

**REVERSE KNOWLEDGE TRANSFER IN INDIAN MULTINATIONALS- ROLE OF NETWORK EMBEDDEDNESS
AND ABSORPTIVE CAPACITY**



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By
Nivisha Singh
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Thesis Advisory Committee

Dr. Prashant Salwan (Chair)

Prof. Manish Popli (Member)

Prof. Manoj Motiani (Member)

Prof. Vikas Kumar (Member)

ABSTRACT

Within multinationals now the role of a parent as a prime source of knowledge and competencies is changing. Increasingly the parent firms are acting as a receiver of knowledge from their internationally dispersed subsidiaries. Leveraging knowledge from their geographically dispersed subsidiaries is emerging as a major source of competitive advantage. It helps EM-MNEs to overcome various liabilities such as liability of foreignness and ownership because of being late entrants in global market. This paper examines how the knowledge transfer from subsidiaries in developed nation impacts the performance of their parent based in emerging economies. This paper also examines much less researched role of network embeddedness and absorptive capacity on reverse knowledge transfer. We will see how various components of network embeddedness (trust, strength of tie and shared goals and norms) and potential and realized absorptive capacity impacts the reverse knowledge transfer process. This study will be in Indian context, we will study the impact of reverse knowledge transfer on Indian multinationals.

Keywords: *Reverse Knowledge flow, network embeddedness, absorptive capacity*

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