and because local employees are continuously exposed to the pressures of the community logic in their daily social interactions through cues that activate the “schemata, logics, and frames” (DiMaggio, 1997, p. 283) of social obligation.

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