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# Managerial Communication Competences for Knowledge Hybridization and Innovations: A Framework for Effective Knowledge Transfer in MNE Hotel Operating in Athens, Greece

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The research investigates the role of managerial competences (MC) and knowledge dynamics for effective knowledge transfer (EKT) in an international market during the Greek economic crisis of 2007-2010. Like other economies, Greece faced a serious recession in 2009, which submerged the country into a major funding crisis and resulted in austerity measures. A Troika fund was obtained with the aim of precluding Greece from economic failure. The paper focuses on the managers' perspectives as to how new products and local opportunities are exploited via EKT in subsidiaries of multinational enterprise (MNE) hotels operating in Athens, Greece. Semi-structured interviews with 15 general managers and practitioners of subsidiaries operating in Athens are used representing a range of different activities and sizes. The results identify how managerial communication competences underpin the process of inter- or intra-organizational KT between and within subsidiaries. The research highlights that there is a call to cultivate communication abilities, flexibility, a greater level of autonomy, and open door strategies with the purpose of turning knowledge into commercial ends, through organizational innovation and new product developments. Recently, there has been little focus on the practice influence of managerial and communication skills on the management of MNEs hotels in a competitive host country, of most previous studies estimating the call for competences rather than the genuine owning of these among managers and practitioners. This article sheds the light on a great number of promising activities to utilize inter/intra-organizational KT. Specifically, the managerial communication competences model operates as an initial toolkit for managerial decision-making when facing severe competition in the host country in terms of utilizing, communicating, or seeking to apply the best internal/external KT practices.

*Keywords:* knowledge transfer (KT), MNE hotels, managerial competences (MC), innovation

## Introduction

This study investigates the managerial competences (MC) which underpin the process of effective knowledge transfer (EKT) in multinational enterprise (MNE) hotels during a period of economic crisis, using Athens, Greece as a research context. The work is particularly significant as this article highlights a number of

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encouraging undertakings to exploit inter/intra-organizational knowledge transfer (KT). Specifically, managerial communication skills appear as a first key component for managerial decision-making when experiencing ferocious competition in a cross-border context in terms of exploiting, communicating, or attempting to undertake the best internal/external KT practices.

Although the Greek economy is showing signs of improvement since the 2008 crash as a result of conditions imposed by the troika (The European Union (EU), the European Central Bank (ECB), and the International Monetary Fund (IMF)), its economy continues to struggle. By the end of the year 2012, the country's gross domestic product (GDP) has dropped cumulatively by more than 20%, with redundancy surpassing 27% in the summer of 2013 (Herrmann & Kritikos, 2013).

The Greek economy is largely focused on agriculture and tourism with shares of both these lying above beyond the EU average (Tsakanikas, 2012). Tourism is likely to continue to be a significant share of Greece's economy, although for long-term sustainable prosperity, the country needs to construct supplementary activities with high added value (Herrmann & Kritikos, 2013). An innovation-driven economy requires three kinds of skill components: research skills alongside the innovation chain, individual personalities and competences gifted to be innovative and inventive but risk-aware (Knight, 1921; Caliendo, Fossen, & Kritikos, 2011), and competent managerial skills to convert innovative models to profitable products and services.

### The Economic Crisis in Greece and its Impact on the Hotel Sector

As the Greek financial crisis entered its 5th year, the Greek fiscal condition contributed to the depreciation of the rate of the euro against the other currencies; this in turn meant that tourism in Greece or anywhere in the EU became quite cheap for USA citizens and other overseas tourists (Kapiki, 2012).

Table 1 illustrates the evolution of fundamental statistics and presentation indicators of Greek tourism for the years 2007, 2008, 2009, and 2010 (the era of the global economic crisis).

Table 1

*Fundamental Statistics of Greek Tourism for the Years 2007, 2008, 2009, and 2010*

|                        |                                      | Year    |           |         |         |
|------------------------|--------------------------------------|---------|-----------|---------|---------|
|                        |                                      | 2007    | 2008      | 2009    | 2010    |
| Basic figures          | Contribution to GDP                  | 17.3%   | 16.5%     | 15.2%   | 15.3%   |
|                        | Contribution to employment           | 20.2%   | 19.9%     | 17.7%   | 17.9%   |
| Performance indicators | Rank-receipts                        | 13th    | 12th      | 15th    | 21st    |
|                        | International tourism receipts (bi.) | 15.5\$  | 17.1\$    | 14.5\$  | 12.7\$  |
|                        | Average per capita expenditure       | 956.8\$ | 1,075.5\$ | 973.2\$ | 846.7\$ |
|                        | Market share world-receipts          | 1.8%    | 1.8%      | 1.7%    | 1.4%    |

*Note.* Source: Adapted from Association of Greek Tourism Enterprises (2011).

The above statistics disclose that 2008 was a positive year for the Greek tourism as the international tourism revenues were the highest tourism revenues Greece ever had and the average per capita payments. Yet, over the following two years of 2009 and 2010, the influence of economic crisis on figures related to the Greek tourism is obvious and caused the subsequent adverse ratios, a fall in input to GDP 2007-2010: 2%, a fall in international tourism revenues 2007-2010: 18, 0.6%, a fall in average per capita payments 2007-2010: 11, 5%, and a fall in market share worldwide revenues 2007-2010: 0, 4%.

Figure 1 and Table 2 below show the evolution of the turnover index in the Greek tourism sector for the years of 2005-2010.

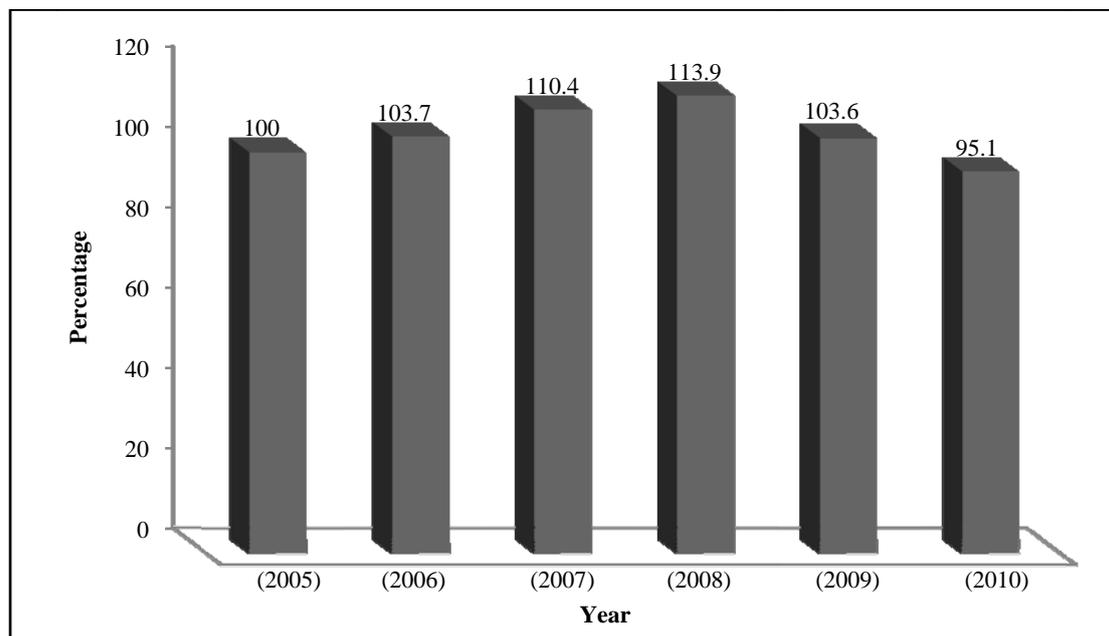


Figure 1. The evolution of the turnover index in the Greek tourism sector (Base year: 2005 = 100).

Source: Adapted from Hellenic Statistical Authority (2011).

Table 2

Evolution of the Turnover Index in the Greek Tourism Sector (Base Year: 2005 = 100)

| Year | Index | Year on year growth rates (%) |
|------|-------|-------------------------------|
| 2005 | 100   | -                             |
| 2006 | 103.7 | 3.7                           |
| 2007 | 110.4 | 6.5                           |
| 2008 | 113.9 | 3.2                           |
| 2009 | 103.6 | -9.1                          |
| 2010 | 95.1  | -8.2                          |

Note. Source: Adapted from Hellenic Statistical Authority (2011).

Descriptive summaries: the gathering of the turnover indices in the tourism sector includes enterprises with year revenues equivalent to or greater than 250,000 euros, denoted by an example of 158 organizations. The revenue index in the tourism sector includes the country total regarding the lodging and food facility undertakings (Hellenic Statistical Authority, 2011).

Data show that the turnover index in the Greek tourism sector declined by 9.1% in 2009, in comparison to 2008, and by 8.2% in 2010, in comparison to the performance in 2009. By 2010, Greece ranked the 21st in Europe and 29th globally in the Travel and Tourism Competitiveness Index (2011) rankings, a decline of five points since 2009 (World Economic Forum, September 2011). Nevertheless, bearing in mind that the severe recession that Greece was then experiencing, these developments were relatively encouraging, and suggested that the country will succeed to sustain and be able to survive the profound economic crisis.

### **The Need for EKT to Get Competitive Advantage**

The importance of developing and sharing knowledge in order to stay competitive for the future has been underlined by many authors (Hedlund, 1994; Grant, 1996). Consequently, the management of knowledge, and specifically KT, requires MC (skills, attitudes, abilities, and behaviours) with regard to the ability to assemble, share, and utilise information across business units (Lagerström & Andersson, 2003). Therefore, the role of knowledge as a critical organisational resource is being increasingly recognised in the management literature (Teece, Pisano, & Shuen, 1997; Bhagat, Kedia, Harveston, & Triandis, 2002). However, EKT requires effective performance, managerial skills, and abilities and attributes to be applied within organisations.

In the context of this study, it has been argued that, “Due to the fierce competition in the industry, the demands for diverse, valuable, and inimitable services and products from customers and innovativeness-achieving competitors have placed much more pressure on hotels” (Kim, G. Lee, Paek, & S. Lee, 2013, p. 697).

As a result, organisations have paid more attention to human capital. The relevant studies and development of competency have become a major topic in the field of human resources (HRs) over the past decade (Ulrich, Younger, & Brockbank, 2008; Naris & Ukpere, 2009). Therefore, there is a need to understand what MCs are required for underpinning the process of EKT in MNEs. This is important in the area of MNE hotels as this area is considered as a HR-intensive sector, where employees in hotels need to be “performers” rather than workers (Yoon & Suh, 2003), skilful in terms of interaction with customers (Nikolich & Sparks, 1995).

Many authors have recently outlined the particular importance of KT as a challenge in managing knowledge, and the issue becomes especially critical in MNEs. For instance, Arvidsson and Birkinshaw (2007) argued that “how to make effective use of their collective knowledge” is a fundamental challenge for MNEs. Consequently, a major competitive advantage for MNEs is their ability to exploit locally created knowledge worldwide (Nohria & Ghoshal, 1997; Gupta & Govindarajan, 2000). As MNEs aim to replicate their success across borders, they “will need to focus not just on what they know, but how they gain that knowledge and diffuse it throughout the enterprise” (Riesenberger, 1998, p. 97).

Previous studies have confirmed the positive impact of tacit KT on facilitating and improving the efficiency of different processes, such as management processes pertaining to customer relations (Salomann, Dous, Kolbe, & Brenner, 2005; Sigala, 2005), supply chain performance (Sigala, 2004; Hult, Ketchen, Cavusgil, & Calantone, 2006), organisational learning (Senge, 1990), as well as new service development processes (Cavusgil, Calantone, & Zhao, 2003; Sigala & Chalkiti, 2007). However, there are no previous studies aiming to examine how these tacit knowledge resources are utilised for generating new products and innovations, supported by managerial communication competences in MNE hotels operating in Greece.

### **The Position of Competences in Effecting KT**

According to Cummings and Teng (2003), successful KT is the ability to absorb valuable pieces of knowledge, adjust them to the organization’s requirements, opportunities and personnel skills, and utilise them appropriately. Argote and Ingram (2000) and Nonaka (1991) further suggested that transferred knowledge should be modified and adjusted to the particular characteristics, instruments, and routines of the organization and personnel skills like to puzzle pieces which must be fitted together in the framework of an organization (Avdimiotis, 2012).

The knowledge existing in the hospitality sector is categorised as highly tacit and complex in nature. These types of knowledge usually reside in employees' skills and experiences, in contrast to the manufacturing sector where they may be available in the form of patents and/or reports. Thus, despite the fact that hotel staff have numerous opportunities to collect customer information during the hotel service processes, loss of this information can occur if staff fail to recognise its importance and codify it for transfer or else if the staff misinterpret the information or misuse it to serve their personal interests or sell it to the competition (Du Plessis, 2005). Therefore, MC needs to be in place to underpin the process of EKT. Thus, when it comes to KT within the context of the hospitality sector, both subsidiary and parent firms need to consider the nature of knowledge and infrastructures needed for EKT.

In some enterprises, it is common practice to involve clients in the improvement of their products and services. These clients, termed lead users, are ahead of market tendencies and have requests that go further those of typical clients (Wheelen & Hunger, 2008). The objective here for managers and practitioners of the MNEs hotels is to obtain ideas from clients and appreciate and utilise their wants, turning their knowledge into new opportunities, services, products, and innovations through their communication skills.

These skills and attitudes are deemed by managers and practitioners of the MNE hotel subsidiaries to underpin the analysis and interpretation of knowledge for their employees.

### **The Need to Develop a Framework for EKT in MNE Hotels in a Context of Economic Crisis**

The complexity of MNEs and the sophisticated and competitive nature of the markets have focused these organizations on ways of obtaining competitive advantage. In the case of Greece, the difficulty in achieving this is compounded by the minority of MNEs hotels operating in Greece, against the presence of local and national hotels and perhaps this scarcity of MNEs hotels necessitates certain MC for effective transfer of knowledge. A number of writers have focused their attention on the effective transfer of knowledge as being of key importance in obtaining competitive advantage. But what are the competencies - the knowledge skills and abilities that are required to affect the successful transfer of knowledge?

Establishing the effective transfer of knowledge as a key determinant of competitive advantage, this study sets out the need for developing a framework to understand the particular competencies required to achieve EKT. The study also considers the particular economic crisis period in this context, to understand competencies of managers and practitioners of MNE hotels operating in Athens, Greece, for utilizing intra/inter-organizational KT with particular reference to the competencies required for EKT in the Greek context.

### **Research Method**

The four MNEs participating in the research were selected for the study as MNEs having subsidiaries operating in Athens, Greece for more than decade. The four enterprises came from different backgrounds and countries, including Spain and the UK. The enterprises were selected based on their international presence in more than 10 countries following Vernon (1966), who specified that companies must have investments in at least six foreign countries. Enterprises' titles remain unidentified, as recommended for ethical issues, being substituted by alphabetical initials.

#### **Description of Enterprises**

Enterprise A is currently one of the largest UK-based multinational hotels, and one of the largest globally with about 3,500 hotels worldwide, with 314 rooms, and 193-200 employees in the Athens subsidiary.

Enterprise B is currently one of the largest Spanish multinational hotels and one of the largest globally with about 400 hotels, in America, Europe, Asia, and Africa, and with 136 rooms and 65 employees in the Athens subsidiary.

Enterprise C is currently one of the largest British-based multinational hotels and one of the largest globally. It has around 3,600 hotels all over the world, and has 176 rooms and 75 employees in its Athens subsidiary. The enterprise has its headquarters in the UK with managerial platform in Athens.

Finally, Enterprise D is an American international chain of full service hotels and resorts and a leading brand worldwide. Enterprise D has about 530 hotels across the world in 78 countries, with 506 rooms and 370 employees in the Athens subsidiary. The enterprise has its headquarters in USA.

### **The Sample**

The research sample of the present study encompassed general managers and HR professionals in the network of knowledge-reliant MNE hotels operating in Athens, Greece. These companies were selected of GMs of MNEs, management consultancy companies in Athens, Greece and practitioners (e.g., HVS with STR Global data) as well as heeding the recommendations of researchers, such as Koutoulas (2006; 2007; 2009), Sigala and Chalkiti (2007). The selection of knowledge-intensive organisations such as MNE hotels was based on the significant co-reliance that exists between them and their headquarters, suppliers, clients, competition and counterparts with regard to KT. It is argued that these companies require an HR management approach that takes into account their knowledge-intensive character, rather than focusing solely on the strategy of “best practice” (Swart & Kinnie, 2003). Besides, as Janczak (2004, p. 210) put it, GMs are required to participate in face-to-face discussion linking managers of different ranks so as to communally solve problems. Hence, the research sample was composed of 15 GMs and HR professionals working in 15 different MNE hotels in Athens, Greece.

Additionally, the participants were selected across departments, functions, and organisational levels in order to avoid individual bias. This study carefully selected interviewees whose birth and residential countries were the same, in order to minimise inclusion of individuals with an experience of cross-cultural living (Joy & Kolb, 2007). This cross-cultural effect was considered in all the interviews data, and any potential bias was noted at the time the survey was taken/received.

### **Data Collection and Analysis**

The research was conducted in four MNE hotel subsidiaries operating in Athens, Greece. In general, studies in the field of KT and knowledge management have conducted and analysed their studies by using only quantitative methods, such as questionnaires and Likert scales, but for the sake of this study, the researcher sought to do the opposite, by using only a qualitative method in order to open an innovative research standpoint in the field area. Therefore, data were acquired from semi-structured interviews with GMs and practitioners as primary sources. Four specialists and peers were consulted to authenticate the data collection tool (the interview guide) and suggested slight modifications to the innovative tool, which was grounded in the research conducted by Kogut and Zander (1995), Berlo (1960), Li and Hsieh (2009), and Pemberton and Stonehouse (2000).

The applicants were selected based upon their high-ranking management posts and capacity to present different parts of industry (HR managers). In the semi-structured interviews, managers were interviewed, in their offices, at their convenience, hence enabling the flow of discussion. Either one GM or HR practitioner per company was interviewed; in an attempt to address the recommendation by Yang, Mudambi, and Meyer (2008), in which international management research frequently interviews only one participant by business.

Table 3 includes the characteristics of the interviewees in terms of their names, nationality, job title, industry, and interview duration.

Table 3

*The 4th Interviews in the MNEs Hotel Sector Operating in Athens, Greece*

| No. | Name    | Gender | Nationality | Job title                   | Industry | Location          | Interview duration | Profile   | Additional skills               |
|-----|---------|--------|-------------|-----------------------------|----------|-------------------|--------------------|---|---------------------------------|
| 3   | (D/K 2) | Male   | Greek       | GM                          | H o /I   | Athens/<br>Greece | 80 minutes         | 10 years of working experience in the Greece hospitality industry | French, English, and Germany    |
| 2   | (S/A 5) | Female | Greek       | Director of marketing       | M/A      | Athens/<br>Greece | 60 minutes         | 3 years of experience   | English, French, Greek, Spanish |
| 4   | (D/L 7) | Female | Greek       | HR                          | H/I      | Athens/<br>Greece | 56 minutes         | 5 years of work experience in the hospitality industry            | English, French, and others     |
| 1   | (A/M 8) | Male   | Greek       | Director of human resources | L/M      | Athens/<br>Greece | 99 minutes         | 28 years of experience  | Multilingual skills             |

**The Analysis Process Based on Thematic Analysis**

Thematic analysis is geared towards the detection, analysis, and documentation of models or themes contained by data. Through this technique, data are described and structured in great detail. What is more, the method can also generate interpretations of numerous other dimensions of the research.

**Findings and Discussion**

**Generation of Innovation in the Subsidiaries**

The present study applied “theme-centred” method of analysis (Thagaard, 2003), beneficial for its theoretical independence (Braun & Clarke, 2006) and the analysis was guided by theoretical interest as well as by the type of data.

The thematic analysis of the semi-structured interviews revealed that the creation of innovation is no longer expected from the headquarters as generally suggested in the literature. In the case of these hotels, generating innovations was heavily concentrated on the subsidiaries in areas where they had specific managerial communication competencies. The data analysis illustrated interesting consequences. Three phases were revealed: (1) the individual competences for the utilisation of customer tacit knowledge for innovations; (2) a cultural system and organisational flexibility for innovations; and (3) MC underpins the intra-organisational process via knowledge development for innovations in these MNE hotel subsidiaries operating in Athens.

Concerning the first phase, the presence and role of innovation is clearly highlighted in the accounts of the GMs and practitioners interviewed. In the four MNEs in the research, while from dissimilar sectors and involving subsidiaries of different sizes and backgrounds, and level of experience, innovation seems to be contingent upon the utilization of managerial communication skills and competences of these subsidiaries. While managers/practitioners interviewed were from dissimilar organizational contexts, the innovative approach was always emphasized.

### **The Individual Competences for the Utilization of Customer Tacit Knowledge for Innovations**

The interviews highlighted the role of individual competences for the utilisation of customer tacit knowledge for innovations (see Table 4). The interviewees' responses indicated how they utilise their competences and communication skills by listening, transforming, training, changing, and applying these skills to utilize tacit knowledge from meetings with their employees and colleagues, client feedback, complaints, and notices, in order to underpin the process of EKT and by turning these into behaviours and new products for innovation.

Table 4

#### *Individual Competences for the Utilization of Customer Tacit Knowledge for Innovations*

| Key concept   | Key studies   | Key findings  |
|---|---|---|
| Clients have become an essential resource of information, based on power of choice, growing competition, and the availability of information. | Johannessen, Olaisen, and Olsen (2001); Thomke and von Hippel (2002); Koskinen and Vanharanta (2002). | <ol style="list-style-type: none"> <li>1. The individual competences needed for the utilization of customer tacit knowledge for innovations.</li> <li>2. The critical role of the utilization of tacit knowledge in innovation and new service development activities.</li> <li>3. The basic competences (multilingual/communicative/coaching/explaining in persuasive manner/innovative) of managers and practitioners of the MNE hotel subsidiaries operating in Athens, Greece.</li> </ol> |

From a manager's perspective, the key problem with respect to knowledge characteristics was knowledge explicitness/documentation. Documenting knowledge was considered a tool to enable KT. The first advantage of documented knowledge (explicit knowledge) is that it is always accessible, unlike tacit knowledge which exists in the human brain and cannot be easily accessed by others. The additional advantage is that documented knowledge is easier to understand. Understanding non-documented knowledge requires a different skill-set than understanding documented knowledge. These skills and attitudes are deemed by managers and practitioners of the MNE hotel subsidiaries to underpin the analysis and interpretation of knowledge for their employees.

Thus, the respondents considered that explicit knowledge has a higher chance of being successfully transferred than tacit knowledge. This confirms the established view that knowledge characteristics impact EKT. Two advantages of explicit knowledge are accessibility and understandability. Explicit knowledge enables knowledge-seekers to look for and learn know-how as desired. Thus, it can develop both the amount of knowledge that is transferred (Gupta & Govindarajan, 2000) and the speed at which it is transferred (Kogut & Zander, 1995).

In the second phase, innovation does not extend to entire parts of the business in the organization, but rather emphasises particular processes products, services, attitudes, behaviour, and skills. In relation to organizations A, B, C, and D, the focus is on the improvement and presentation of new service. The managers and practitioners in organizations A, B, C, and D underscored that the cultural system and organisational flexibility were regarded as the cornerstone facilitators for innovation.

**Cultural System and Organisational Flexibility for Innovations**

The following summary from the interviews transcripts (see Table 5) highlights that the organizational cultural system and flexibility were considered to constitute important factors in the processes of KT effectiveness. KT researchers have also shown that the characteristics of a social and organizational system impact transfer effectiveness. This confirms the role of the cultural system and organisational flexibility in underpinning innovations. From the above interviewee responses, two routines of communication can be discerned, namely, flexible organizational culture systems, as well as the perception of the transferred knowledge, which is flexible enough to be transferred and adapted to local conditions and settings. This illustrates how flexibility is considered as a new moderator for innovations in these MNE hotels operating in Greece.

Table 5

*Summary of Key Findings Regarding the Effect of the Social Cultural System in the Sender/Recipient Environment on KT Effectiveness of MNE Hotel Subsidiaries Operating in Greece*

| Key concept  | Key studies   | Key findings  |
|--|---|---|
| Socio-cultural systems can impose a barrier to transfer effectiveness. | Lord and Ranft (2000); Jantunen (2005); Easterby-Smith and Prieto (2008). | <ol style="list-style-type: none"> <li>1. Cultural systems (in particular the aspect of flexibility) are considered to be another moderator influencing innovations in MNE hotel subsidiaries operating in Athens, Greece.</li> <li>2. Flexibility, innovation, and constant growth of operations have become essentials in business strategy and are considered to be another factor influencing EKT in MNE hotel subsidiaries operating in Athens, Greece.</li> <li>3. The system in which the source/recipient of knowledge is embedded influences innovations.</li> </ol> |

These results confirm findings in the literature that the characteristics of a social and organisational system impact transfer effectiveness. With respect to organisational culture, a study by Simonin (2004) demonstrated that a learning culture positively influences KT. Furthermore, Lucas (2006) and Pérez López, Montes Peon, and Vazquez Ordás (2004) reported that a collaborative culture has a positive impact on KT.

Some of the interviewees suggested that the characteristic of the system in which the source is embedded impacts the transfer of knowledge. Such systems define the possibilities and limits for the source or the recipient to engage in KT. The managers in particular focused on aspects of organisational flexibility; a lack of flexibility can also be the result of path dependency. Inflexible sources are more likely to act in a way that reflects their past behaviour. Similarly, the recipient’s socio-cultural system can impose a barrier to EKT.

That the core of the problem is inflexibility and organisational routine can be seen from the managers’ elaborations. The socio-cultural system is a very complex construct, but the most important issue derived from the interviews was that an organisation’s “source and recipient” can develop systems and habits that hinder the actors involved in KT from effectively exchanging know-how with each other. Again, flexibility is at the heart of this problem; for instance, G. Hofstede and G. J. Hofstede (2005) proposed normative vs. pragmatic dimension, which describes the extent to which organisations are pragmatic, focusing on customer needs and results rather than procedures. O’Reilly, Chatman, and Caldwell (1991) also argued that organisational culture profile revealed a dimension called innovation, which is representative of organisations that innovate, take opportunities and risks, experiment, and are not rule-oriented.

Business strategies rely on three vital elements, namely, innovation, flexibility, and constant operational development (Jantunen, 2005; Easterby-Smith & Prieto, 2008). “Innovation” has been defined by Teece (1986) as the incorporation of cutting-edge technologies and creative ideas into the development of new products and services. Thus, innovation transfer represents a distinct type of KT, in which the knowledge pertains to the skills and competences related to an innovation that the organisational subsidiary wishing to implement the innovation would have to acquire.

The location of MNEs in different geographical regions is conducive to the sharing of new knowledge, which, given the fierce market competition, is of great importance.

If knowledge and innovation are inadequate in the organization’s headquarters or home country, internationalization policies can therefore be formulated to address this deficiency (Camuffo, Furlan, Romano, & Vinelli, 2007). The interviewees in the current research confirmed that the cultural system, and in particular the aspect of flexibility, is considered to be another factor influencing innovations in these Greek subsidiaries.

Table 6

*Summary of the Key Findings Exploring How MC Underpins Core Processes in the Effective Transfer of Knowledge of MNE Hotel Subsidiaries Operating in Athens, Greece for Innovations*

| Key concept   | Key studies                                      | Key findings  |
|---|--|---|
| As previously mentioned, inter-organizational KT is more difficult to accomplish than the intra-organizational one. | Grant (1996); Revilla, Prieto, and Prado (2010). | <ol style="list-style-type: none"> <li>1. MC underpins the intra-organizational process through knowledge development for KT effectiveness.</li> <li>2. The ability to: identify relevant knowledge, recognize and identify the problem using the acquired knowledge, and utilize this knowledge for problem-solving and innovations.</li> <li>3. The success and/or survival of firms in the highly competitive environment depend on their ability to create new products and/or services.</li> </ol> |

The above summary of the transcripts (see Table 6) highlights the role of the individual competences for the utilisation of customer tacit knowledge for innovations. The interviewee responses indicated how they utilise their competences and communication skills by listening, transforming, training, changing, and applying these skills to utilize tacit knowledge from meetings with their employees and colleagues, client feedback, complaints, and notices, in order to underpin the process of EKT and by turning these into behaviours and new products for innovation.

In conclusion, the MNEs in the research recognized the role of managerial communication competences in utilising clients, employees, counterparts, rival, external/internal knowledge that are contributing to the utilization of local opportunities in market trends. However, they benefit from innovations and utilizing local opportunities regarding to their tangible essentials by taking a part in the improvement of the services, attitudes, behaviour, products, and innovations that they need and therefore achieving competitive advantage than others in the market.

**Autonomy for New Products and Local Opportunities**

Managers and practitioners of the MNE hotels operating in Athens, Greece indicated that even if they are confined and circumscribed by the regulations and standards of the international arena, the competitive market necessitates the application of a certain degree of autonomy and adjusting to local needs. However, the finding of recent contributions does not concur with this traditional view. According to Gupta and Govindarajan (1991), the level of autonomy is expected to be varied based on subsidiary typology; for instance, the level of autonomy is expected to be high for global innovators (subsidiaries highly involved in knowledge development activities), but low for implementers (subsidiaries rarely developing new knowledge).

Table 7

*Summary of the Effect of Autonomy on KT Effectiveness in MNE Hotel Subsidiaries Operating in Greece*

| Key concept                          | Key studies   | Key findings  |
|--------------------------------------|---|---|
| The effect of autonomy on MC for EKT | Cantwell and Piscitello (1999); Frost, Birkinshaw, and Ensign (2002); Schotter and Bontis (2009); Cantwell, Dunning, and Lundan (2010). | <ol style="list-style-type: none"> <li>1. A high level of autonomy enables innovative subsidiaries to address the requirements of their customers, and has helped managers and practitioners of the MNE subsidiaries to successfully use knowledge for innovations and the development of new products, behaviours, and attitudes.</li> <li>2. A higher level of autonomy positively influences subsidiary knowledge development as it allows a subsidiary to decide quickly and independently.</li> <li>3. The effectiveness of KT in MNE hotels operating in Athens, Greece was greatly based on particular influences concerning the connection between self-governing affiliates, local product, the ability to use knowledge, and new/own products.</li> </ol> |

With the findings that, a low level of autonomy could negatively affect the ability of a subsidiary to achieve innovation (Miller, Droge, & Toulouse, 1988; Ambos & Reitsperger, 2004; Frost et al., 2002; Cantwell et al., 2010) whereas high autonomy enhances the ability of MNEs to use knowledge to achieve innovation and develop new products, behaviours, and attitudes. This is most likely due to the freedom enjoyed by these managers and practitioners to pursue local opportunities, leading to successful EKT. It appears that they regarded the connection between self-governing affiliates, local product, the ability to use knowledge, and new/own products as based on autonomy. These findings corroborated the findings of other recent contributions, giving the current research a strong validity. Hence, the present finding adds autonomy as an additional determinant of EKT in MNE hotel subsidiaries operating in Athens, Greece (see Table 7).

The subsequent model of the current research illustrates managerial communication competences for knowledge hybridization and innovations in MNE hotels operating in Athens.

**Proposed Model**

Many authors have investigated how innovation happens in businesses through the role of external and internal knowledge contribution in enhancing organizational competences and generating innovation in MNEs. For instance, by sharing knowledge, companies have the possibility to cultivate new competencies, enhance their value, and enlarge their knowledge supply.

Nevertheless, scholars argue that hybridization as an innovative exercise and as an organizational innovation is a mixture of knowledge sharing by the headquarters with that of its affiliates (Barin Cruz, Chebbi, & Chtourou, 2011). In terms of hybridization in the innovation setting, several researchers have identified several categories of knowledge to be combined with the international ones, for instance, local constraints, local results, commercial knowledge, and local needs (Bartlett & Ghoshal, 1989; Subramaniam & Venkatraman, 2001).

In the literature, there is up to now, no suggested model to address the role of successful interpretations of mixed inter/intra-organizational knowledge via managerial communication competences, which underpinned by autonomy and flexibility may lead to EKT in terms of the innovation, new products, services, and attitudes in these MNE hotel subsidiaries operating in Athens. The current research was undertaken with the purpose of responding this gap and a framework in Figure 2 of MCs role in innovations in subsidiaries is offered.

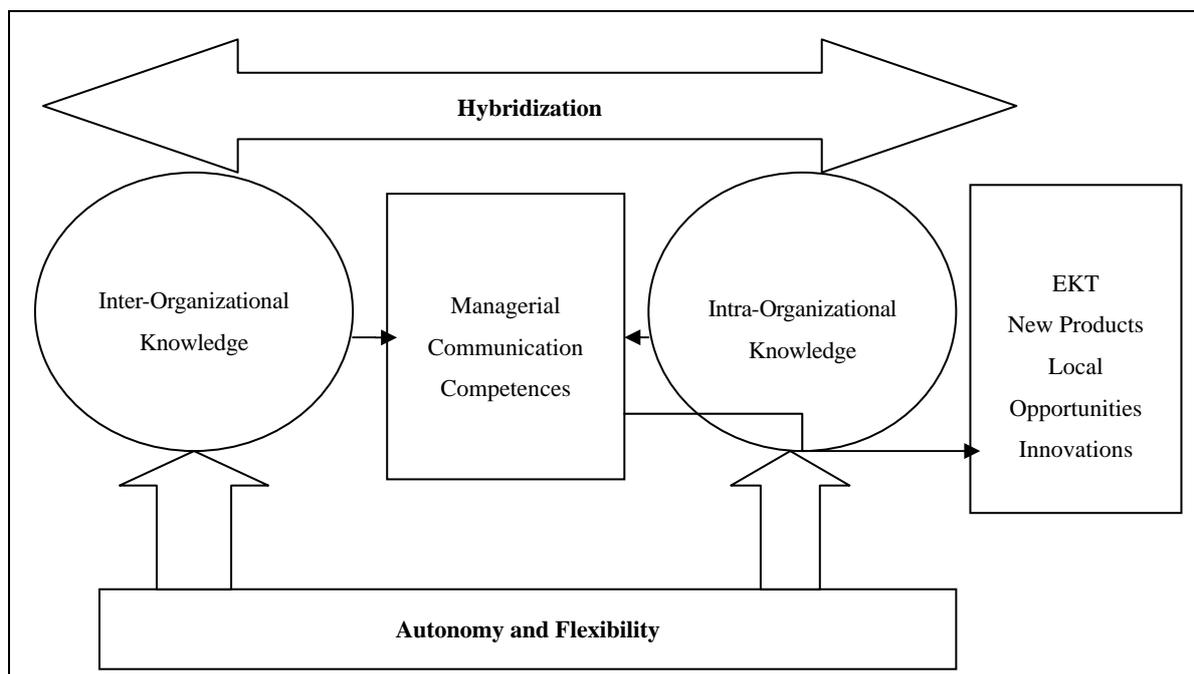


Figure 2. Managerial communication competences for knowledge hybridization and innovations:  
A framework for EKT in MNE hotel subsidiaries operating in Athens, Greece.

As illustrated in Figure 2 above, such successful interpretations may lead to EKT in these MNE Greek subsidiaries. The outcome of such successful interpretations can lead to new products, services, attitudes, and innovations making a significant contribution to the hybridization in generating new knowledge. It improves the integration of global deliberations and local particularities (national cultures, institutional pressures) at different stages and enhances relationships and communication of the parent with its affiliates (Barin Cruz et al., 2011).

In the strategic framework, the hybrid of inter/intra-organizational knowledge generates appropriate innovations which might be followed by the hospitality industry and hotel sector in different settings (“global” products). Indeed, MNEs could converge mixed inter/intra-organizational successes to become an incorporated practice (Subramaniam, 2006; Vrontis, Thrassou, Chebbi, & Yahiaoui, 2012).

### Limitations

The current research is limited to hotel subsidiaries of only four MNEs operating in Athens, Greece. While 15 interviews were conducted with GMs and practitioners from different subsidiaries which might offer a greater degree of validity, nevertheless, these findings cannot be generalized to other affiliates of Greek national hotels. Future research may perhaps try to replicate the research in different sectors or in the same sector in different contexts.

Finally, the current study has relied on one qualitative method; further research might attempt to replicate the study for better understandings and deeper insights via different qualitative methods, such as focus groups, observation, or the storytelling approach.

### Conclusions and Recommendations for Further Research

The current research enhances the understanding of in what way innovation arises in affiliates of MNEs hotels operating in Athens, Greece. The current research suggests that strong managerial communication competences are involved in utilising acquired knowledge either from headquarters of the subsidiaries, employees, counterparts, colleagues (intra-organizational level) or from the inter-organizational level. This will result in the generation of new philosophies, ideas, and beneficial visions or foster the innovative practice. What is more, a high level of autonomy and flexibility permits the creation of new services, attitudes, competences, and products in achieving competitive advantage in the host country, Greece.

In addition, results from the current study were strengthened by the sample including a mixture of managers/practitioners from different multinational enterprises.

The semi-structured interviews showed that specific managerial communication competences, knowledge and expertise, plus flexibility and autonomy are required to underpin the process of EKT in these hotels run by MNE subsidiaries operating in Athens, Greece.

While the current research sheds the light on significant contributions to the themes investigated at investigative level, the results uncover significant research questions for future expansion. For instance, further research might study innovation in the local and national hotels subsidiaries distributed in different Greek islands and cities to explore whether the same managerial communication competences are required to underpin the process of EKT such as autonomy and flexibility, at the local level. Also, further research could also conduct a longitudinal study to investigate whether the same competences are stable or have been altered over time.

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